

**OKLAHOMA CAPITOL IMPROVEMENT AUTHORITY
Special Meeting Minutes**

January 27, 2014

3:00 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
Todd Lamb, Lt. Governor
Ken Miller, Treasurer
Preston Doerflinger, Secretary, Finance and Revenue
Mike Patterson, Director, Oklahoma Dept. of Transportation

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
Sheri Mauck, Oklahoma State Regents for Higher Education
Mike Gibson, Cole & Reed
Doroteia, Bozhanowa, Cole & Reed
Glen Johnson, Oklahoma State Regents for Higher Education
Amanda Paliotta, Oklahoma State Regents for Higher Education
Keith Beall, Lieutenant Governor's Office
James C. Joseph, Oklahoma State Bond Advisor
Alexandra Edwards, Senior Bond Analyst

Agenda Item 1 - Call to Order

Governor Fallin called the meeting to order at 3:00 p.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

Treasurer Miller moved to approve the minutes of the meeting held August 13, 2013 with the amendment of changing the time of the meeting to 9:30 a.m. Secretary Doerflinger seconded the motion. The following votes were recorded: Governor Fallin - yes; Lt. Governor Lamb – yes; Treasurer Miller - yes; Secretary Doerflinger - yes; Director Patterson – yes. Minutes were unanimously approved as amended.

Agenda Item 3 – Discussion regarding the possible restructuring of the State Facilities Refunding Revenue Bonds, Series 2010B and use of the Series 2010B revenue and sinking fund balances to provide additional funds for the Oklahoma State Regents for Higher Education lease requirements. [Travis Monroe]

Mr. Monroe informed the Authority that the Oklahoma State Regents for Higher Education, along with the Oklahoma Department of Transportation, pays for about 90% of the lease payments received by OCIA. OSRHE's debt service will increase approximately \$10 million in FY15. This increase was delayed a year because OSRHE was given \$10 million in credits in FY14. OCIA has met with OSRHE in regards to helping out with some debt service relief.

Amanda Paliotta, Vice-Chancellor for Budget and Finance from OSHRE, addressed the committee. OSHRE currently has \$54 million appropriated for their debt service obligation. In FY15, they will be approximately \$10 million short. The \$10 million credit received for FY14 has helped, but beyond that time they will be short. OSHRE does not want to assess the institutions for further money, nor do they want to have to ask the legislature for further funds. OSHRE would then like to propose a refinancing plan that would take part of the restructured Series 2010B bonds and use the revenue to level out the debt service obligation over several years.

Mr. Monroe pointed out that \$18 million will be collected toward 2010B and OCIA will be asking in the restructuring to utilize those funds for future debt service or lease payments from OSHRE. This is not typical, but would be part of their overall relief process.

Secretary Doerflinger stated that he was very familiar with and supportive of this type of process.

Agenda Item 4 – Discussion and possible action to authorize OCIA staff, with the assistance of the Oklahoma Bond Advisor, to prepare and distribute requests for proposals (RFPs) for services of bond counsel, underwriter(s) and financial printer, and to appoint and authorize a committee to evaluate proposals submitted for the purpose of making recommendations to the Authority for selection of Bond Counsel, Underwriter(s) and financial printer with respect to possible restructuring of the State Facilities Refunding Bonds, Series 2010B and refunding of State Facilities Refunding Bonds, Series 2004A.

OCIA is seeking direction from the Board regarding this restructuring. In addition to selecting a team for the 2010B restructuring, there needs to be a team chosen for the 2004A refunding. This series was not included on the original 2012 RFP list.

Treasurer Miller moved to approve the motion as stated. Secretary Doerflinger seconded the motion. The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Patterson – aye. Motion was unanimously approved.

Agenda Item 5 – Discussion and possible action to utilize remaining construction funds previously transferred to purchase bonds on the open market as credits for FY2015 lease payments. [Travis Monroe]

Funds found were remaining construction funds not utilized in the bond projects, and those funds were transferred to the trustees who were then instructed to find bonds to purchase on the open market. The trustees were unable to locate bonds for purchase, and OCIA staff would like to request to use the current funds (approx. \$109,000) toward agencies' lease credits in the next fiscal year.

Secretary Doerflinger moved to authorize OCIA to utilize remaining construction funds previously transferred to purchase bonds on the open market as credits for the FY2015 lease payments. Treasurer Miller seconded the motion. The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Patterson – aye. Motion was unanimously approved.

Agenda Item 6 – Discussion and possible action on FY2013 audit report from Cole & Reed.

Mr. Gibson reported that Cole & Reed completed a thorough audit report for OCIA and found no problematic issues. The audit was clean with no findings.

Secretary Doerflinger moved to approve the motion as stated. Lt. Governor Lamb seconded the motion. The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Patterson – aye. Motion was unanimously approved.

Agenda Item 7 – Motion to approve/disapprove convening of executive session pursuant to 25 O.S.2011, § 307 (B) (4) for the purpose of allowing confidential communication between OCIA and its attorney to discuss potential claims, litigation or other action against a service provider, American Municipal Tax Exempt Compliance Corporation (AMTEC) 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.

Motion to convene made by Secretary Doerflinger and seconded by Director Patterson. The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Patterson – aye. Motion was unanimously approved.

An executive session was convened at 3:30. The Board came out of executive session and reconvened at 3:55.

Agenda Item 8 – Motion to approve/disapprove reconvening in open meeting.

Motion to reconvene was made by Treasurer Miller and seconded by Secretary Doerflinger. The following votes were recorded: Governor Fallin - yes; Treasurer Miller - yes; Secretary Doerflinger - yes; Director Patterson – yes. Motion was unanimously approved.

Agenda Item 9 – Discussion and possible action on matters arising out of discussion in Executive Session.

Director Patterson moved to approve to settle the Authority's claim relating to American Municipal Tax-Exempt Compliance Cooperation (AMTEC) on the terms and conditions discussed in executive session, and to authorize the Chair or the Secretary of OCIA to sign the agreement, specific to OCIA's claim settling the claim on behalf the authority. Treasurer Miller seconded the motion.

The following votes were recorded: Governor Fallin - yes; Treasurer Miller - yes; Secretary Doerflinger - yes; Director Patterson – yes. Motion was unanimously approved.

Adjournment

There being no further business, Director Patterson made the motion to adjourn. Motion was seconded by Treasurer Miller. Seeing no opposition, the meeting adjourned at 3:58 p.m.