

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION

MINUTES OF THE ANNUAL MEETING

September 5, 2019

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Thursday, September 5, 2019 at The Deadwood Lodge in Deadwood 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. Jim Lust
Mr. James Roby (via telephone)
Ms. Tina Van Camp
Mr. Steve Zellmer

Absent: Mr. James Spies

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. Michael Jost, South Dakota Health and Educational Facilities Authority
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.

Chairman Graham asked if any members of the general public wished to speak. No members of the general public were in attendance.

Mr. Don Templeton advised the Authority members that the notice of the meeting had been posted at the entrance of the office of the Educational Enhancement Funding Corporation on August 19, 2019. A copy of that notice is on file at the Authority's office.

The Chairman asked for consideration of the minutes for the June 20, 2019 meeting. Mr. Hajek made a motion to approve the minutes as presented, seconded by Mr. Karels and upon roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Lust, Roby, Van Camp 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, currently held by Mr. Hajek, and Mr. Roby respectively. Mr. Breckenridge made a motion to retain the current officers, seconded by Mr. Zellmer and upon roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Lust, Roby, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

MASTER SETTLEMENT AGREEMENT (MSA) PAYMENT SUMMARY

Mr. Dustin Christopherson reviewed the receipt of the MSA payments of \$20,559,649 that were received in April 2019. After funding debt service and operating expenses, a transfer of \$6,371,437 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, 2019 through August 31, 2020 with the annual fee not to exceed \$15,000 for the legal fees plus \$1,500 - \$2,000 per rebate computation prepared by Wildan Financial plus \$2,500 for each semiannual Universal Cap Analysis. Mr. Breckenridge made a motion to approve the contract, seconded by Ms. Van Camp and upon roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Lust, Roby, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

CYBER LIABILITY INSURANCE

Mr. Templeton reviewed the options for Cyber Liability Insurance. Mr. Karels made a motion to approve the purchase of Cyber Liability Insurance through the selected provider, seconded by Mr. Hajek and upon the roll call, the ayes were: Breckenridge, Graham, Hajek, Karels, Lust, Roby, Van Camp 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.

ADJOURNMENT

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 3:35 p.m., MDT.