

OKLAHOMA CAPITOL IMPROVEMENT AUTHORITY
Special Meeting Minutes
August 25, 2014
1:30 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
Ed Lake, Director, Department of Human Services

GUESTS: Travis Monroe, Office of Management and Enterprise Services
Tim Tuck, Office of Management and Enterprise Services
Beverly Hicks, Office of Management and Enterprise Services
Kim Heaton, Attorney General's Office
James C. Joseph, Oklahoma State Bond Advisor
Geoffrey Long, Ethics Commission
David Floyd, Floyd Law Firm
Zack Robinson, BOSC, Inc.
Barbara Hoberock, Tulsa World
Shawn Ashley, e-Capitol

Agenda Item 1 - Call to Order

Governor Fallin called the meeting to order at 1:30 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

Lt. Governor Lamb moved to approve the minutes of the meeting held June 17, 2014. Secretary Doerflinger seconded the motion. The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Lake – aye. Minutes were approved.

Agenda Item 3 – Discussion and possible action on a Resolution approving and authorizing the issuance of OCIA State Facilities Revenue Refunding Bonds in an aggregate principal amount not to exceed Ninety-Five Million Dollars (\$95,000,000) or such lesser amount as may be necessary to complete the refunding of the Authority’s outstanding Series 2006D VRDO Bonds, in one or more series on a tax-exempt or taxable basis (the “Bonds”), providing for the payment of issuance costs, capitalized interest, if any, and other necessary costs to provide for the refunding of the Series 2006D VRDO Bonds; providing for a certificate of determination providing specified parameters on the award of the sale of the Bonds; setting forth the terms and conditions on which the Bonds are to be issued; approving the sale of the Bonds on a negotiated basis; amending the underlying Lease and Use Agreement, as necessary or executing a new Lease and Use Agreement as may be appropriate and necessary, or otherwise providing for the continued utilization of the existing Lease and Use Agreement and other agreements and providing for the continued use and occupancy of the facilities and projects by the institutions and entities that were funded with the original Series 2006D VRDO Bonds; providing for the collection of payments from such institutions and entities; 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; authorizing necessary actions by officers, staff and service providers to take necessary to structure, issue and deliver the Bonds and to terminate certain prior agreements relating to the Series 2006D VRDO Bonds; designating Goldman Sachs as senior managing underwriter and all action necessary thereto. [Travis Monroe & Jim Joseph]

Mr. Monroe stated that previously the board approved a refunding and also a conversion of these bonds in August of 2013 and June of 2014. Legal counsel has continued to review the

covenants and found them to be restrictive in remarketing these bonds at a premium or a discount. Legal counsel requests that the board approve the refunding of the 2006D bonds to a fixed rate mode.

Treasurer Miller moved to approve the motion. 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 Lake – aye. Motion carries.

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 and underwriter(s), printer and other necessary service providers; and to appoint and authorize a committee to evaluate proposals submitted for the purpose of making recommendations to the Authority for selection of these professionals with respect to the proposed One Hundred Twenty Million dollars (\$120,000,000) bond issue authorized by House Joint Resolution 1033, approved by the 2014 Legislature and enacted by the Governor. [Travis Monroe]

Mr. Monroe informed the board this is a standard request authorization for OCIA staff to develop a finance team to issue the bonds that are designated by legislative authority to repair the Capitol. He asked authorization from the board to issue request for proposals (“RFPs”) for those providers and to appoint a committee to review those bids when they arrive. A second meeting of the Authority is required to select designated providers.

Lt. Governor Lamb moved to authorize the OCIA staff, with the assistance of the Oklahoma State Bond Advisor, to prepare and distribute requests for proposals (“RFPs”) for services of: bond counsel, paying agent/registrar, underwriter(s) and financial printer with respect to the Capitol Repair Bond issue (2014D). Secretary Doerflinger seconded the motion.

The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Lake – aye. Motion carries.

Agenda Item 5 – Discussion and possible action to approve a reimbursement resolution regarding payment of engineering, architectural and investigative studies’ expenses related to the proposed \$120,000,000 Capitol repair bond issue authorized by House Joint Resolution 1033, approved by the 2014 Legislature and enacted by the Governor. [Travis Monroe & Kim Heaton]

Mr. Monroe stated that OMES would like to begin pre-construction work on this project prior to the bond issue. A request letter was written by Secretary Doerflinger for reimbursement, and this is permitted by the Internal Revenue Service (“IRS”) code. Kim Heaton, legal counsel, has approved the form of the resolution. This allows OMES to spend some of their own funds to be reimbursed after the bonds are issued. Mr. Monroe reminded the board that if the bonds are not issued for any reason, the expended funds cannot be reimbursed.

Treasurer Miller move the Board approve the Capitol repair bond issue reimbursement resolution to allow OMES to expend up to Seven Hundred Fifty Thousand (\$750,000) for preliminary architectural, engineering and design work prior to the bond issue. Director Lake seconded the motion.

The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Lake – aye. Motion carries.

Agenda Item 6 – Discussion and possible action authorizing OCIA staff, with the assistance of the Oklahoma Bond Advisor, to prepare and distribute requests for proposals (“RFPs”) and delegating the authority to select services of a Qualified Independent Representative to assist with the termination of the 2006D swap agreement. [Travis Monroe]

Mr. Monroe stated this item is related to agenda item #3. Although the 2006D variable rate bonds have a low interest cost, there are also service provider costs associated with the administration of the bonds. This is a request to issue a request for proposal (“RFP”) to select a Qualified Independent Representative (QIR). This service is required by the Dodd Frank (DF) law in the submission of protocol agreements from August of 2012 and March 2013 required in the termination of the current swap agreement with the associated cap counterparty provider.

Treasurer Miller move to authorize OCIA staff, with the assistance of the Oklahoma State Bond Advisor, to prepare and distribute an RFP for the services of a Qualified Independent Representative to assist with the termination of the 2006D swap agreement, and to allow Secretary Doerflinger to review and make a final selection for these services. Secretary Doerflinger seconded the motion.

The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Lake – aye. Motion carries.

Agenda Item 7 – Discussion and possible action to approve authorizing an OCIA staff , with the assistance of the Oklahoma Bond Advisor, to prepare and distribute a request for proposal (RFP) to hire Special Disclosure Counsel to evaluate, analyze and advise OCIA regarding continuing disclosure requirements and compliance. [Travis Monroe & Kim Heaton]

Mr. Monroe explained to the Board that SEC is currently looking at issuers and determining whether or not they made proper and timely disclosures in the past. As a precaution, OCIA is reviewing past disclosures and making sure proper disclosure was given and determining if there is a need for a special disclosure counsel.

Lt. Governor Lamb moved to authorize OCIA staff, with the assistance of the Oklahoma State Bond Advisor, to prepare and distribute an RFP for the services of a Special Disclosure Counsel if staff determines there is sufficient benefit to the Authority. Secretary Doerflinger seconded the motion.

The following votes were recorded: Governor Fallin - aye; Lt. Governor Lamb – aye; Treasurer Miller - aye; Secretary Doerflinger - aye; Director Lake – aye. Motion carries.

Adjournment

There being no further business, Lt. Governor Lamb made the motion to adjourn. Treasurer Miller seconded the motion. Seeing no opposition, the meeting adjourned at 2:03 p.m.