

**OKLAHOMA CAPITOL IMPROVEMENT AUTHORITY
SPECIAL MEETING MINUTES**

AUG. 29, 2018

2:00 p.m.

**Governor's Large Conference Room
State Capitol Building
Oklahoma City, Oklahoma**

A meeting notice was filed with the Secretary of State and agenda posted in accordance with the Open Meeting Act.

MEMBERS PRESENT: Mary Fallin, Governor
Denise Northrup, Executive Director of OMES
Ed Lake, Director, Department of Human Services
Thomas Kemp, Secretary-Member, Oklahoma Tax Commission
Mike Patterson, Director, Oklahoma Dept. of Transportation

MEMBERS ABSENT: Todd Lamb, Lt. Governor
Ken Miller, State Treasurer
Dick Dutton, Director, Tourism and Recreation

GUESTS: Scott Reygers, OMES OCIA Administrator
Joe Birley, OMES OCIA
Andrew Messer, Treasurer's Office/State Bond Advisor
Jon Shirley, OAG Office
Jered Davidson, PFLG
Stuart England, Floyd Law Firm, P.C.
Bodie Bachelor, Centennial Law
Ashley Clemmons, DOC
Jessica Brown, DOC
Faron Bryant, DOC
Terry Smith, OJA
Rachel Holt, OJA
Kevin Clagg, OJA
Jill Geiger, OMES OCIA
Ben Davis, OMES OCIA
Beverly Hicks, OMES OCIA
Shelley Zumwalt, OMES
Shawn Ashley, ECapitol

1. Call to order and establish a quorum. [Chair]

Governor Fallin called the meeting to order at 2:16 p.m. A roll call was taken and a quorum established. Governor Fallin was advised that notice of the meeting had been given, and an agenda posted in accordance with the Open Meeting Act.

2. Discussion and possible action to approve the minutes of July 9, 2018 meeting. [Chair and Board]

Commissioner Kemp moved to approve the July meeting minutes. Director Lake seconded the motion. The motion passed and the following votes recorded:

Governor Fallin, aye; Director Northrup, abstain; Commissioner Kemp, aye; Secretary Patterson, aye; Director Lake, aye.

3. Capitol Repair Bonds: Discussion and possible action on a Resolution approving and authorizing the issuance of OCIA Lease Revenue bonds in an aggregate principal amount of not to exceed One Hundred Twenty-five Million Dollars (\$125,000,000) in one or more series (the “Bonds”) to generate project funds to acquire real property, together, with improvements thereon, and personal property to construct improvements to real property and provide funding for repairs, refurbishments, and improvements to real and personal property of the State Capitol building and associated furniture, fixtures and equipment, and paying costs of issuance related thereto; approving the sale of the Bonds at negotiated sale; providing for a certificate of determination; specifying the terms and conditions of the Bonds; specifying the utilization of the lease agreement for use and occupancy and other agreements in connection with the financing; approving and authorizing the lease agreement for use and occupancy and providing other terms and conditions in connection with the Bonds; approving and authorizing all documents relating to the Bonds including, but not limited to the (a) Preliminary Official Statement, (b) Official Statement, (c) Continuing Disclosure Agreement, (d) Bond Purchase Agreement, (e) Lease Agreement for Use and Occupancy, (f) Transfer Agent/Registrar/Paying Agent and Custodian Agreement, and (g) all ancillary documents; authorizing OCIA officers, staff, and service providers to take necessary actions to structure, issue and deliver the Bonds. [Scott Reygers]

This is the second legislative authorization that will be issued for this project. If approved by the Authority, the authorization of a \$125,000,000.00 will be issued in two separate series, the first series will be \$70,000,000.00, which will allow work to begin on the interior renovation of the Capitol building. The second series under this authorization will be \$55,000,000.00 to complete the project. Staff bifurcated the series to maximize the interest earnings and to avoid any arbitrage rebates as they move forward on the project. This is the final legislative authorization and the third of four series that will be issued on the project.

Commissioner Kemp moved to approve and authorize as presented on the agenda. Secretary Patterson seconded the motion. The motion passed and the following votes recorded:

Governor Fallin, aye; Director Northrup, abstain; Commissioner Kemp, aye; Secretary Patterson, aye; Director Lake, aye.

