

**SOUTH DAKOTA BUILDING AUTHORITY**

**MINUTES OF THE SPECIAL MEETING**

**FEBRUARY 20, 2013**

Pursuant to due notice, the South Dakota Building Authority met on February 20, 2013. The special meeting began on Wednesday, February 20, 2013 at 2:45 P.M., CST via telephone conference call. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham  
Mr. Dennis Haan  
Mr. Doug Hajek  
Mr. Joe Lien  
Mr. Dennis Neugebauer  
Mr. James Roby

Other staff and representatives of the Authority present were:

Mr. Donald Templeton, Executive Secretary  
Mr. Todd Meierhenry, General Legal Counsel  
Mr. Dustin Christopherson, South Dakota Health and Educational  
Facilities Authority  
Mr. Mick Jost, South Dakota Health and Educational  
Facilities Authority  
Mr. Jack Arnold, Dougherty & Company  
Mr. Bruce Bonjour, Perkins Coie  
Mr. Marc Oberdorff, Perkins Coie  
Mr. Jim Shekleton, Board of Regents  
Ms. Heather Forney, Board of Regents  
Mr. Jeff Siekmann, South Dakota State University  
Ms. Sheila Gestring, University of South Dakota

The Chairman declared a quorum and then called the meeting 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 February 13, 2013. A copy of that notice is attached hereto and is an integral part of the minutes (*See Attachment #1*).

The Chairman asked for consideration of the minutes for the December 20, 2012 special meeting. Mr. Jim Roby moved to approve the minutes of the meeting as presented, seconded by Mr. Lien. All members present voted aye. Motion carried.

### **Series 2007 IRS Audit Update**

Mr. Todd Meierhenry and Mr. Bruce Bonjour gave an update on the IRS audit of the Series 2007 bond issuance, stating that the audit is closed and that a letter of no change was received from the IRS but contend private use over 10% may be resolved in future years. Mr. Templeton also stated that the South Dakota Building Authority sent a letter to the Internal Revenue Service stating that the South Dakota Building Authority does not agree with private use findings. The Board reviewed the letters extensively and decided to take no action at this time. Mr. Shekleton of the Board of Regents agreed with the action.

### **Meierhenry Contract**

Mr. Templeton reviewed Meierhenry's Contract with the Board (as on file with the South Dakota Building Authority). Mr. Neugebauer moved to approve the contract, seconded by Mr. Hajek and upon roll call, the ayes were Graham, Haan, Hajek, Lien, Neugebauer and Roby; nays: none; abstain: none.

### **Sale Leaseback Properties**

Mr. Templeton discussed with the Board a Resolution and Instruments of Transfer (*See Attachment #2*) to transfer property back to the State for the Series 1986 Sale Leaseback bonds that are no longer outstanding. Mr. Hajek made a motion to approve the resolution and transfer, seconded by Mr. Neugebauer and upon roll call, the ayes were Graham, Haan, Hajek, Lien, Neugebauer and Roby; nays: none; abstain: none.

### **South Dakota Building Authority Property Insurance**

Mr. Templeton discussed the increase in property insurance with the Board. Mr. Templeton stated that the rate per \$100 has risen from .037 to .225 and our expense has risen from \$209,928 in FY-12 to \$410,350 in FY-13 and less money at year-end will be able to be remitted to the State per the South Dakota Building Authority remittal policy, which states that the Administrative Funds at year-end over \$750,000 will be remitted to the State.

### **Adjournment**

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 3:33 pm. CST.