

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION

MINUTES OF THE ANNUAL MEETING

SEPTEMBER 18, 2024

Pursuant to due notice, the Educational Enhancement Funding Corporation (EEFC) met on Wednesday, September 18, 2024 at the Black Hills State University campus and via telephone. The annual meeting began at 3 p.m. (MT). Mr. Doug Hajek, Vice Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Jim Breckenridge
Mr. Doug Hajek (via telephone)
Mr. Ken Karels (via telephone)
Mr. Jim Lust
Ms. Tina Van Camp
Mr. Steve Zellmer

Absent: Mr. Julie Bartling
Mr. Tom Graham
Mr. James Spies

Other people present were:

Mr. Donald Templeton, Executive Secretary	Mr. Steve Elliott, Black Hills State University
Mr. Todd Meierhenry, Meierhenry Sargent, LLP (phone)	Ms. Kathy Johnson, Black Hills State University
Mr. Dustin Christopherson, South Dakota Health and Educational Facilities Authority	Mr. Randy Culver, Black Hills State University
Mr. Michael Jost, South Dakota Health and Educational Facilities Authority	Mr. Toby Morris, Colliers Securities
Mr. Steve Corbin, South Dakota Health and Educational Facilities Authority (phone)	Mr. Ben Cooper, Colliers Securities
	Mr. Craig Ambach, Office of Risk Management
	Mr. Bruce Bonjour, Perkins Coie (phone)

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

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

Mr. Templeton advised the Corporation members that the notice of the meeting had been posted at the entrance of the office of the EEFC on August 9, 2024. A copy of that notice is on file at the Corporation's office and posted on the Corporation and State Boards and Commissions website.

MAY 14, 2024 MINUTES

The Vice Chairman asked for consideration of the minutes for the May 14, 2024 special meeting. Mr. Breckenridge made a motion to approve the minutes as presented, seconded by Mr. Lust and upon roll call, the ayes were: Breckenridge, Hajek, Karels, Lust, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

CONFLICT OF INTEREST

Mr. Hajek 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 position, currently held by Mr. Hajek, and the Secretary position, currently held by Ms. Van Camp. Mr. Lust made a motion to retain Mr. Hajek as Vice Chair and Ms. Van Camp as Secretary, seconded by Mr. Karels and upon roll call, the ayes were: Breckenridge, Hajek, Karels, Lust, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

DIRECTOR'S AND OFFICER'S INSURANCE SUMMARY

Mr. Ambach and Mr. Cooper reviewed the EEFC and the South Dakota Building Authority's Director's and Officer's Insurance policy and explained the coverage and policies the Authorities have. No action was taken as the coverage and policy were deemed appropriate. South Dakota Captive Insurance Company has a \$1 million policy and the EEFC and the South Dakota Building Authority supplement that policy with an additional \$4 million policy. Mr. Ambach and Mr. Cooper also discussed the Cyber Insurance purchased by these two entities. This policy has a \$2 million limit for each claim. Mr. Morris stated that the Rating Agencies are starting to look at our insurance programs.

PERKINS COIE CONTRACT for SEPTEMBER 1, 2024 to AUGUST 31, 2025

Mr. Bonjour reviewed the Perkins Coie contract on file with the EEFC for the period of September 1, 2024 through August 31, 2025 with the annual fee not to exceed \$12,000 for the legal fees. Mr. Zellmer made a motion to approve the contract, seconded by Mr. Breckenridge and upon roll call, the ayes were: Breckenridge, Hajek, Karels, Lust, Van Camp and Zellmer; nays: none; abstain: none. Motion carried.

MASTER SETTLEMENT AGREEMENT (MSA) PAYMENT SUMMARY

Mr. Christopherson reviewed the receipt of the MSA payments of \$21,118,349 that were received in April 2024. After funding debt service and operating expenses, a transfer of \$10,363,349 was sent to the Education Enhancement Trust Fund held by the South Dakota Investment Council. The outstanding bonds, FY-2025 year-to-date financials and operating budget were reviewed in detail.

MANDATORY CLEAN-UP CALL

The Mandatory Clean-Up Call was discussed at length and all outstanding bonds are expected to be paid on June 1, 2025. Mr. Meierhenry, Mr. Bonjour and Mr. Templeton led a thorough discussion about a policy for the EEFC to keep the Board intact and active after all bonds are called to address future bonding needs and for any future IRS audits. The Special Reserve Subaccount and the Operating Account have monies to fund future budgets of the EEFC once all the bonds are paid. Board members agreed with this policy.

ADJOURNMENT

The Vice Chairman stated that there being no further business at this meeting, the meeting would be adjourned at
4 p.m., MT.