

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE AUGUST 16, 2017 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority (SDHEFA) met on Wednesday, August 16, 2017 at 2:00 p.m., CDT (1:00 p.m. MDT) via telephone conference call. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Dave Fleck
 Gene Lebrun
 Don Scott
 Jim Scull
 Norbert Sebade
 Dave Timpe (Mr. Timpe joined the meeting for the Kadoka School District agenda item.)

Absent: William Lynch

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

Vance Goldammer, Redstone Law Firm
Donald Templeton, Executive Director
Dustin Christopherson, Associate Director
Steve Corbin, Finance Officer
Bruce Bonjour, Perkins Coie
Toby Morris, Dougherty & Company, LLC
Jack Arnold, Dougherty & Company, LLC
Tom Grimmond, Dougherty & Company, LLC

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated August 10, 2017 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.

The Chairman asked for consideration of the minutes for the August 8, 2017 special meeting. Mr. Gene Lebrun moved to approve the minutes, seconded by Mr. Don Scott, and upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull and Sebade. Nays: none; abstained: none; motion carried.

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 three written disclosures including requests for conflict waivers had been received from board members in relationship to the current agenda. The conflicts were discussed later in the meeting.

Children's Care Hospital & School (affiliated with LifeScape) Reimbursement Resolution

Mr. Timpe's Conflict of Interest (**Attachment #1**) was reviewed. Mr. Timpe, as noted above, submitted a written disclosure statement and Request for Board Waiver for the Children's Care Hospital & School Reimbursement Resolution. After full discussion of the nature of the potential conflict as disclosed by Mr. Timpe, the Board made the findings described above that Mr. Timpe's conflict was fair, reasonable and not contrary to the public interest. A motion was made to accept the waiver for Mr. Timpe as it related to Children's Care Hospital & School by Mr. Jim Scull, seconded by Mr. Gene Lebrun, and upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull and Sebade. Nays: none; abstain: none. Motion carried.

Mr. Templeton and Mr. Arnold explained that the Reimbursement Resolution is part of a planned Lifescape bond issuance through the Authority later this fall. The Resolution allows for future bonding of up to \$600,000 for capital expenditures on the Children's Care Hospital & School campus. Mr. Bonjour reviewed the Resolution on file at the Authority Office. Mr. Jim Scull moved to approve the Resolution, seconded by Mr. Dave Fleck, and upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull and Sebade. Nays: none; abstained: none; motion carried.

Andes Central School District State Aide Intercept Program

Mr. Timpe's Conflict of Interest (**Attachment #2**) was reviewed. Mr. Dave Timpe, as noted above, submitted a written disclosure statement and Request for Board Waiver for Andes Central School District. After full discussion of the nature of the potential conflict as disclosed by Mr. Timpe, the Board made the findings described above that Mr. Timpe's conflict was fair, reasonable and not contrary to the public interest. A motion was made to accept the waiver for Mr. Timpe as it related to Andes Central School District by Mr. Don Scott, seconded by Mr. Dave Fleck, and upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull and Sebade. Nays: none; abstain: none. Motion carried.

Mr. Templeton and Mr. Morris reviewed the Summary page, which projects \$9.5 million bonding for a new high school and remodeling of the elementary school. The lender for the loan is First Bank & Trust, Brookings, to June 1, 2019. Thereafter, the Rural Electric Economic Development program has committed to finance the project upon the balloon payment. The South Dakota Health and Educational Facilities Authority will consider a new application prior to the balloon payment date.

Mr. Bonjour has reviewed the documentation of the application. Mr. Bonjour reviewed the Resolution on file at the Authority Office. Mr. Gene Lebrun moved to approve the Resolution, seconded by Mr. Don Scott, and upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull and Sebade. Nays: none; abstained: none; motion carried.

Mr. Jim Scull left the meeting. Mr. Dave Timpe joined the meeting.

Kadoka School District State Aide Intercept Program

Mr. Scull's Conflict of Interest (**Attachment #3**) was reviewed. Mr. Scull, as noted above, submitted a written disclosure statement and Request for Board Waiver for the Kadoka School District. After full discussion of the nature of the potential conflict as disclosed by Mr. Scull, the Board made the findings described above that Mr. Scull's conflict was fair, reasonable and not contrary to the public interest. A motion was made to accept the waiver for Mr. Scull as it related to Kadoka School District by Mr. Don Scott, seconded by Mr. Dave Fleck, and upon the roll call, the ayes were Fleck, Lebrun, Scott, Sebade and Timpe. Nays: none; abstained: none; motion carried.

