

SOUTH DAKOTA BUILDING AUTHORITY

MINUTES OF THE SPECIAL MEETING

June 1, 2012

Pursuant to due notice, the South Dakota Building Authority met on Friday, June 1, 2012 at 10:57 A.M., CST via telephone. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham
Mr. Dennis Haan
Mr. Doug Hajek
Mr. D. J. Mertens
Mr. James Roby

Absent: Mr. Joe Lien
Mr. Dennis Neugebauer

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. Mick Jost, South Dakota Health and Educational
Facilities Authority
Mr. Bruce Bonjour, Perkins Coie

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 May 25, 2012. 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 January 27, 2012 meeting. Mr. James Roby moved to approve the minutes of the meeting as presented, seconded by Mr. Dennis Haan. All members present voted aye. Motion carried.

IRS Examination of Series 2007 bonds

Mr. Templeton discussed with the Board the IRS audit of the Series 2007 bonds. Mr. Templeton stated that the budget amount for Todd Meierhenry's legal fees was increased to \$15,000 and \$5,000 was added to the budget for Perkins Coie for representation during the audit.

Chapman and Cutler Contract

Mr. Templeton reviewed the Chapman and Cutler rebate computation contract for calendar year 2012. The contract allows \$2,500 per computation not to exceed \$20,000. Mr. Douglas Hajek moved to approve the contract seconded by Mr. Dennis Haan and upon roll call the ayes were: Graham, Haan, Hajek, Mertens, Roby, nays: none; abstain: none.

Meierhenry Sargent LLP Contract

Mr. Templeton reviewed the Meierhenry Sargent LLP Contract for calendar year 2012. Mr. D. J. Mertens moved to approve the contract at an hourly rate of \$150 not to exceed \$15,000 seconded by Mr. James Roby and upon roll call the ayes were: Graham, Haan, Hajek, Mertens, Roby, nays: none; abstain: none.

South Dakota Health and Educational Facilities Authority Contract

Mr. Templeton reviewed the South Dakota Health and Educational Facilities Authority contract with the South Dakota Building Authority for fiscal year 2013 at a monthly rate of \$13,048.31 for personal services, office space and utilities. Mr. Doug Hajak moved to approve the contract seconded by Mr. D. J. Mertens and upon roll call the ayes were: Graham, Haan, Hajek, Mertens, Roby, nays: none; abstain: none.

Fiscal Year 2013 Operating Budget

The Chairman stated the next order of business would be to consider the fiscal year 2013 operating budget (*see Attachment #2*) for the South Dakota Building Authority. Mr. Tom Graham participated in a Budget Committee meeting with the officers of the South Dakota Health and Educational Facilities Authority and gave input regarding the South Dakota Health and Educational Facilities Authority salaries and allocations of these to the South Dakota Building Authority. Mr. Don Templeton presented a proposed budget to the Directors and there was discussion about the various individual budget items. Mr. Don Templeton's fiscal year 2013 compensation of \$17,800 from the South Dakota Building Authority for services rendered as Executive Secretary is an additional amount to the \$18,266 allocated from the South Dakota Health and Educational Facilities Authority, which is part of the monthly allocation of the South Dakota Health and Educational Facilities Authority's costs of operation allocable to the South Dakota Building Authority. The support staff amount of \$91,103 is a salary allocation from the South Dakota Health and Educational Facilities Authority. These allocations will be reviewed at fiscal year end to actual hours spent and payments for these adjustments will be made accordingly. A transfer to the State of South Dakota of the excess cash balance over \$750,000 after June 30, 2012 was reviewed with the members and the amount built in the budget was expected to be \$239,912.

After further discussion, it was moved by Mr. D. J. Mertens to approve the operating budget, seconded by Mr. Dennis Haan and upon roll call the ayes were: Graham, Haan, Hajek, Mertens, Roby, nays: none; abstain: none.

Conservation Reserve Enhancement Program Fiscal Year 2013 Proposed Operating Budget

The Chairman stated the next order of business would be to consider the fiscal year 2013 operating budget for the Conservation Reserve Enhancement Program. Mr. Templeton presented a proposed budget (*see Attachment #3*) to the Directors and there was discussion about the various individual budgeted items.

