**STATE BUILDING OWNERSHIP AUTHORITY**

Pending Minutes of the February 27, 2020 Meeting

Rampton Board Room

C-200, State Capitol

Salt Lake City, UT 84114

**Authority Members Attending:**

Spencer Cox, Lieutenant Governor and Chair of the State Building Ownership Authority

Joe Burgess, State Building Board Chair and Vice Chair of the State Building Ownership Authority (telephonically)

David Damschen, State Treasurer and Secretary of the State Building Ownership Authority

**Others in Attendance:**

Lee Fairbourn, Division of Facilities Maintenance and Construction

Perri Babalis, Assistant Attorney General

Edward Vasquez, Assistant Attorney General

Blake Wade, Gilmore & Bell LLP

Johnathan Ward, Zions Public Finance

Jon Bronson, Zions Public Finance

Miranda Jones Cox, Governor’s Office of Management and Budget

Taylor Ricks, Office of the Lieutenant Governor

Emily Barton, Office of the Utah State Treasurer

Lt. Governor Cox called to order the meeting of the Utah State Building Ownership Authority.

**Election of Officers** – Treasurer Damschen made a motion to nominate Lt. Governor Spencer Cox as Chair of the State Building Ownership Authority Board. Lt. Governor Cox seconded the motion. The motion passed unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the nomination. Treasurer Damschen made a motion to nominate Mr. Burgess as Vice Chair of the Board. Lt. Governor Cox seconded the motion. The motion passed unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the nomination. Lt. Governor Cox made a motion to nominate Treasurer Damschen as Secretary for the Board. Mr. Burgess seconded the motion. The motion passed unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the nomination.

**Approval of Minutes –** Treasurer Damschen made a motion to approve the minutes of the January 21, 2020 meeting of the State Building Ownership Authority. Mr. Burgess seconded the motion. The motion passed unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the motion.

**Consideration of Amended Policy for Establishing Officers and Conducting the Business of the Utah State Building Ownership Authority –** Ms. Babalis gave an overview of the changes to the policy. One of the main changes designates that the State Building Ownership Authority Board will be filled as follows: Governor or his/her appointee will be Chair, Chair of the State Building Board will be Vice-Chair, and the State Treasurer will be Secretary. Another significant change to the policy is that notwithstanding the statute, the State Treasurer’s Office will now be the staff support to the board rather than Division of Facilities Construction and Management (DFCM).

Treasurer Damschen made a motion to approve and adopt the amended policy. Mr. Burgess seconded that motion. The motion passed unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the motion.

**Consideration of Adoption of a Resolution –** Treasurer Damschen gave a brief overview of the issue summary provided by Zions Public Finance of the sale of the 2020 SBOA Bonds that were sold earlier in the day. section one of the booklet shows all of the bids that underwriters submitted and shows that BNYMellon Capital Markets came in with the best True Interest Cost (TIC) of 1.7575%. Section two discussed the liquor store projects that are being financed with this bond as well as that the total proceeds of the bond are $21,179,318.95 with a 20 year debt service. Treasurer Damschen noted that this bond issue is slightly more expensive to finance than the 2020 GO Bond that was issued earlier in the month due to the fact that the SBOA bond is financed over 20 years rather than the 15 year term of the 2020 GO Bond.

Mr. Bronson provided an update of the current bond market explaining that rates have dropped 22 basis points in the municipal market since the week prior. Mr. Bronson also noted that the SBOA bonds are rated at AA+ rather than the AAA rating that the GO Bonds received due to the fact that the SBOA bonds are subject to annual appropriation lease.

Mr. Wade presented a resolution proving the final principal of the bonds as being $18.865 million, proving the final documents related to this bond issue. Upon approval of the resolution, Zions Bank will notify the purchaser that the bonds have been awarded.

Treasurer Damschen made a motion to adopt the bond resolution. Mr. Burgess seconded the motion. The motion passed unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the motion.

**Consideration of Adoption of a Revised Disclosure Compliance Procedure –** Treasurer Damschen commented that recent changes to SEC Rule 15c-2-12 that created two new material events required that the Commission revise its disclosure procedures to account for those changes. The changes required an evaluation and determination of a materiality threshold for evaluating the new material events and additional procedures to ensure training for those state employees who may be aware of the new material events to ensure timely disclosure. Treasurer Damschen noted that these revisions were the same as those approved in the State Bonding Commission meeting earlier in the month. There were no questions from the Commission.

Mr. Burgess made a motion to adopt the revised procedures, Treasurer Damschen seconded the motion. The motion passed unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the motion.

Treasurer Damschen made a motion to adjourn the meeting, Mr. Burgess seconded the motion. The motion carried unanimously with Lt. Governor Cox, Treasurer Damschen and Mr. Burgess all voting in favor of the motion.

**The meeting was adjourned.**