

**EDUCATIONAL ENHANCEMENT FUNDING CORPORATION**

**MINUTES OF THE SPECIAL MEETING**

**FEBRUARY 20, 2015**

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Friday, February 20, 2015. The special meeting began at 3:00 P.M., CDT via telephone. Mr. Tom Graham instructed the Executive Secretary to call the roll.

Present: Mr. Jim Breckenridge  
Mr. Tom Graham  
Mr. Doug Hajek  
Mr. D. J. Mertens  
Mr. Dennis Neugebauer  
Mr. James Spies  
Mr. James Roby  
Mr. Steve Zellmer

Absent: Mr. Ken Karels

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. Tim Engel, May Adam Law Firm  
Ms. Megan Mercer, State Risk Management Office

A quorum was declared by Mr. Tom Graham 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 February 17, 2015. A copy of that notice is attached hereto and is an integral part of the minutes (*see Attachment #1*).

Mr. Tom Graham asked for consideration of the minutes for the September 24, 2014 annual meeting. Mr. James Roby moved to approve the minutes as presented, seconded by Mr. Dennis Neugebauer. All members present voted aye, nays: none; abstain: none. Motion carried.

## **Captive Insurance**

Mr. Templeton reviewed the Captive Insurance Summary with the Educational Enhancement Funding Corporation and South Dakota Building Authority Board members. Mr. Todd Meierhenry reviewed the participants in cell 2, the working group, creation of joint powers, the purpose of the Captive Insurance Company, the state funding of the company and the types of insurance coverage. Mr. Tim Engel explained the captives in further detail and that because of different risks, the Science and Technology Authority needed to be put in a separate cell.

Mr. Templeton explained that this is just a summary of the insurance program and further action will need to be taken when more documents are developed and after the Legislature approves funding of cell 2 and the separate Captive Insurance Company.

Mr. Templeton, Mr. Meierhenry and Mr. Engel explained that a separate captive will be created for property insurance for State buildings as well as South Dakota Building Authority property insurance.

## **MSA PAYMENTS**

Mr. Templeton reviewed the Series 2013 A&B refunding bond results and the 2014 Master Settlement Agreement "MSA" payments received and that \$7,719,542 of excess MSA payments were transferred to the Educational Enhancement Trust Fund this year.

Mr. Don Templeton reviewed the Educational Enhancement Trust Fund balances and transfers of the Trust Fund to the General Fund.

Mr. Templeton reviewed the January 31, 2015 financial statement with the Board.

## **ADJOURNMENT**

Mr. Tom Graham stated that there being no further business at this meeting, the meeting would be adjourned at 3:25 P.M. CST.

# Educational Enhancement Funding Corporation

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Date: February 13, 2015

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 Friday, February 20, 2015 as the date for the Special Meeting of the Educational Enhancement Funding Corporation to be held via telephone conference at 3:00 p.m. (CST) 2:00 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

D.J. Mertens

Jim Breckenridge

James Roby

James Spies

Dennis Neugebauer

Steve Zellmer

An agenda is enclosed and information on the agenda items will be sent via email or Federal Express if a hardcopy is requested. Please let us know if your mailing address has changed.

Cc: Todd Meierhenry, Meierhenry Sargent LLP  
Tim Engel, May, Adam, Gerdes & Thompson  
Craig Ambach, Bureau of Administration  
Megan Mercer, Bureau of Administration