

IDAHO STATE BUILDING AUTHORITY
MINUTES OF THE MEETING OF THE
BOARD OF COMMISSIONERS

DATE: **May 4, 2022**

LOCATION: **Authority Office**
 950 W. Bannock Street, Suite 490
 Boise, Idaho 83702

Commissioners Present

James Hammond (by Zoom)
Shelly Enderud (by Zoom)
Tim Anderson (by Zoom)
Anthony Vahsholtz (by Zoom)
Mark Ciavarella (by Zoom)
Dale McOmber (in person)

Commissioners Absent

V.L. "Bud" Tracy, Chairman

Others Present

Wayne Meuleman, Executive Director (in person)
Eric Heringer, Piper Sandler (in person)
Tammy Hermiston, Department of Administration (in person)
Bobby Lawrence, Eide Bailly (in person)
Rick Skinner, Skinner Fawcett (by Zoom)
John McDevitt, Skinner Fawcett (by Zoom)

1. Call to Order

As acting Chair of the meeting, Vice Chairman Hammond called the meeting to order at 10:30 a.m.

2. Minutes of May 27, 2021 Meeting

Commissioner Hammond requested discussion regarding the minutes of the May 27, 2021 meeting. There being no questions or comments, the question of approval was called.

MOTION TO APPROVE:

Commissioner Enderud moved to approve the meeting minutes as presented. Commissioner Vahsholtz seconded the motion. The motion was unanimously adopted.

3. Resolution 2022-001 Authorizing Defeasance of Bonds

Commissioner Hammond invited review of the proposed defeasance of certain outstanding bonds. Mr. Meuleman explained that the proposal is in response to the Bond Payment Program developed by the Idaho Department of Administration ("IDOA") and a supplemental appropriation of \$175,754,000 by the 2022 Idaho Legislature. He introduced Tammy Hermiston. She explained the background of IDOA's Bond Payment Program. The Authority's financial advisor, Eric Heringer, then reviewed a Defeasance

Summary prepared by Piper Sandler which details the estimated funding for defeasance of bonds and estimated debt service generated by such defeasance. He then explained the estimated cost of the defeasance transactions, the process for funding and investing funds to be held in escrow to defease the bonds, and the proposed schedule for finalizing the transactions. The Authority's bond counsel, Rick Skinner, then discussed the separate escrows to be established for each outstanding bond issue to be defeased and explained that arbitrage rebate reporting is not required by the appropriate bond resolutions. He also noted that a formal bond counsel opinion is not a requirement of the bond resolutions and that a bond counsel opinion would be addressed only to the Board of Commissions. Mr. Meuleman suggested that, although not required, in light of the magnitude of the overall defeasance program and the minor cost of securing bond opinion, it would be appropriate to have a formal bond counsel opinion supporting the Board's actions.

After further discuss, Commissioner Hammond requested the Board's consideration of Resolution 2022-001 as presented.

MOTION TO APPROVE:

Commissioner Anderson moved to approve Resolution 2022-001 as presented. Commissioner Enderud seconded the motion. The motion was unanimously adopted.

A copy of Resolution 2022-001 is attached hereto.

4. Review of FY2021 Audit

Commissioner Hammond invited Mr. Lawrence to review the June 30, 2021 audit report and related matters. Mr. Lawrence addressed several sections of the audit report, the Auditor's Certificate, and the Governance Letter. He also discussed potential accounting changes that may be required next year to conform to changes being adopted by the Idaho State Controller. There being no questions or comments regarding the report, Commissioner Hammond requested action to accept the FY2021 Audit.

MOTION TO ACCEPT:

Commissioner McOmbler moved to accept the FY2021 audit as presented. Commissioner Enderud seconded the motion. Upon vote, the motion was unanimously adopted.

5. Transfer of Idaho Parks & Recreation Headquarter Facilities

Commissioner Hammond asked Mr. Meuleman to review the April 11, 2022 letter from the IDOA and Idaho Department of Parks & Recreation ("IDPR"). The letter exercises the State's option to terminate the Premises Lease and Facilities Lease relating to Project No. 27 based upon final payment of the bonds that was made September 1, 2021. The Authority is requested to execute a quitclaim deed to document the transfer of the facilities and improvements financed by Authority bonds. Mr. Meuleman requests approval and authorization to execute the requested deed. There being no questions or comments, the following motion was considered.

MOTION TO APPROVE:

Commissioner Enderud moved to approve and authorized the Executive Director to execute and deliver a quitclaim deed conveying the IDPR headquarters facilities to the State of Idaho. Commissioner Vahsholtz seconded the motion. Upon vote, the motion was unanimously adopted.

6. Consideration of FY2023 Annual Administrative Budget

Commissioner Hammond then invited Mr. Meuleman to review the proposed FY2023 Annual Administrative Budget. He reported that the budget proposal shows the current FY2022 budget as adopted, projected revenue, and expenditures through June 30, 2022, and a proposed budget of revenue and expenditures anticipated for FY2023. He noted that some expense items for FY2023 have been substantially reduced in anticipation of a reduction in some items due to defeasance of bonds.

Following brief discussion, Commissioner Hammond called for a motion.

MOTION TO APPROVE:

Commissioner Anderson moved to approve the proposed FY2023 Administrative Budget as presented. The motion was seconded by Commissioner Enderud and, upon vote, was unanimously adopted. A copy of FY2023 Administrative Budget, as adopted, is attached hereto.

7. Election of Chair and Vice Chair

Commissioner Hammond then called for election of Board Chairman and Vice Chairman.

MOTION TO ELECT CHAIRMAN:

Commissioner Anderson moved that Commissioner Tracy be re-elected as Chairman. The motion was seconded by Commissioner Enderud and upon vote, Commissioner Tracy was elected as Chairman.

