

**SOUTH DAKOTA BUILDING AUTHORITY**

**MINUTES OF THE SPECIAL MEETING**

**NOVEMBER 22, 2013**

Pursuant to due notice, the South Dakota Building Authority met on Friday, November 22, 2013 at 9:00 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. Joe Lien  
Mr. D. J. Mertens  
Mr. James Roby

Absent: Mr. Dennis Neugebauer

Other staff and representatives of the Authority present were:

Mr. Donald Templeton, Executive Secretary  
Mr. Todd Meierhenry, Meierhenry Sargent, LLP  
Mr. Mick Jost, South Dakota Health and Educational Facilities Authority  
Mr. Steve Corbin, South Dakota Health and Educational Facilities Authority

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 November 12, 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 November 8, 2013 special meeting. Mr. Roby moved to approve the minutes of the meeting as presented, seconded by Mr. Mertens. All members present voted aye. Motion carried.

**Series 2013 B Tax-Exempt, C Taxable & D Taxable Bonds**

Mr. Templeton reviewed the Notification of Sale, which is on file at the office of the South Dakota Building Authority, for the Series 2013 B, C and D bonds which included the amount of bonds and the interest rates.

### **State Veterans Home in Hot Springs Financing Fees**

Mr. Templeton and Mr. Meierhenry explained that the financing team had performed extensive work with the Department of Veterans Affairs regarding private bank placements. Two sets of Requests for Proposals had been sent out to banks and considerable legal work was performed to ensure that the private bank placement fit within our existing parity bond structure. The State of South Dakota was able to secure other funds to finance the Veterans Home and requested that Perkins Coie and Dougherty and Company be paid for their work.

Mr. Templeton and Mr. Meierhenry reviewed the Dougherty and Company contract and invoice for \$15,000 and the Perkins Coie contract for \$42,500. Mr. Templeton suggested that these two fees be paid by increasing the FY-14 budget expenses by \$57,500 and allowing the Executive Secretary to enter into contracts which are on file at the South Dakota Building Authority office with Dougherty & Company and Perkins Coie. Mr. Roby moved to approve the payment of these expenses and to allow the Executive Secretary to execute into these contracts, seconded by Mr. Hajek and upon roll call, the ayes were Graham, Haan, Hajek, Lien, Mertens and Roby; nays: none; abstain: none.

### **Captive Insurance Contract Fee**

Mr. Meierhenry explained that the state bonding authorities met with the Lt. Governor and three insurance companies that specialize in Captive Insurance programs to discuss the possibility of saving money and that Aon Insurance Company was selected to analyze the State authorities' current insurance and to suggest cost savings measures.

Mr. Meierhenry suggested that the South Dakota Building Authority pay the initial consulting fee of Aon in the amount of \$37,500 by creating a fiscal year 2014 expense line item for Captive Insurance of \$37,500 and that Mr. Templeton be able to contract with Aon regarding the initial study which form of contract is on file at the South Dakota Building Authority. Mr. Hajek moved to approve the payment of these expenses and to allow the Executive Secretary to execute into a contract and Mr. Mertens seconded and upon roll call Hajek, Lien, Mertens, Roby and Graham voted yes and Haan voted no.

### **Adjournment**

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 9:26 a.m. CST.

**South Dakota Building Authority**

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Date: November 12, 2013

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, November 22, 2013 as the date for the Special Meeting of the South Dakota Building Authority to be held via telephone conference at 9:00 a.m. (CST) 8:00 a.m. (MST).

**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

D.J. Mertens  
Dennis Neugebauer

James Roby

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

Cc: Todd Meierhenry, Meierhenry Sargent LLP  
Bruce Bonjour, Perkins Coie  
Jack Arnold, Dougherty & Company