Mr. Templeton and Mr. Grimmond reviewed the Summary. The expected bond amount is \$4,080,000 to construct a new gym and fitness center.

Mr. Bonjour received the documentation and reviewed the Resolution on file at the Authority Office. Mr. Dave Timpe moved to approve the Resolution, seconded by Mr. Gene Lebrun, and upon the roll call, the ayes were Fleck, Lebrun, Scott, Sebade and Timpe. Nays: none; abstained: none; motion carried.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 2:55 p.m. CDT.

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: July 28, 2017

Name of Board Member or Former Board Member: Dave Timpe

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

Brief explanation of your potential conflict of interest:

I am the past Interim CEO for Children's Care Hospital and School that affiliated with Lifescope.

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:

I am a board member of the South Dakota Health and Educational Facilities Authority and a past executive officer for Children's Care Hospital and School.

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

To refund the Series 2007 bonds through Lifescope, who will be the borrower. South Dakota Health and Educational Facilities Authority will issue the bonds for Lifescope.

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

Member has opted to abstain from discussion and vote on this and the transaction is fair, reasonable, and not contrary to the public interest.

Signature of Person Requesting Waiver: Dave Timpe 7-28-17

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 July 28, 2017, was received from
Dave Timpe. The request was acted upon by the members of
South Dakota Health and Educational Facilities Authority during a meeting held on
August 16, 2017.

(check one)

_____ The request for waiver was denied for the following reasons:

X The request for waiver was authorized for the following reasons:

Mr. Timpe 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 Lifescape to refund the Series 2007 bond issue through the Authority.

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



Signature of Chairperson or Authorized Member

8/16/17
Date

Printed Name: Norbert Sebade

Date mailed to Auditor-General: _____

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: August 10, 2017

Name of Board Member or Former Board Member: Dave Timpe

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

Brief explanation of your potential conflict of interest:

Audit Committee member and stockholder with Fishback Financial Corporation and
Board member of First Bank and Trust in Sioux Falls

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:

Andes Central School District
financing through First Bank and Trust Brookings

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

Construction of new classrooms

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

Member has opted to abstain from discussion and vote

Signature of Person Requesting Waiver: Dave A. Timpe

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 August 10, 2017, was received from
Dave Timpe. The request was acted upon by the members of
South Dakota Health and Educational Facilities Authority during a meeting held on
August 16, 2017.

(check one)

☐ The request for waiver was denied for the following reasons:

☒ The request for waiver was authorized for the following reasons:

Mr. Timpe 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 Andes Central School District to issue the Series 2017 bond issue through the Authority.

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



Signature of Chairperson or Authorized Member

8/16/17
Date

Printed Name: Norbert Sebade

Date mailed to Auditor-General: _____

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: July 24, 2017

Name of Board Member or Former Board Member: Jim Scull

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

Brief explanation of your potential conflict of interest:

I have more than a 5% ownership interest in Scull Construction Service, Inc. Scull Construction Service, Inc. is constructing the new gym and fitness center for Kadoka Public Schools.

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.

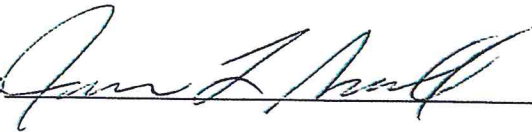
Brief explanation of the essential terms of the contract or transaction.

Construction of a new gym and fitness center for Kadoka. Kadoka Public Schools selected Scull Construction Service, Inc. as the Construction Manager at Risk. The project will be financed by the school district and assisted by the South Dakota Health and Educational Facilities Authority.

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

The transaction is fair, reasonable, and not contrary to the public interest. SDHEFA was not involved in the selection of the Construction Manager at Risk for the Kadoka Public School project, 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 July 24, 2017, was received from
Jim Scull. The request was acted upon by the members of
South Dakota Health and Educational Facilities Authority during a meeting held on
August 16, 2017.

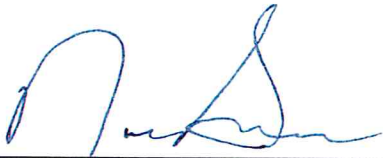
(check one)

☐ The request for waiver was denied for the following reasons:

☒ The request for waiver was authorized for the following reasons:

Mr. Scull 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 Kadoka School District to issue the Series 2017 bond issue through the Authority.

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



Signature of Chairperson or Authorized Member

8/16/17
Date

Printed Name: Norbert Sebade

Date mailed to Auditor-General: _____