

STATE BUILDING AUTHORITY

A meeting of the State Building Authority (SBA) Board of Trustees was held at the Lansing Community College, in the Arts and Sciences Building, Room 217, located at 500 North Washington Square, Lansing, Michigan, at 2:00 p.m., Monday, October 27, 2014.

Board Members Present:

Patrick Devlin
Stephen D'Arcy (arrived at 2:21 p.m.)
Kenneth Lingenfelter
Carol Walters

Authority Staff:

Debbie Roberts, Executive Director
Carol Schulz, Financial Specialist
TeAnn Smith, Financial Analyst

Others Present:

Alan Lambert (Attorney General's Office)
Rachael Eubanks (R. W. Baird)
Mary Martin (Department of Treasury)
Lynette Witgen (Department of Treasury)

Chairperson Devlin called the meeting to order at 2:14 p.m. It was noted that a quorum was present. Ms. Roberts introduced Mary Martin, Acting Bureau Director, Bureau of State and Authority Finance.

Mr. Devlin asked if there were any comments from the public. There were none.

The minutes of the April 23, 2014, meeting were reviewed. Carol Walters moved that the minutes be accepted as written. Kenneth Lingenfelter supported the motion, which passed unanimously.

Ms. Roberts reviewed the agenda, which included a resolution for a carve-out of excess property for a currently bonded project that will be used for an upcoming project, a second resolution for approval of four projects for inclusion in the commercial paper program, a third resolution to approve a consent to easement agreements and authorizing consent agreements, and a fourth resolution to approve a change to our letter of credit provider.

Ms. Schulz reviewed the CP status report and noted that there are currently 14 projects in the CP Program. The total CP outstanding amount is \$114.1 million issued on October 9, 2014, at a rate of .07% with a maturity date of December 11, 2014.

Ms. Roberts discussed the status of the FY 2014 audit report indicating that documents have been provided to the auditors and that the audit is moving along smoothly.

Ms. Roberts explained the first resolution presented to the Board is for approval of conveyance of property for Alpena Community College and a second amendment to lease. The first amendment to the lease was approved at the

April 29, 2013 meeting. Ms. Roberts explained an additional carve out is needed to reconvey excess property included in a previously bonded project. The excess property is needed for a project currently in construction. After construction had commenced it was realized that the first carve out did not include enough property. Mr. Devlin asked if there were any questions on the resolution. There were none. It was moved by Carol Walters, supported by Stephen D'Arcy, that the Board approve the Resolution of the State Building Authority Approving the Conveyance of Property of Alpena Community College and a Second Amendment to Lease. A motion for a roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D'Arcy - Yes
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

The second resolution presented to the Board is to allow for four projects to enter the Commercial Paper Program and for approval of construction agreements, conveyances of property, leases and easement agreements, if necessary, for four facilities. Ms. Roberts indicated the resolution was in the form as previously approved in the past. It was moved by Stephen D'Arcy, supported by Carol Walters, that the Board approve the Resolution of the State Building Authority Approving Construction Agreements, Conveyances of Property, Leases and Easement Agreements, if Necessary, for Certain Facilities.

- Alpena Community College Electrical Power Technology Center
- DTMB State Facility Preservation Projects-Phase IV Group T Department of Community Health Walter P. Reuther New Activity Building
- Michigan State University Bio-Engineering Facility
- Wayne State University Multi-Disciplinary Biomedical Research Building

A motion for a roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D’Arcy – Yes
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

The third resolution presented to the Board is for approval of consent to easement agreements and authorizing consent agreements. Ms. Roberts indicated the historical estate of Fair Lane had been transferred to a nonprofit entity and the easement agreements were necessary for continued operation and use of the natural gas and sanitary sewer facilities. It was moved by Kenneth Lingenfelter, supported by Carol Walters, that the Board approve the Resolution of the State Building Authority Consenting to Easement Agreements and Authorizing the Consent Agreements and Other Matters Regarding the University of Michigan-Dearborn Hubbard Drive Professional Training and Education Acquisition (Phase II)

Engineering and Science Building Renovations Science Building Addition. A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D’Arcy – Recused himself from the vote
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

The fourth resolution presented to the Board is for approval of substitution of the letters of credit and approving supplements to Official Statements. Ms. Roberts indicated that a letter of credit provider change is being made due to increased costs of JPMorgan Chase Bank, the current letter of credit provider, and substantial savings offered by Citibank. It was moved by Carol Walters, supported by Stephen D’Arcy, that the Board approve the Resolution of the State Building Authority Authorizing Substitution of Letters of Credit and Approving Supplements to Official Statements for the State Building Authority State of Michigan 2007 Multi-Modal Revenue Bonds, Series I (Facilities Program) and 2011 Variable Rate Revenue Refunding Bonds, Series II-B (Facilities Program). A roll call vote was conducted with the following results:

- Mr. Devlin – Yes
- Mr. D’Arcy – Yes
- Mr. Lingenfelter – Yes
- Ms. Walters – Yes

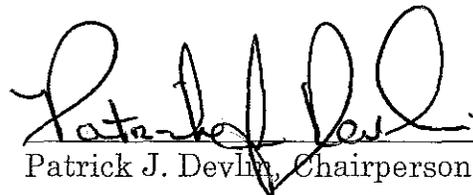
Ms. Roberts indicated the next regular meeting scheduled for Monday, January 26, 2015, may be cancelled if there is not enough business to bring before the Board. A large refunding transaction is anticipated for next summer. Mr. D'Arcy inquired as to any performance issues to be concerned with in SBA. Ms. Roberts indicated the projects are thoroughly reviewed and ranked and typically there are no issues with the SBA program.

Carol Walters made a motion for adjournment supported by Stephen D'Arcy. Mr. Devlin adjourned the meeting at 2:42 p.m.

APPROVED AND ADOPTED:



Deborah M. Roberts, Executive Director



Patrick J. Devlin, Chairperson