

**MINUTES OF A MEETING OF THE STATE BOND COMMISSION
OF THE STATE OF MISSISSIPPI
HELD MAY 4, 2017**

The State Bond Commission of the State of Mississippi met in a public session at the Office of the Governor, 1900 Sillers Building, 550 High Street, in the City of Jackson, Mississippi, at 2:00 P.M., Central Standard Time, Monday, the 4th day of May, 2017, with the following members of the Commission present, to-wit;

Governor Phil Bryant, Governor and Ex-Officio Chairman
Mike Lanford, Deputy Attorney General and Ex-Officio Acting Secretary
Lynn Fitch, State Treasurer and Ex-Officio Member

Also, present:

Drew Synder, Governor's Office
Michael Lanford, Esq., Office of the Attorney General
Romaine L. Richards, Esq., Office of the Attorney General
Liz Bolin, Esq., Office of the Attorney General
Teresa Tucker, Office of the Attorney General
Jesse Graham, Office of the State Treasurer
Michelle Williams, Office of the State Treasurer
Laura Jackson, Department of Finance and Administration
Brian Pugh, Department of Finance and Administration
Steven McDevitt, Department of Finance and Administration
Ricky Manning, Department of Finance and Administration
Belinda W. Russell, Department of Finance and Administration
Casha Ward, Office of the State Auditor
Sue Fairbanks, Esq., Butler & Snow
Steve Johnson, First Southwest
Vickie Hall, FirstSouthwest
Chris Janning, First Southwest
Pierce Moore, Stephens, Inc.
Max Neely, Stephens, Inc.

Chairman Phil Bryant brought the Meeting to Order.

Chairman Bryant stated the first item of business was to ratify the Bond Commission meeting minutes of December 19, 2016. State Treasurer Lynn Fitch moved to approve the minutes. Deputy Attorney General Mike Lanford seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Deputy Attorney General Lanford voted:	Yes
State Treasurer Fitch voted:	Yes

Whereupon the Chairman declared the motion adopted.

Deputy Attorney General Lanford brought to the Chairman's attention that Attorney General Jim Hood was in another meeting, but would call in if the opportunity arose. Chairman Bryant stated that if General Hood called, he would be brought into the meeting at that time.

The next order of business was to consider for approval the recommendation from the Working Group to approve FirstSouthwest, a division of Hilltop Securities ("FirstSouthwest"), as the Financial Advisor ("FA") for the State Bond Commission (the "Commission") and to authorize the Department of Finance and Administration ("DFA") to negotiate and enter into a personal services contract with FirstSouthwest for Financial Advisory services. Chairman Bryant recognized Steven McDevitt, Bond Advisory Director, with the DFA, for further explanation. Mr. McDevitt advised the Commission that the Working Group had met, reviewed the proposals and reached an agreement based on the proposals to recommend FirstSouthwest to be the State's FA. Mr. McDevitt further explained that this Agenda Item, if approved by the Commission, would allow DFA to negotiate and enter into a contract with FirstSouthwest for FA services. The contract would have to be submitted to the Personal Service Contract Review Board (the "PSCRB") for its review and approval at its June meeting. If approved, the effective date of the Contract will be July 1st for a two-year initial term, with three separate one-year renewals thereafter. The renewals will have to be approved by the Commission and PSCRB before becoming effective. Chairman Bryant asked if there were any representatives from FirstSouthwest present. Mr. McDevitt stated several representatives were present and recognized Steve Johnson with FirstSouthwest who gave the Commission a brief description of FirstSouthwest's services and locations. Mr. Johnson then introduced Chris Jannings, who gave an overview of the merger between FirstSouthwest and Hilltop Securities. Vickie Hall, also with FirstSouthwest, added that FirstSouthwest had worked with the State of Mississippi for years with the Master Lease Program, and was looking forward to continuing this additional role as FA with the State. Mr. Jannings

thanked the State of Mississippi for allowing FirstSouthwest to do business with the State as its FA. Chairman Bryant asked if there were any additional questions. There being none, State Treasurer Fitch moved to adopt the recommendation from the Working Group to approve FirstSouthwest, as the Financial Advisor for the Bond Commission and to authorize the Department of Finance and Administration to negotiate and enter into a personal services contract with FirstSouthwest, a Division of Hilltop Securities for Financial Advisory services. Deputy Attorney General Lanford seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Deputy Attorney General Lanford voted:	Yes
State Treasurer Fitch voted:	Yes

Whereupon the Chairman declared the motion adopted.

A copy of the recommendation is attached as "Exhibit A."

