

**OKLAHOMA CAPITOL IMPROVEMENT AUTHORITY  
VIRTUAL SPECIAL MEETING MINUTES  
WEDNESDAY, SEPTEMBER 16, 2020; 3:00 P.M.  
ZOOM PLATFORM**

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

**MEMBERS PRESENT:** J. Kevin Stitt, Governor  
Matt Pinnell, Lt. Governor  
Randy McDaniel, State Treasurer  
Steve Harpe, Director, Office of Management and Enterprise Services  
Steven Burrage, Secretary-Member, Oklahoma Tax Commission  
Tim Gatz, Director, Oklahoma Dept. of Transportation  
Jerry Winchester, Director, Tourism and Recreation  
Justin Brown, Director, Department of Human Services

**MEMBERS ABSENT:** None

**GUESTS:** Andrew Messer, OCIA Director, Office of the State Treasurer  
Alexandra Edwards, Senior Bond Analyst, OCIA  
Jenny Dickson, Office of Attorney General/OCIA  
Secretary Mike Mazzei, Budget  
Brandy Manek, OMES  
Zack Robinson, BOK Financial  
Jamie Manoles, OCIA  
Beverly Hicks, OMES OCIA

**1. Call to order, certification of Open Meeting Act compliance, and establishment a quorum by roll call. [Chair, Governor Stitt]**

Governor Stitt called this virtual special meeting to order at 3:03 p.m. The Governor was advised that notice of the meeting had been given and an agenda was posted in accordance with the Open Meeting Act.

**2. Discussion and possible action to approve the minutes of August 18, 2020 special meeting. [Chair]**

Treasurer Randy McDaniel moved to approve the special meeting minutes for July. Director Jerry Winchester seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye.

**3. Discussion and possible action by the Authority on the recommendations from the RFP evaluation committee to select underwriters for the following proposed bond issuances authorized during the 2020 legislative session: Senate Bill 1933 (\$16,000,000 - Department of Human Services), Senate Bill 1941 (\$48,600,000 – Tourism). [Andrew Messer]**

Mr. Messer reported that after consultation with the Department of Human Services (DHS) and the Oklahoma Tourism and Recreation Department (Tourism) it was determined both agencies are proceeding with construction projects along similar timelines and would like to receive bond proceeds as quickly as possible to facilitate their capital plans. For this reason, the DHS and Tourism bonds will be marketed and sold together to gain efficiencies and reduce cost of issuance. However, the bonds will be sold as separate series and authorized under separate bond resolutions.

Staff prepared and distributed an RFP to eligible firms and received sixteen (16) responses. The evaluation committee met on August 25, 2020 to review the responses. The selection committee members reviewed the experience of the bidders with OCIA, strength of distribution capabilities for both taxable and tax-exempt bonds, the in-state presence and retail distribution network, and the commission earned for selling the bonds, among other considerations. After review of the bids, the committee is recommending that Morgan Stanley and Bank of Oklahoma should be selected as Co-Senior Managers on the transaction. The larger piece of the transaction, the \$48.6 million Tourism bonds will be sold on a taxable basis and the committee felt that because taxable bonds have limited appeal to retail investors and most of the orders will be placed through institutional accounts it was important to have a bank with a strong taxable sales force lead the Tourism series of Bonds. While the DHS bonds will be sold as tax-exempt and at a size that will generate more retail demand. For this reason, BOK was selected to run the book of orders on the DHS bonds. Raymond James with a strong distribution network in the state and a Wall Street presence should complement the Co-Senior managers and provide solid support to the transaction as a co-manager

Director Jerry Winchester moved move to accept the recommendation of the RFP evaluation committee and select the following firms to serve as underwriters for the proposed Tourism and DHS Bonds: (1) Morgan Stanley and Bank of Oklahoma as Co-Senior Managers, (2) Raymond James as Co-Manager. Treasurer Randy McDaniel seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye.

**4. Discussion and possible action by the Authority on the recommendations from the RFP evaluation committee to select underwriters for proposed bond issuance authorized by Senate Bill 1938 during the 2020 legislative session (\$17,500,000 – Conservation Commission). [Andrew Messer]**

The Conservation Commission Bonds are on a separate timeline than DHS and Tourism and will not be sold until the Conservation Commission utilizes the proceeds from the OCIA Series 2019A Bonds.

Staff prepared and distributed an RFP to eligible firms and received sixteen (16) responses. The evaluation committee met on August 25, 2020 to review the responses. The selection committee members reviewed the experience of the bidders with OCIA, strength of distribution capabilities for both taxable and tax-exempt bonds, the in-state presence and retail distribution network, and the commission earned for selling the bonds, among other considerations.

The evaluation committee recommends selecting Stifel to serve as the Senior Manager and Bank of Oklahoma to serve as co-manager on the Conservation Commission Bond issue.

Secretary Gatz moved move to accept the recommendation of the RFP evaluation committee and select the following firms to serve as underwriters for the proposed Conservation Commission Bonds: (1) Stifel as Senior Manager and (2) Bank of Oklahoma as Co-Manager. Director Justin Brown seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye.

**5. Discussion and possible action to authorize staff to select the lowest bid received for paying agent, open market escrow bidding agent, escrow verification agent, and financial printer for the issuance authorized by House Bill 2744 (\$200,000,000 Department of Transportation) and the advance refunding of the Authority's outstanding State Highway Capital Improvement Revenue Bonds, Series 2012. [Andrew Messer]**

The Authority issued RFPs for the services of paying agent, open market escrow bidding agent, escrow verification agent, and financial printer for the bond issuance authorized by House Bill 2744 (Department of Transportation). Due to the nature of these services staff is recommending the Authority select the lowest conforming bid for each of the bond issues. The recommendations are as follows; Paying Agent: Bank of Oklahoma (\$0), Printer: Financial Printing Resources (\$1,767.50), Escrow Bidding Agent: Winters & Co. Advisors (\$2,750), Escrow Verification Agent: Robert Thomas (\$1,150)

Treasurer Randy McDaniel moved to accept the lowest conforming bid received pursuant to an RFP process for paying agent, open market escrow bidding agent, escrow verification agent, and financial printer for the Series 200B and Series 2020C, Department of Transportation bonds. Director Jerry Winchester seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye.

