

SOUTH DAKOTA BUILDING AUTHORITY

MINUTES OF THE ANNUAL MEETING

SEPTEMBER 16, 2016

Pursuant to due notice, the South Dakota Building Authority met on Friday, September 16, 2016 at 1:41 P.M., CDT at South Dakota State University Dykhouse stadium conference room and via telephone. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham
Mr. Doug Hajek
Mr. Dennis Neugebauer
Mr. James Roby
Ms. Tina Van Camp
Mr. Steve Zellmer

Absent: Mr. Jim Breckenridge

Other staff and representatives of the Authority present were:

Mr. Donald Templeton, Executive Secretary
Mr. Todd Meierhenry, Meierhenry Sargent, LLP
Mr. Dustin Christopherson, South Dakota Health and Educational
Facilities Authority
Mr. Michael Jost, South Dakota Health and Educational Facilities Authority
Mr. Monte Kramer, Board of Regents
Mr. Bert Olson, The First National Bank in Sioux Falls (via telephone)
Mr. Neil Pritz, Piper Jaffray
Mr. Justin Hoogendourn, Piper Jaffray
President Dunn, Wes Tschetter, Dean Kattelmann, Mike Holbeck, Karen Jastram,
from South Dakota State University

A quorum was declared by the Chairman and the meeting was called to order.

Mr. Don Templeton advised the Authority members that the notice of the meeting had been posted at the entrance of the office of the South Dakota Building Authority on September 12, 2016. A copy of that notice is on file at the Authority office.

The Chairman asked for consideration of the minutes for the June 6, 2016 meeting. Mr. Roby moved to approve the minutes of the meeting as presented, seconded by Mr. Neugebauer and upon roll call, the ayes were: Graham, Hajek, Neugebauer, Roby, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

Conflict of Interest

Mr. Don Templeton and Mr. Todd Meierhenry reviewed HB1214 of the 2016 Legislature with the Board. Mr. Monte Kramer gave updates on the State Board of Internal Control. Mr. Templeton asked if any members had a conflict of interest with the agenda items of the meeting. No conflicts were noted.

Election of Officers

The Chairman stated the next order of business would be the annual election of officers for the Authority. The officer's positions being considered would be Vice Chairman and Secretary. It was noted that the Chairman is appointed by the Governor.

Mr. Neugebauer moved for; Vice Chairman Doug Hajek and Secretary James Roby, seconded by Mr. Hajek; and upon roll call, the ayes were: Graham, Hajek, Neugebauer, Roby, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

Moody's Payment of a Special Billing

Mr. Templeton reviewed a Moody's rating agency billing in the amount of \$18,000 sent by the Bureau of Finance and Management requesting the South Dakota Building Authority to pay. Mr. Templeton stated that this was the final rating that would get the state to an Aaa rating from the three major rating agencies. He also reviewed the map of states that currently have Moody's Aaa ratings and recommended that the board pay the invoice. After a lengthy discussion, Mr. Zellmer made a motion to approve the payment, seconded by Mr. Hajek, and upon roll call, the ayes were: Graham, Hajek, Neugebauer, Roby, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

Release of Property

Mr. Meierhenry reviewed 2-SDBA-16 (on file at the Authority office), a Resolution to release properties at Redfield and the State Penitentiary upon payment of the bonds on December 1, 2016. Mr. Hajek moved to approve the Resolution, seconded by Mr. Roby, and upon roll call, the ayes were: Graham, Hajek, Neugebauer, Roby, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

Project Reports

Mr. Templeton reviewed the project reports of outstanding cash balances for all bond issues with Project Fund cash balances. Mr. Dustin Christopherson reviewed the August 31, 2016 financial report for the Building Authority.

Post Compliance

Mr. Templeton and Mr. Meierhenry explained that staff reviewed all bonded projects and performed many on site construction visits and he believes all projects are compliant with bond covenants. Mr. Wes Tschetter stated that South Dakota State University will report actual final project costs of the Dykhouse Stadium to the bond counsel and Todd Meierhenry.

The SDBA board members conducted a post issuance compliance review and tour of the new Dykhouse Stadium, Performing Arts Center and the Cow-Calf Education and Research Facility. Mr. Tschetter and President Dunn reported on the football stadium revenues and expenses to support debt service as the Higher Educational Facilities Fund cannot be used to repay the bonds.

Adjournment

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 2:45 p.m. CDT.

Tour

Tours of the Dykhouse Stadium, Performing Arts Center and the Cow-Calf Education and Research Facility were held on September 16, 2016 to inspect the bonded projects.