4. Department of Correction Bonds: Discussion and possible action on a Resolution approving and authorizing the issuance of OCIA lease revenue bonds in a principal amount necessary

to generate net proceeds of One Hundred Sixteen Million, Five Hundred Thousand dollars (\$116,500,000) after providing for costs of issuance, credit enhancement, reserves, and other expenses related to the financing, in one or more series on a tax-exempt basis (the “Corrections Bonds”) to finance the maintenance, repairs, equipment, and improvements of existing correctional facilities for the Oklahoma Department of Corrections to be leased to the Oklahoma Department of Corrections, pursuant to Senate Bill 1590. Approved by the 2018 Legislature; approving the sale of the Corrections Bonds at negotiated sale; providing for a certificate of determination; specifying the terms and conditions of the Corrections Bonds; approving and authorizing new lease agreements(s) as may be appropriate and necessary, or otherwise providing for the use and occupancy of the facilities and projects that will be funded with the Corrections Bonds, and providing other terms and conditions in connection with the Corrections Bonds; approving and authorizing all documents relating to the Corrections Bonds including, but not limited to the (a) Preliminary Official Statement, (b) Official Statement, (c) Continuing Disclosure Agreement, (d) Bond Purchase Agreement, (e) Lease Agreement for Use and Occupancy, (f) Transfer Agent/Registrar/Paying Agent and Custodian Agreement, (g) Federal Tax Certificate and (h) all ancillary documents; authorizing OCIA officers to execute all such documents in connection therewith; authorizing payment of costs of issuance of the Corrections Bonds; authorizing the capitalizing of interest on the bonds for a period of time not to exceed on (1) year from the date of issuance; and authorizing OCIA officers, staff and service providers, with the assistance of the State Bond Advisory, to take necessary actions to structure, issue and deliver the Corrections Bonds. [Scott Reygers]

The request is to approve the Resolution for the Department of Corrections Bonds for \$116,500,000.00. Unlike the former agenda item, this will be issued in one series. This was expedited to help meet Correction’s eminent maintenance needs. Staff is working towards closing the matter in early November; to get DOC the much needed funds.

Commissioner Kemp moved to approve and authorize as presented on the agenda. Director Northrup seconded the motion. The motion passed and the following votes recorded:

Governor Fallin, aye; Director Northrup, aye; Commissioner Kemp, aye; Secretary Patterson, aye; Director Lake, aye.

5. Discussion and possible action to approve a Declaration of Official Intent to Reimburse Capital Costs (the “OJA Reimbursement Resolution”) relating to the Office of Juvenile Affairs’s request for reimbursement of expenses, and authorizing reimbursement of eligible expenses up to \$2,000,000 from the proceeds of the proposed \$45,000,000 Office of Juvenile Affairs bond issue authorized House Bill 2387, approved by the 2017 Legislature and enacted by the Governor. [Scott Reygers & Jon Shirley]

This will allow the Office of Juvenile Affairs (OJA) to begin work on renovating their facility in Tecumseh, Oklahoma. OJA has requested a reimbursement resolution, which is a routine practice when first starting a bond issue for client agencies to incur cost with respect to engineering, architectural design, construction and planning.

If approved, the resolution will authorize reimbursement of eligible expenses up to \$2,000,000 from proceeds of the proposed \$45,000,000 OJA bond issue. The funds are paid by OJA, and will not come out of the Oklahoma Capitol Improvement Authority budget. The agency is aware of the Internal Revenue Code provisions regarding reimbursement, and which would be responsible for the \$2,000,000.00, if the bonds should not ultimately issue. The resolution provides cover for the agency so that if they should incur those expenses they can utilize the bond proceeds to reimburse the expenses.

Director Northrup moved to approve and authorize as presented on the agenda. Director Lake seconded the motion. The motion passed and the following votes recorded:

Governor Fallin, aye; Director Northrup, aye; Commissioner Kemp, aye; Secretary Patterson, aye; Director Lake, aye.

6. Discussion and possible action on recommendations from the selection committee to designate the financial advisor for the Department of Veteran's Affairs Bonds (\$35,000,000), authorized by House Bill 3042, and the Conservation Commission Bonds (\$5,116,000), authorized by Senate Bill 1584. [Scott Reygers & Andrew Messer]

The selection committee, consisting of Commissioner Kemp, Treasurer Miller and Director Northrup met on August 22, 2018 to review proposals from financial advisors received from two different entities; Columbia Capital from Kansas City, Kansas and Hilltop Securities from Dallas, Texas. The Committee unanimously recommended Hilltop Securities be chosen as the financial advisor for both the Department of Veteran's Affairs Bonds and the Conservation Commission Bonds.

Secretary Patterson moved to approve the recommendation as presented. Director Northrup seconded the motion. The motion passed and the following votes recorded:

Governor Fallin, aye; Director Northrup, aye; Commissioner Kemp, aye; Secretary Patterson, aye; Director Lake, aye.

7. Adjournment

There being no further business, Secretary Patterson made the motion to adjourn. Director Northrup seconded the motion. Seeing no opposition, the meeting adjourned at 2:32 p.m.