**6. Discussion and possible action to authorize staff to select the lowest bid received for paying agent and financial printer for the following proposed bond issuances authorized during the**

**2020 legislative session: Senate Bill 1933 (Department of Human Services), Senate Bill 1941 (Tourism), and Senate Bill 1938 (Conservation Commission). [Andrew Messer]**

The Authority also issued an RFPs for service providers to serve as paying agent and printer for each of the bond issuances authorized by Senate Bill 1933 (DHS), Senate Bill 1938 (Conservation Commission), and Senate Bill 1941(Tourism). The service providers selected will serve the Authority as a part of the financing team for all three bond issues. Due to the nature of these services staff is recommending the Authority select the lowest conforming bid. The lowest bids were as follows; Paying Agent: Bank of Oklahoma (\$0), Printer: Financial Printing Resources (\$1,767.50)

Director Steve Harpe moved to accept the lowest conforming bid received pursuant to an RFP process for paying agent and financial printer for the bond issuances authorized for Tourism, DHS and Conservation Commission. Treasurer Randy McDaniel seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye.

- 7. Discussion and possible action on a Resolution approving and authorizing the issuance of not to exceed Two Hundred Million (\$200,000,000) Lease Revenue Bonds, Series 2020B (Oklahoma Department of Transportation), or as further designated; for the purpose of financing construction, maintenance, and improvements to State Highway and bridge assets; 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 to execute all documents in connection therewith; authorizing payment of costs of issuance of the Bonds; and authorizing OCIA officers, staff, and service providers to take necessary actions to structure, issue and deliver the Bonds. [Andrew Messer and Office of Attorney General]**

The bond resolution is the legal document that authorizes the issuance of bonds and provides the terms and conditions under which the bonds will be sold as well as defining the rights and responsibilities of the Authority and the rights of bondholders. The language in the bond resolution is generally uniform across all OCIA bond issues but modified for the specific project authorized by the legislature.

Commissioner Steven Burrage moved to approve the Resolution approving and authorizing the issuance State Highway Capital Improvement Revenue Bonds as described in Agenda Item 7. Director Justin Brown seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye

- 8. Discussion and possible action on a Supplemental Resolution approving and authorizing the issuance of not to exceed Twenty-Five Million (\$25,000,000) Lease Revenue Refunding Bonds, Series 2020C (Oklahoma Department of Transportation) or as further designated, for the purpose of refunding the outstanding portion of the Authority's \$60,510,000 State Highway Capital Improvement Revenue Bonds, Series 2012; 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 to execute all documents in connection therewith; authorizing payment of costs of issuance of the Bonds; and authorizing OCIA officers, staff, and service providers to take necessary actions to structure, issue and deliver the Bonds. [Andrew Messer & Office of the Attorney General]**

As of September 1, 2020, the bonds are currently outstanding in the principal amount of \$25,820,000. Based upon a number run provided by the Authority's Financial Advisor the refunding of the Series 2012 bonds would achieve \$1.6 million in net present value savings or 7.61% of the refunded bonds. This refunding is being pursued because it can be combined with the new money issuance for the Department of Transportation and reduce the cost of issuance while achieving significant debt service savings for the Department and the State

Director Justin Brown moved to approve the Supplemental Resolution approving and authorizing the issuance of Revenue Refunding Bonds for the purpose of refunding the outstanding portion of the Authority's Series 2012 bond as described in Agenda Item 8. Director Jerry Winchester seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye

- 9. Discussion and possible action to approve a Declaration of Official Intent to Reimburse Capital Costs (the "DHS Reimbursement Resolution") relating to the Department of Human**

**Services request for reimbursement of expenses, and authorizing reimbursement of eligible expenses up to \$2,000,000 from the proceeds of the proposed \$16,000,000 Department of Human Services bond issue authorized Senate Bill 1933, approved by the 2020 Legislature and enacted by the Governor. [Andrew Messer & Office of the Attorney General]**

This agenda item is a request from the Department of Human Services to authorize the reimbursement of capital expenditures for the Greer facility project from the proceeds of the of the bonds issued for the purpose of financing the project. The Internal Revenue Service (IRS) allows bond proceeds to be allocated to capital expenditures made prior to the issuance of bonds but only if a formal declaration of reasonable intent to reimburse the expenditures has been properly made within sixty (60) days after the date of the expenditure was made. The adoption of this resolution by the Authority will allow DHS to seek reimbursement for any preconstruction cost, architectural services, or other qualified expenses incurred after July 18, 2020. The Resolution limits the amount of bond proceeds that may be used to reimburse prior expenditures

Commissioner Steven Burrage moved to approve the DHS Reimbursement Resolution authorizing reimbursement of eligible expenses, up to \$2,000,000, from the proceeds of the proposed DHS bond issuance. Secretary Gatz seconded the motion. The motion passed and the following votes recorded:

Governor Stitt, aye; Lt. Governor Pinnell, aye; Treasurer McDaniel, aye; Director Harpe, aye; Commissioner Burrage, aye; Secretary Gatz, aye; Director Winchester, aye; Director Brown, aye

**10. Adjournment.**

There being no further business, Treasurer Randy McDaniel made the motion to adjourn. Director Jerry Winchester seconded the motion. Seeing no opposition, the meeting adjourned at 3:28 p.m.