

**EDUCATIONAL ENHANCEMENT FUNDING CORPORATION**

**MINUTES OF THE ANNUAL MEETING**

**October 5, 2017**

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Thursday, October 5, 2017, at the Blue Bell Lodge at Custer State Park and via telephone. The annual meeting began at 3:00 p.m., MDT. Mr. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Jim Breckenridge  
Mr. Tom Graham  
Mr. Doug Hajek  
Mr. Ken Karels  
Mr. Dennis Neugebauer (via telephone)  
Mr. James Roby  
Mr. Steve Zellmer

Absent: Mr. James Spies  
Ms. Tina Van Camp

Other staff and representatives of the Corporation present were:

Mr. Donald Templeton, Executive Secretary  
Mr. Todd Meierhenry, Meierhenry Sargent, LLP (via telephone)  
Mr. Dustin Christopherson, South Dakota Health and Educational  
Facilities Authority  
Mr. Michael Jost, South Dakota Health and Educational Facilities Authority  
Mr. Bert Olson, The First National Bank in Sioux Falls  
Mr. Steve Corbin, South Dakota Health and Educational Facilities Authority (via telephone)

A quorum was declared by the Chairman and the meeting was called to order.

Mr. Don Templeton advised the Corporation members that the notice of the meeting had been posted at the entrance of the office of the Educational Enhancement Funding Corporation on September 25, 2017. A copy of that notice is on file at the Authority's office.

The Chairman asked for consideration of the minutes for the June 22, 2017, meeting. Mr. Roby moved to approve the minutes as presented, seconded by Mr. Karels and upon roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Neugebauer, Roby and Zellmer; nays: none; abstain: none. Motion carried.

## **CONFLICT OF INTEREST**

Mr. Templeton asked if any members had a conflict of interest with the agenda items of the meeting. No conflicts were noted.

## **ELECTION OF OFFICERS**

Mr. Templeton reviewed the Vice-Chairman and Secretary offices. Mr. Doug Hajek was nominated for Vice-Chairman and Mr. James Roby was nominated for Secretary. Mr. Karels made a motion to elect these two officers, seconded by Mr. Breckenridge and upon roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Neugebauer, Roby and Zellmer; nays: none; abstain: none. Motion carried.

## **MASTER SETTLEMENT AGREEMENT (MSA) PAYMENT SUMMARY**

Mr. Don Templeton reviewed the receipt of the MSA payments of \$24,301,507 that were received in April 2017. After funding debt service and operating expenses a transfer of \$8,225,785 was sent to the Education Enhancement Trust Fund held by the South Dakota Investment Council. The outstanding bonds, year to date financials and operating budget were reviewed in detail.

## **PERKINS COIE CONTRACT**

Mr. Templeton reviewed the Perkins Coie contract on file with the Educational Enhancement Funding Corporation for the period of September 1, 2017, through August 31, 2018, with the annual fee not to exceed \$15,000 for the legal fees plus \$1,250 - \$1,750 per rebate computation prepared by Wildan Financial plus \$2,500 for each biannual Universal Cap Analysis. Mr. Roby moved to approve the contract, seconded by Mr. Hajek and upon roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Neugebauer, Roby and Zellmer; nays: none; abstain: none. Motion carried.

## **POST ISSUANCE COMPLIANCE REVIEW**

Mr. Todd Meierhenry and Mr. Templeton gave a post issuance compliance review summary and stated that the Educational Enhancement Funding Corporation was in compliance of bond covenants and federal law.

## **CODE OF CONDUCT & CONFLICT OF INTEREST POLICY FOR EEFC Board Members' "CODE"**

Mr. Meierhenry and Mr. Templeton reviewed the Code (developed by the State Board of Internal Control) on file at the Authority Office. The Authority approves this to be used in the Captive Insurance Application. Mr. Hajek moved to approve the Code, seconded by Mr. Karels and upon the roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Neugebauer, Roby and Zellmer; nays: none; abstain: none. Motion carried.

## **ADJOURNMENT**

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 3:33 p.m. MDT.