After further discussion, it was moved by Mr. Doug Hajek to approve the operating budget as presented, seconded by Mr. D. J. Mertens and upon roll call the ayes were: Graham, Hajek, Mertens, Roby, nays: Haan; abstain: none

Adjournment

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 11:35 a.m. CST.

South Dakota Building Authority

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Date: May 25, 2012

To: Members of the South Dakota Building Authority

From: Don A. Templeton, Executive Secretary

Re: Notice of Special Meeting

You are hereby notified that the Chairman has set Friday, June 1, 2012 as the date for the Special Meeting of the South Dakota Building Authority to be held via telephone. The Special Meeting will follow the 10:30 a.m. (CDT) 9:30 a.m. (MDT) Educational Enhancement Funding Corporation meeting.

You may participate in the meeting by dialing 1-877-336-1828 and enter your Participant Access Code, which is 4677196 followed by the # key.

The following members have indicated they will be available for the meeting:

Tom Graham
Dennis Haan
Doug Hajek
Joe Lien

DJ Mertens
Dennis Neugebauer
James Roby (Uncertain)

An agenda is enclosed and information on the agenda items will be sent via Federal Express.

Cc: Todd Meierhenry
Bruce Bonjour

**SOUTH DAKOTA BUILDING AUTHORITY
PROPOSED OPERATING BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

<u>Bond Issue</u>	<u>Project</u>	<u>Bonds Outstanding 6/30/2012</u>	<u>Rate Charged on Lease</u>	<u>Proposed FY - 13 Budget</u>	<u>FY - 12 Estimated</u>
Cash balance, July 1				\$ 989,912	\$ 1,003,456
Annual administration fees:					
Office of Attorney General & Department of Public Safety					
Series 2005B		6,370,000	3.0%	19,415	19,500
Board of Regents					
Series 2002	Dakota State Univ., Black Hills State Univ.	175,000	3.0%	10,935	10,901
Series 2003	Refund 1993A&B, & 1995A	2,608,200	N/A	43,588	43,448
Series 2003A	USD Medical School, SDSM&T Projects	8,735,000	3.0%	29,723	29,702
Series 2003A	Refund Series 1997	800,000	N/A	5,567	5,598
Series 2005C	NSU - Technology Center	5,845,000	3.0%	14,614	14,622
Series 2005C	Partially refund 1999 & 2000	8,940,000	N/A	27,879	27,927
Series 2006A	USDSU Facility	1,665,000	3.0%	4,771	4,887
Series 2006A	Partially refund 1996C	634,198	N/A	-	13,764
Series 2007	USD, SDSU, USDSU Projects	36,610,000	3.0%	87,806	87,409
Series 2007	Critical M&R Projects	6,915,000	1.5%	10,276	10,354
Series 2008 A-1	BOR State Supported Science Projects	29,225,000	3.0%	69,143	69,188
Series 2008 A-2	BOR HEFF & M&R Supported Science Proj.	27,930,000	3.0%	66,001	66,152
Series 2008 A-3	BOR HEFF Supported Science Projects	8,950,000	3.0%	21,212	21,251
Series 2009	University Center of the Black Hills	12,430,000	3.0%	35,444	35,513
Series 2010A	BHSU, DSU & NSU Projects	10,325,000	3.0%	32,653	32,745
Series 2010B	University Center - Sioux Falls Project	8,970,000	3.0%	16,651	16,651
Series 2010D	Refund Remaining Series 1999	235,476	N/A	-	-
Series 2011	BHSU, NSU, SDSU & USD M&R Projects	12,330,000	1.5%	17,866	14,383
Series 2011A	Partially Refund 2002 & 2003A	6,925,000	N/A	-	-
Bureau of Administration					
Series 1991B Lease	Refund Sale Lease. Springfield - 1989	1,210,000	1.5%	9,761	9,716
Game, Fish & Parks					
Series 2003	Refund 1993B & 1996D	226,800	N/A	253	3,932
Series 2006A	Fish Hatcheries Renovations	8,315,000	1.5%	11,963	11,948
Series 2006A	Partially refund 1996C	261,708	N/A	593	3,260
Series 2007	CSP M&R	4,110,000	1.5%	6,078	6,138
Series 2007	CSP Cabins	675,000	3.0%	2,018	2,064
Series 2008 A-4	Custer State Park	1,885,000	1.5%	2,550	2,526
Series 2010C	Custer State Park	3,745,000	1.5%	4,843	4,828
Series 2010D	Refund Remaining Series 1999	714,524	1.5%	1,972	1,927
Health Department					
Series 2006A	Partially refund 1996C	1,034,094	3.0%	20,113	20,061
Human Services Department					
Series 1993A Lease	Refund Human Services Center - 1992	13,725,000	3.0%	87,155	87,666
Series 1991A Lease	Refund 1986 B and 1987 A	1,555,000	N/A	-	-
Series 1996A	Refund Sale Leaseback - 1986 A	6,326,501	N/A	-	-
Series 2006B&C	Partially refund 1996A	5,840,000	N/A	-	-
Series 2010B	Human Services Center - Dietary Building	5,325,000	3.0%	13,794	13,710
Total bonds outstanding		<u>\$ 251,566,501</u>			
Total annual administration fees				<u>\$ 674,637</u>	<u>\$ 691,771</u>

