

OKLAHOMA CAPITOL IMPROVEMENT AUTHORITY  
Minutes

Tuesday, August 13, 2013  
9:30 a.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  
Ken Miller, Treasurer  
Preston Doerflinger, Secretary, Finance and Revenue  
Dawn Cash, Commissioner, Tax Commission  
Mike Patterson, Director, Oklahoma Dept. of Transportation  
Deby Snodgrass, Director, Tourism and Recreation

**GUESTS:** Kimberlee Williams, Office of Management and Enterprise Services  
Tim Tuck, Office of Management and Enterprise Services  
Travis Monroe, Office of Management and Enterprise Services  
Beverly Hicks, Office of Management and Enterprise Services  
Kim Heaton, Attorney General's Office  
David King, Attorney General's Office  
Zack Robinson, BOSC, Inc.  
Chris Gander, BOSC, Inc.  
Jeff Raley, Floyd Law Firm  
Stuart England, Floyd Law Firm  
Alex Edwards, State Bond Advisor's Office  
Jim Joseph, State Bond Advisor's Office  
Jerry Fent, Attorney  
Matt Johansen, Citigroup  
Devin Phillips, Citigroup

**Agenda Item 1 - Call to Order**

Governor Fallin called the meeting to order at 9:30 a.m. A roll call was taken and a quorum was established. The Governor was advised that notice of the meeting had been given, and an agenda posted in accordance with the Open Meeting Act.

**Agenda Item 2 - Approval of Minutes**

Secretary Doerflinger moved to approve the minutes of the meeting held January 17, 2013. Treasurer Miller seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Snodgrass - aye; Director Patterson - abstain. Minutes were approved.

**Agenda Item 3** – Discussion and possible action on a resolution approving and authorizing the issuance of OCIA refunding revenue bonds in a sufficient aggregate principal amount not to exceed Three Hundred and Twenty-Five Million dollars (\$325,000,000) or such lesser amount as may be needed to complete the refunding of one or more series on a tax-exempt or taxable basis (the “Refunding Bonds”) after payment of issuance costs, and capitalized interest, if any, to provide for the refunding of the Authority’s outstanding Series 2003A, 2003B, 2005A, 2005B, 2005C, 2005D, 2005E and 2005F bonds (the Outstanding Bonds), pursuant to O.S. § Section 156.1 of Title 73 as amended; approving the sale of the Refunding Bonds at negotiated sale; providing for a certificate of determination; specifying the terms and conditions of the Refunding Bonds; continued utilization of the existing Lease and Use Agreements and other agreements of the agencies that entered into leases and other agreements in connection with the original financings; amending the underlying Lease and Use Agreements or approving and authorizing new lease agreements as may be appropriate and necessary, or otherwise providing for the use and/or occupancy of the facilities and projects by the agencies that were funded with the Outstanding Bonds; and providing other terms and conditions in connection with the Refunding Bonds; approving and authorizing all documents relating to the Refunding Bonds including, but not limited to the Preliminary Official Statement, Official Statement, Continuing Disclosure Agreement, Bond Purchase Agreement and Federal Tax Certificate and authorizing payment of costs of issuance; authorizing OCIA officers to execute all such documents in connection herewith; and authorizing OCIA officers, staff and service providers to take necessary actions to structure, issue and deliver the Refunding Bonds.

Mr. Joseph advised the board that this item is to authorize the refunding of bonds for which requests for proposals were circulated in 2012. It is unknown which series would generate significant savings, so at this time the OCIA is only asking for approval of the form of the resolution, not for a particular transaction.

Secretary Doerflinger moved to approve the resolution as stated in agenda item #3. Commissioner Cash seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson - aye; Director Snodgrass - aye. Motion was unanimously approved.

**Agenda Item 4** – Discussion and possible action on a Resolution approving and authorizing the issuance of OCIA refunding revenue bonds in a sufficient aggregate principal amount not to exceed One Hundred Ten Million dollars (\$110,000,000) or such lesser amount as may be needed to complete the refunding of one or more series on a tax-exempt or taxable basis (the “Bonds”) after payment of issuance costs, capitalized interest, if any, and other necessary costs to provide for the refunding of the Authority’s outstanding Series 2006D VRDO bonds, pursuant to O.S. § Section 156.1 of Title 73 as amended; approving the sale of the Bonds at negotiated sale; providing for a certificate of determination; specifying the terms and conditions of the Bonds; continued utilization of the existing Lease and Use Agreements and other agreements of the agencies that entered into leases and other agreements in connection with the original financings; amending the underlying Lease and Use Agreements or approving and authorizing new lease agreements as may be appropriate and necessary, or otherwise providing for the use and/or occupancy of the facilities and projects by the agencies that were funded with the original Bonds; 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 Preliminary Official Statement, Official Statement, Continuing Disclosure Agreement, Bond Purchase Agreement and Federal Tax Certificate and authorizing payment of costs of issuance; authorizing OCIA officers to execute all such documents in connection herewith; and authorizing OCIA officers, staff and service providers to take necessary actions to structure, issue and deliver Bonds.

