

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE FEBRUARY 19, 2020 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority (SDHEFA) met on Wednesday, February 19, 2020 at 2 p.m., 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	Megan Mercer, Office of Risk Management
Don Templeton, Executive Director and Secretary	Gary Allen, Gallagher, Sioux Falls
Dustin Christopherson, Associate Director	Denise Allex, Gallagher, Sioux Falls
Steve Corbin, Finance Officer	Ian Newcomer, CRC Group, Chicago
Bruce Bonjour, Perkins Coie	Jeremy Ong, Great American Insurance Group, Seattle
President Brett Bradfield, University of Sioux Falls	
Marsha Denniston, University of Sioux Falls	

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated January 29, 2020 was posted at the entrances of the South Dakota Health and Educational Facilities 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. Sebade 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 Agenda

Mr. Lynch moved to approve the agenda, seconded by Ms. Ambur, and upon the roll call, the ayes were Ambur, Lynch, Scott, Scull, Sebade and Timpe. Nays: none; abstain: none; motion carried.

Approval of the December 20, 2019 Special Meeting Minutes

The Chairman asked for consideration of the minutes for the December 20, 2019 special meeting. Mr. Timpe moved to approve the minutes with one suggested change, seconded by Ms. Ambur, and upon the roll call, the ayes were Ambur, Lynch, Scott, Scull, Sebade and Timpe. Nays: none; abstain: none; motion carried.

Dave Fleck Conflict for University of Sioux Falls

Mr. Fleck, as noted above, submitted written disclosure statements and requests for board waivers for the University of Sioux Falls agenda item. After full discussion of the nature of the potential conflict 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 University of Sioux Falls agenda item (**Attachment #1**) by Mr. Scull, seconded by Mr. Scott, and upon the roll call, the ayes were Ambur, Lynch, Scott, Scull, Sebade and Timpe. Nays: none; abstain: none; motion carried.

University of Sioux Falls Series 2020 A, B, C, D Bond Issues

Mr. Templeton explained the University of Sioux Falls would like the Authority to issue bonds in the amount of \$18 million in four series to four banks to refund existing debt and fund approximately \$1,782,500 for certain new projects and to fund costs of issuance as shown in the Sources and Uses of Funds in the meeting book. President Bradfield reviewed the record enrollment numbers and explained the University of Sioux Falls' initial interest rate is 4.09 percent for the first five years. Marsha Denniston estimated this will save the University of Sioux Falls some \$363,511 annually.

Mr. Templeton reviewed the University of Sioux Falls' past-year audit report and six-month year-to-date statements for 2019 and 2018.

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

Cyber Insurance Summary

Mr. Templeton explained that insurance was purchased for \$2,413 for Cyber Insurance coverage in the amount of \$5 million and \$10 million aggregate split between the six state bonding authorities. Megan Mercer, Gary Allen, Denise Alex, Ian Newcomer and Jeremy Ong explained the coverages and reasons the insurance is beneficial to the Authority and answered Board member questions.

Mr. Goldammer reviewed the Agreement for Cyber Liability Coverage, which is on file at the Authority Office. Mr. Lynch moved to adopt the Agreement, seconded by Mr. Scott, and upon the roll call, the ayes were: Ambur, Lynch, Scott, Scull, Sebade and Timpe. Nays: none; abstain: none; motion carried.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 2:43 p.m., CT.

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: January 15, 2020

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 serve on the Board of Directors for the University of Sioux Falls. The University of Sioux Falls has a matter described below which will be pending in front of the members of the SDHEFA for which I also serve as a member.

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:

The SDHEFA will be considering a University of Sioux Falls refunding bond issuance for Series 2010 bonds as well as other non-Authority outstanding debt and new construction for the USF Sports Complex.

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

The University of Sioux Falls is refunding the Series 2010 Bonds as well as various non-Authority debt and plans to complete a stadium and parking at the USF Sports Complex.

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

I have opted to abstain from discussion and vote. This proposed business transaction is fair, reasonable, and not contrary to the public interest.

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 January 15, 2020 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 February 19, 2020.

(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 the Authority's consideration of the University of Sioux Falls refunding bonds and new construction.

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

William F. Dymek 2-19-20
Signature of Chairperson or Authorized Member Date

Printed Name: William Dymek

Date mailed to Auditor-General: 2/20/20