

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION

MINUTES OF THE SPECIAL MEETING

JUNE 27, 2013

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Thursday, June 27, 2013. The special meeting began at 2:00 p.m., CDT via telephone. Mr. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham
Mr. Dennis Haan
Mr. Doug Hajek
Mr. Joe Lien
Mr. Dennis Neugebauer
Mr. James Spies

Absent: Mr. Ken Karels
Mr. D. J. Mertens
Mr. James Roby

Other staff and representatives of the Corporation present were:

Mr. Donald Templeton, Executive Secretary
Mr. Todd Meierhenry, Meierhenry Sargent, LLP
Mr. Dustin Christopherson, South Dakota Health and Educational
Facilities Authority
Mr. Mick Jost, South Dakota Health and Educational
Facilities Authority
Mr. Steve Corbin, South Dakota Health and Educational Facilities Authority

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 June 19, 2013. A copy of that notice is attached hereto and is an integral part of the minutes (*see Attachment #1*).

The Chairman asked for consideration of the minutes for the February 20, 2013 meeting. Mr. Spies moved to approve the minutes as presented, seconded by Mr. Lien. All members present voted aye. Motion carried.

SERIES 2013A&B REFUNDING SUMMARY

Mr. Todd Meierhenry reviewed the Educational Enhancement Trust Fund and the allowable expenses from interest earnings of the fund.

Mr. Templeton reviewed the Series 2013A&B refunding bond results and the 2013 Master Settlement Agreement “MSA” payments received and that \$1,676,100.98 of excess MSA payments were transferred to the Educational Enhancement Trust Fund this year. He next reviewed the future debt service requirements of the bonds.

MEIERHENRY-SARGENT L.L.P CONTRACT

Mr. Todd Meierhenry explained the Meierhenry-Sargent FY-2014 Contract on file with the Educational Enhancement Funding Corporation. Doug Hajek moved to approve the contract, seconded by Dennis Neugebauer. Tom Graham, Dennis Haan, Doug Hajek, James Spies, Dennis Neugebauer and Joe Lien voted aye. Motion carried.

SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES AUTHORITY FY-2014 CONTRACT

Mr. Templeton explained the South Dakota Health and Educational Facilities Authority FY-2014 Contract on file with the Educational Enhancement Funding Corporation. Dennis Neugebauer moved to approve the contract, seconded by Doug Hajek. Tom Graham, Dennis Haan, Doug Hajek, James Spies, Dennis Neugebauer and Joe Lien voted aye. Motion carried.

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION FY-2014 BUDGET

Mr. Templeton reviewed the Educational Enhancement Funding Corporation FY-2014 Budget (*see Attachment #2*) in detail. Dennis Haan moved to approve the budget, seconded by James Spies. Tom Graham, Dennis Haan, Doug Hajek, James Spies, Dennis Neugebauer and Joe Lien voted aye. Motion carried.

ADJOURNMENT

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 2:24 p.m. CST.

Educational Enhancement Funding Corporation

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Date: June 19, 2013

To: Members of the Educational Enhancement Funding Corporation

From: Don A. Templeton, Executive Secretary

Re: Notice of Special Meeting

You are hereby notified that the Chairman has set Thursday, June 27, 2013 as the date for the Special Meeting of the Educational Enhancement Funding Corporation to be held via telephone at 2:00 p.m. (CST) 1:00 p.m. (MST).

You may participate in the meeting by dialing 1-877-336-1828 and enter your Participant Access Code, which is 4677196 followed by the # key.

The following members have indicated they will be available for the meeting:

Tom Graham

Doug Hajek

Dennis Neugebauer

James Spies

Dennis Haan

Joe Lien

James Roby (Uncertain)

Enclosed is the agenda and information on agenda items will be sent via Federal Express.

Cc: Todd Meierhenry

Bruce Bonjour

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION
ADOPTED OPERATING BUDGET
6/30/2014

	<u>FY-14</u> <u>Adopted Budget</u>	<u>FY-13</u> <u>Estimated Final</u>
Beginning Balance July 1:	\$ 244,319	\$ 1,165,684
Revenues:		
Annual tobacco payments <i>(To be Received in April 2014)</i>	\$ 181,391	\$ 244,533
Series 2013A/B Bond Proceeds	-	10,000
Interest income	1,000	15,000
Total revenues	<u>\$ 182,391</u>	<u>\$ 269,533</u>
Expenses:		
Directors and Officers insurance	\$ 51,530	\$ 49,966
SDHEFA		
Management fee	32,000	32,000
Supplies	3,000	3,000
Trustee fees	4,000	5,950
Legal services - Meierhenry	10,000	1,590
Legal services and rebate computation - Perkins Coie	35,000	19,000
Travel and meeting expense	10,000	4,500
Audit	6,180	5,995
Standard and Poor's annual fee	25,000	10,000
Moody's annual fee	-	10,000
Total expenses	<u>\$ 176,710</u>	<u>\$ 142,001</u>
Contribution to Refunding of Series 2002A/B Bonds	-	1,048,897
Ending cash balance	<u><u>\$ 250,000</u></u>	<u><u>\$ 244,319</u></u>

EEFC Liquidity Reserve Account Balance on 5/31/2013 was \$500,061.