Mr. Joseph reported that this agenda item will allow the OCIA to convert these bonds to a fixed rate at some future date, which would remove the interest rate risk associated with the Series 2006D bonds. The OCIA staff and State Bond Advisor’s Office will monitor interest rates to determine when it would be feasible to make this move. It was noted this request is for the form of the resolution, and not for a particular transaction.

Treasurer Miller moved to approve the resolution as stated in agenda item #4. Commissioner Cash seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson – aye; Director Snodgrass – aye. Motion was unanimously approved.

**Agenda Item 5** – Discussion and possible action to designate a senior manager and co-managers for the proposed refunding of the Authority’s outstanding Series 2003A, 2003B, 2005A, 2005B, 2005C, 2005D, 2005E and 2005F.

Mr. Joseph stated that the motion should identify the underwriting team for the referenced refundings. The proposal is to select Citigroup as senior manager and Robert W. Baird, Wells, Nelson, and BOSC, Inc. as co-managers.

Secretary Doerflinger moved to approve the appointment. Director Patterson seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson – aye; Director Snodgrass – aye. Motion was unanimously approved.

**Agenda Item 6 – Discussion and possible action to designate a senior manager, co-senior manager, or co-managers for the proposed refunding of the Authority’s outstanding Series 2006D VRDO.**

The Board was advised that Goldman Sachs is proposed as the book-running senior manager for this transaction, with BOSC Inc. as the co-manager.

Treasurer Miller moved to approve the appointment. Director Patterson seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson – aye; Director Snodgrass – aye. Motion was unanimously approved.

**Agenda Item 7 – Discussion and possible action to authorize OCIA staff, with the assistance of the State Bond Advisor, to prepare and distribute a request for proposals (“RFP”) for paying agent/registrar duties for the proposed and all outstanding OCIA issues. Also authorize OCIA staff and State Bond Advisor to review the proposals, and negotiate terms and conditions with a provider, and select a paying agent/registrar.**

Mr. Monroe reported that pursuant to the existing resolutions, bond proceeds, remaining after construction has been completed, must be spent to purchase bonds in the open market. The OCIA’s current paying agent/registrar, the Treasurer’s office, is not able to purchase bonds on the open market. In order to comply with the resolutions, a paying agent/registrar that is capable of purchasing bonds is needed. This would only affect sinking funds and reserve funds, which would be moved from the Treasurer’s office to a private financial institution.

Secretary Doerflinger moved to approve the proposal. Commissioner Cash seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson – aye; Director Snodgrass – aye. Motion was unanimously approved.

**Agenda Item 8 – Report on bond issuance construction funds used to purchase bonds on the open market.**

Mr. Monroe reported that the bulk of the leftover bond proceeds from completed construction projects were returned to the Department of Mental Health and the Attorney General's Office. The remaining funds were forwarded from the construction funds to the banks serving as paying agent/registrars for those issues, with instructions that they purchase bonds on the open market. No action taken.

**Agenda Item 9 – Discussion of the 2006D arbitrage rebate payment made by OCIA to the Internal Revenue Service on April 2, 2013 and final payment to be made in FY2014.**

Mr. Monroe informed the OCIA Board that the current arbitrage consultant found that a previous arbitrage report had been miscalculated by a prior consultant. OCIA has made penalty payments, and will be making the final payment in FY 2014. No action taken.

**Agenda Item 10 – Motion to approve/disapprove convening of executive session pursuant to 25 O.S.2011, § 307(B)(4) for the purpose of allowing confidential communications between OCIA and its attorney to discuss potential claims, litigation or other action against a service provider under contract with OCIA, if, with the advice of its attorney, OCIA determines that disclosure will seriously impair its ability to process the claim or conduct an investigation, litigation, or proceeding in the public interest.**

Ms. Heaton, counsel for OCIA, recommended convening an executive session. Secretary Miller made a motion to approve the proposal. Secretary Doerflinger seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson – aye; Director Snodgrass – aye. Motion was unanimously approved.

**Executive session convened at 10:05 a.m.** No action was taken in executive session

**Agenda Item 11 – Motion and vote to approve/disapprove reconvening in open meeting.**

Director Patterson moved to reconvene the OCIA open meeting. Commissioner Cash seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson – aye; Director Snodgrass – aye. Motion was unanimously approved.

**Open meeting reconvened at 10:13 a.m.**

**Agenda Item 12 – Discussion and possible action on matters arising out of discussion in Executive Session.**

Treasurer Miller moved to authorize legal counsel and OCIA staff to take action against the provider as discussed in executive session. Commissioner Cash seconded the motion. The following votes were recorded: Governor Fallin - aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Commissioner Cash - aye; Director Patterson – aye; Director Snodgrass – aye. Motion was unanimously approved.

**Agenda Item 13 – Report on FY2014 Budget.**

Mr. Monroe provided an administrative budget comparison of Fiscal Years 2013 and 2014. The budget is slightly smaller this year, and there was also a one-time fee reduction. OCIA administrative costs reflect the payment for an audit and for an arbitrage consultant for last year. There is a new process for financial statements that should help lower the audit fee for this year. No action taken.

**Adjournment**

There being no further business, Secretary Doerflinger made the motion to adjourn. Motion was seconded by Commissioner Patterson. Seeing no opposition, the meeting adjourned at 10:50 a.m.