Commissioner Enderud then moved to re-elect Commissioner Hammond as Vice Chairman. The motion was seconded by Commissioner McOmber and upon vote, Commissioner Hammond was elected as Vice Chairman.

8. Other Business

There was no other business to come before the meeting.

ADJOURNMENT

Vice Chairman Hammond adjourned the meeting at 11:25 a.m.

Submitted by: _____

Wayne Meuleman, Executive Director

Approved by: _____

V.L. Bud Tracy, Chairman

BOARD OF COMMISSIONERS OF IDAHO STATE BUILDING AUTHORITY
RESOLUTION NO. 2022-001

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE IDAHO STATE BUILDING AUTHORITY AUTHORIZING THE PAYMENT AND DEFEASANCE OF CERTAIN OUTSTANDING BONDS AND THE EXECUTION AND DELIVERY OF DOCUMENTS AND AGREEMENTS AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Idaho State Building Authority, an independent public body corporate and politic of the State of Idaho (the “Authority”), previously issued its State Building Refunding Revenue Bonds, Series 2012A (Health and Welfare Project), State Building Refunding Revenue Bonds, Series 2012C (Idaho State University Project), State Building Refunding Revenue Bonds, Series 2012D (College of Western Idaho Project), State Building Refunding Revenue Bonds, Series 2012E (University of Idaho Project), State Building Refunding Revenue Bonds, Series 2012F (Lewis-Clark State College Project), State Building Refunding Revenue Bonds, Series 2012G (North Idaho College Project), State Building Refunding Revenue Bonds, Series 2012H (College of Southern Idaho Project), State Building Refunding Revenue Bonds, Series 2012I (Idaho State Police/POST Academy Project), State Building Refunding Revenue Bonds, Series 2013A (Capitol Mall Parking Project), State Building Revenue Bonds, Series 2013B (Eastern Idaho Technical College Project), State Building Revenue Bonds, Series 2017A Bonds (State Office Campus), State Building Revenue Bonds, 2017B Bonds (State Office Campus), State Building Refunding Revenue Bonds, Series 2018C (Prison Facilities Project) (collectively, the “Bonds”); and

WHEREAS, the Sixty-sixth Idaho Legislature, Second Regular Session, has appropriated the sum of \$175,754,000.00 (the “Bond Payment Funds”) to the Idaho Department of Administration (“IDOA”) to be used for IDOA’s Bond Payments Program; and

WHEREAS, IDOA wishes to transfer the Bond Payment Funds to the Authority to be held and applied, together with other funds of the Authority available for the payment of the Bonds, to defease each Series of the Bonds; and

WHEREAS, to accomplish the defeasance of the Bonds, the Board of Commissioners of the Authority (the “Board”) desires to take such actions as necessary and appropriate, including the execution of documents, giving of notices and any other actions, to accomplish the defeasance of the Bonds.

NOW, THEREFORE, IT IS RESOLVED as follows:

Section 1. The Bond Payment Funds shall be received and deposited with Zions Bank in a separate custody account to be held and applied exclusively for the defeasance of the Bonds and the payment of costs thereof as may be incurred by the Authority. Any balance of Bond Payment Funds remaining after the full defeasance of the Bonds shall be refunded to IDOA.

Section 2. The Authority shall establish a special escrow account with Zions Bank, as Escrow Agent, for each of the Bonds each pursuant to an Escrow Agreement between the Authority

and the Escrow Agent and hereby authorizes the execution of each Escrow Agreement by the Executive Director and the allocation and distribution of the Bond Payment Funds to the respective special escrow accounts in amounts, together other funds of the Authority available therefor, sufficient to fully defease the Bonds, and further authorizes the execution of any and all related documents by the Executive Director for the Authority including without limitation execution or filing of any documents in connection with the tax exemption of the Bonds.

Section 3. Upon full defeasance of the Bonds, the Authority’s interests in each of the Projects financed by issuance of the Bonds shall be conveyed by quitclaim deed to the appropriate entity or agency of the State of Idaho.

Section 4. The Executive Director is hereby authorized to take all acts necessary or appropriate to implement and accomplish the forgoing authorized actions and is hereby delegated the authority to sign, execute and deliver all necessary documents to accomplish the such authorized actions.

Section 5. This Resolution shall be effective immediately.

PASSED AND ADOPTED by the Idaho State Building Authority on this ____ day of May, 2022.

APPROVED AND EXECUTED by the Chairman of the Board of Commissioners of the Authority and attested by Secretary of the Authority, on this ____ day of May, 2022.

APPROVED:

V. L. Bud Tracy
Chairman

Attest: _____
Wayne Meuleman
Secretary

IDAHO STATE BUILDING AUTHORITY

SOURCES OF FUNDS:

Beginning Balance Forward
 Additional Rent
 Administrative Fund Earnings

TOTAL SOURCES OF FUNDS

USES OF FUNDS:

Accounting Services
 Arbitrage Review
 Audit
 Financial Accounting
 Board Honorarium/Expense
 Financial Advisor
 Insurance
 Director/Officer Liability Ins
 General Liability Insurance
 Legal Services
 Bond Counsel--General
 Exec Dir/General Counsel
 Office and Administration
 Office and Administration
 General Expenses (website, etc.)
 Trustee Fees/Costs

TOTAL USES OF FUNDS

Operating Reserve
 Total Funds Required

FY2023 Adopted Administrative Budget	
	115,000.00
	198,000.00
	-
\$	313,000.00
	-
	21,500.00
	12,000.00
	2,500.00
	10,000.00
	80,000.00
	33,000.00
	1,000.00
	20,000.00
	90,000.00
	1,000.00
	12,000.00
\$	283,000.00
	30,000.00
\$	313,000.00