**SOUTH DAKOTA BUILDING AUTHORITY
PROPOSED OPERATING BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	<u>Proposed FY - 13 Budget</u>	<u>FY - 12 Estimated</u>
Other income:		
Interest income	\$ 36,250	\$ 38,749
Application Fee - Series 2011	-	5,000
Application Fee - Series 2012	5,000	-
Other Income	-	13
Insurance reimbursement from Institutions	4,050	2,345
Total other income	<u>\$ 45,300</u>	<u>\$ 46,107</u>
Total receipts	<u>\$ 719,937</u>	<u>\$ 737,878</u>
Disbursements:		
Personal Services	108,903	104,157
Payroll taxes	8,317	7,528
Employee benefits	30,036	25,872
Fiscal Year-end compensation adjustment	-	(6,247)
Total amount paid to the SDHEFA for administrative services	<u>\$ 147,256</u>	<u>\$ 131,310</u>
Authority member per diem	2,000	2,000
General legal counsel	15,000	1,600
Special legal counsel	5,000	-
Rent	8,124	8,124
Utilities	1,200	1,200
Office expense	3,500	3,500
Telephone	1,000	950
Travel	7,000	6,500
Audit fees	16,000	21,559
Insurance (for financed projects)	295,000	261,169
Central services - State of SD	2,500	1,800
Computer services - State of SD	500	300
Personnel Services - State of SD	500	400
Trustee / paying agent fees	22,500	20,250
Insurance - performance bond	750	705
Directors and Officers insurance	25,200	24,099
Arbitrage rebate calculations	15,000	12,500
Capital purchases	2,000	-
Total disbursements	<u>\$ 570,030</u>	<u>\$ 497,966</u>
Fiscal year receipts less disbursements	<u>\$ 149,907</u>	<u>\$ 239,912</u>
Cash balance before transfers	<u>\$ 1,139,819</u>	<u>\$ 1,243,368</u>
Transfer to State	239,912	253,456
Cash balance, June 30	<u><u>\$ 899,907</u></u>	<u><u>\$ 989,912</u></u>

**CONSERVATION RESERVE ENHANCEMENT PROGRAM
ADMINISTRATIVE FUND
FY-13 Proposed Operating Budget**

	Proposed FY-13 Budget	Estimated June 30, 2012
Cash balance, July 1	37,455	425,471
Income:		
Funded by annual ASCS payments/Residual Funds	22,793	22,948
Closed Remaining accounts to Admin Acct.	-	-
Interest income	10	3
Total receipts	22,803	22,951
Disbursements:		
Loan Officer	-	-
Payroll taxes	-	6
Health insurance	-	-
Dental insurance	-	-
Group term life insurance	-	-
Disability income insurance	-	-
Retirement plan contribution	-	-
Total payroll & benefits	-	6
Support Services & Other	-	-
Rent	6,500	6,480
Utilities	1,400	1,363
Office expense	1,100	1,030
Telephone	750	735
Postage	50	15
Audit fees	1,000	838
EDP & Accounting (Loan Admin)	500	500
Total disbursements	11,300	10,967
Fiscal year receipts less disbursements	11,503	11,984
Cash balance before transfers	48,958	437,455
Transfer to State	-	(400,000)
Cash balance, June 30	48,958	37,455