

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE NOVEMBER 28, 2018 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority (SDHEFA) met on Wednesday, November 28, 2018 at 2:00 p.m., CT (1 p.m. MT) via telephone conference call. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Roberta Ambur
 William Lynch
 Don Scott
 Jim Scull
 Norbert Sebade
 Dave Timpe

Absent: Dave Fleck

Other staff and representatives of the Authority and other parties present were:

Vance Goldammer, Redstone Law Firm	Dustin Christopherson, Associate Director
Tom Grimmond, Dougherty & Co.	Steve Corbin, Finance Officer
Todd Vik, Sioux Falls School District	Todd Meierhenry, Meierhenry Sargent LLP
Donald Templeton, Executive Director and Secretary	

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated November 20, 2018 was posted at the entrance of the South Dakota Health and Educational Facility Authority prior to the meeting and is on file at the Authority office as well as posted on the Authority & State Board & Commission website.

Inquiry of the General Public present pursuant to HB 1172

Chairman Sebade asked if any members of the general public wished to speak. No members of the general public were in attendance.

Board Member Conflict of Interest and Inquiry of Conflicts of Interest

Mr. Templeton asked if any Board Members had a Conflict of Interest with any of the current meeting agenda items. Mr. Templeton stated that one written disclosure including request for conflict waiver under State Law, had been received from board members. The conflict for Dave Fleck is listed below.

Approval of the September 19, 2018 Annual Meeting Minutes

The Chairman asked for consideration of the minutes for the September 19, 2018 annual meeting. Mr. Timpe moved to approve the minutes, seconded by Mr. Scott, and upon the roll call, the ayes were Ambur, Lynch, Scott, Scull, Sebade and Timpe. Nays: none; abstained: none; motion carried.

Mr. Fleck's Conflict of Interest for Sioux Falls School District

Mr. Dave Fleck, as noted above, submitted written disclosure statements and requests for board waivers for the Sioux Falls School District agenda item. After full discussion of the nature of the potential conflicts as disclosed by Mr. Fleck, the Board made the findings that the conflict was fair, reasonable and not contrary to the public interest.

A motion was made to accept the waiver for Mr. Fleck as it related to the Sioux Falls School District agenda item (**Attachment #1**) by Ms. Ambur, seconded by Mr. Scull, and upon the roll call, the ayes were Ambur, Lynch, Scott, Scull, Sebade and Timpe. Nays: none; abstain: none. Motion carried.

Sioux Falls School District

Mr. Templeton reviewed the \$135,645,000 Series 2018A General Obligation bond issue of Sioux Falls School District. Todd Vik, the Business Manager for the Sioux Falls School District, reviewed the projects being financed: a new high school, a new middle school, a new elementary school for northwest Sioux Falls, and land for a new Whittier Middle School. The program allows a AA+ Standard & Poor's rating (the underlying rating is AA-). The established savings of the bonding having a AA+ rating is more than \$1,170,000 by using the State Aid Intercept Program.

Mr. Meierhenry explained that the General Obligation bonds were supported by voters with more than 85 percent of voters approving a bond issue.

Mr. Templeton reviewed the Preliminary Official Statement and Rating Report and noted that the State Aid projected debt service coverage was 5.90 and higher.

Mr. Goldammer reviewed the Resolution on file at the office of the Authority. Mr. Lynch moved to approve the Resolution, seconded by Mr. Scull, and upon the roll call, the ayes were Ambur, Lynch, Scott, Scull, Sebade and Timpe. Nays: none; abstained: none; motion carried.

The October 31, 2018 financial statement of the Authority was discussed.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 2:19 p.m., CT (1:19 p.m. MT).

Please complete this form, sign it and return to us prior to the meeting so we can include your waiver when we discuss it as an agenda item.

REQUEST FOR STATE BOARD WAIVER

THIS IS A PUBLIC DOCUMENT

Date: November 23, 2018

Name of Board Member or Former Board Member: Dave Fleck

Name of Board, Authority or Commission: South Dakota Health and Educational Facilities Authority

Brief explanation of your potential conflict of interest:

I am the Chairman of the Board of Directors for Journey Construction. Journey Construction has submitted a response to a RFP for a Construction Manager for the Sioux Falls School District to build a new high school. Journey Construction is selling the Sioux Falls School District approximately 49 acres of land for the new high school.

The project will be financed by bonds issued by the school district but they intend to use the state aid intercept program administered by the South Dakota Health and Educational Facilities Authority ("SDHEFA"). I am a current member of the board of SDHEFA.

Brief explanation of the current or anticipated business transaction with a State agency or with a political subdivision of the State and your role in the transaction:

No transaction with a state agency or political subdivision will occur. Payment for work on the contract results from the issuance of bonds through a program administered by SDHEFA, a transaction that may be within the jurisdiction or subject matter of the SDHEFA.

Brief explanation of the essential terms of the contract or transaction.

Construction of a high school and other projects by the Sioux Falls School District. Journey Construction is negotiating a land sale and has submitted a RFP for the Construction Manager.

Brief explanation of why you believe a waiver should be granted:

The transaction is fair, reasonable, and not contrary to the public interest. Sioux Falls School District has received five RFPs for the Construction Manager position. SDHEFA will not be involved in the selection of the contractor for the project; the contract will be independently negotiated with Sioux Falls School District and I will not vote or participate in any decision by SDHEFA relative to the bonding for the project.

Signature of Person Requesting Waiver: 

STATE OF SOUTH DAKOTA

South Dakota Health and Educational Facilities Authority

STATE BOARD DISCLOSURE LAWS
WAIVER AUTHORIZATION
PURSUANT TO SDCL 3-23-3 (current member)

A written request for waiver of conflict, dated November 23, 2018, was received from Dave Fleck. The request was acted upon by the members of South Dakota Health and Educational Facilities Authority during a meeting held on November 28, 2018.

(check one)

The request for waiver was denied for the following reasons:

The request for waiver was authorized for the following reasons:

Mr. Fleck has disclosed his potential conflict and has abstained from discussion and voting on the South Dakota Health and Educational Facilities Authority (the Authority) agenda item of allowing Sioux Falls School District to issue the Series 2018A bond issue through the Authority.

The request for waiver was authorized subject to the following conditions:

William F. Lynch 12/18/18
Signature of Chairperson or Authorized Member or Executive Director Date

Printed Name: William Lynch

Date mailed to Auditor-General: _____