The next order of business was to consider ratifying and approving the actions of the Working Group with regard to engaging Butler Snow, as Special Counsel in connection with (1) The restructuring and refinancing of the One Hundred Million Four Hundred Ninety Thousand Dollar and 00/100ths (\$100,490,000.00) State of Mississippi Taxable General Obligation Refunding Bonds, Series 2012C dated August 1, 2012 and the Seventy Eight Million Six Hundred Twenty Five Thousand Dollars and 00/100ths (\$78,625,000.00) State of Mississippi General Obligation Refunding Bonds, Series 2012D, dated August 1, 2012; and, (2) The restructuring, termination or modification of any interest rate swap agreements associated therewith. Chairman Bryant asked Mr. McDevitt to explain this Agenda Item further. Mr. Devitt stated that this Agenda Item approves previous actions taken by the Working Group to engage Butler Snow to serve as Special Counsel for refinancing the State's Series 2012C and 2012D floating rate notes that are callable as of May 1st. Further, that if approved, Butler Snow will also serve as Special Bond counsel for restructuring, modifying or terminating the 2012C&D bonds and the associated swaps. The Working Group has had preliminary discussions

regarding the State's options to refinance/restructure the 2012C&D bonds along with their swap agreements. However, before the Working Group proceeds any further, the Commission's approval is needed to pursue the refinancing of the bonds and associated swap agreements. The Working Group agreed that Butler Snow was the best qualified to serve as bond counsel for this upcoming transaction. The Working Group requested Butler Snow's assistance with drafting the Resolution, which will be discussed in Agenda Item #5 coming up next. However, the current Agenda Item will ratify the actions already taken by the Working Group and will approve Butler Snow to serve as Special Counsel on this transaction. Chairman Bryant asked if there were any questions. There being none, Deputy Attorney General Lanford moved to adopt ratifying and approving the actions of the Working Group with regard to engaging Butler Snow, as Special Counsel in connection with (1) The restructuring and refinancing of the One Hundred Million Four Hundred Ninety Thousand Dollar and 00/100ths (\$100,490,000.00) State of Mississippi Taxable General Obligation Refunding Bonds, Series 2012C dated August 1, 2012 and the Seventy Eight Million Six Hundred Twenty Five Thousand Dollars and 00/100ths (\$78,625,000.00) State of Mississippi General Obligation Refunding Bonds, Series 2012D, dated August 1, 2012; and, (2) The restructuring, termination or modification of any interest rate swap agreements associated therewith. State Treasurer Fitch seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Deputy Attorney General Lanford voted:	Yes
State Treasurer Fitch voted:	Yes

Whereupon the Chairman declared the motion adopted.

The next item for business was to consider for adoption a Resolution authorizing and directing the Treasurer of the State of Mississippi and the Executive Director of the Department of Finance and Administration of the State of Mississippi to take such actions as they deem necessary in connection with the restructuring and refinancing of the One Hundred Million

Four Hundred Ninety Thousand Dollar and 00/100ths (\$100,490,000.00) State of Mississippi Taxable General Obligation Refunding Bonds (Nissan North America, Inc. Project), Series 2012C (LIBOR Index), Dated August 1, 2012 and the Seventy Eight Million Six Hundred Twenty Five Thousand Dollars and 00/100ths (\$78,625,000.00) State of Mississippi General Obligation Refunding Bonds (Capital Improvements Projects), Series 2012D (SIFMA Index), dated August 1, 2012 and the restructuring, termination or modification of any interest rate swap agreements associated therewith; and for related purposes. Chairman Bryant recognized Steven McDevitt for further explanation. Mr. McDevitt reminded the Commission that this was the Resolution that he had referenced previously which Butler Snow helped draft. Mr. McDevitt went on to explain that this Resolution accomplishes several things. First, it appoints and designates the State Treasurer and the Executive Director of DFA, as the Representatives, to act on behalf of the Commission and to take actions necessary to pursue this refinancing and restructuring of the Series 2012C&D bonds as well restructuring, terminating or modifying the swap agreements that are associated with these bonds. Secondly, it selects FirstSouthwest to serve as Financial Advisor and recognizes Butler Snow as Special Counsel for the transaction. Thirdly, it directs the Working Group to select an investment banker or underwriter to list this transaction in the market. The selection of the Investment Bank would be subject to the approval of the State Treasurer and the Executive Director of DFA, as Representatives. Additionally, it authorizes Special Counsel, financial underwriters and their parties to execute the documents and to take any actions needed to pursue this transaction in the market representing the State. The Representatives of the Commission would oversee and approve the process along the way. Mr. McDevitt stated that the next time this issue would come before the Commission would be when a bond resolution is ready to direct the issuance. Chairman Bryant reiterated that this Resolution would ratify FirstSouthwest as Financial Advisor and Butler Snow as Special Counsel, then it would be turned over to the responsibility of the State

Treasury and DFA for further action. Mr. McDevitt said that was correct until time for direct issuance. Chairman Bryant asked if there were any questions. Deputy Attorney General Lanford stated that the Attorney General's Office would like to make an amendment to this item to add a representative of the Attorney General's Office along with the State Treasurer and DFA as Representatives of the State. Chairman Bryant asked if there was a formal motion for this amendment. Deputy Attorney General Lanford moved to amend the Resolution to include a representative of the Mississippi Attorney General's Office along with the State Treasurer and DFA as Representatives of the State.. State Treasurer Fitch seconded the motion to amend and it was approved by the following vote:

Governor Bryant voted:	Yes
Deputy Attorney General Lanford voted:	Yes
State Treasurer Fitch voted:	Yes

Whereupon the Chairman declared Agenda Item #5 has been amended for the purpose of including a representative of the Mississippi Attorney General's Office along with the State Treasurer and DFA as the Representatives of the State.

Next up for adoption was the Resolution, as amended. State Treasurer Fitch moved to adopt the Resolution authorizing and directing the Treasurer of the State of Mississippi, a representative of the Mississippi Attorney General's Office and the Executive Director of the Department of Finance and Administration of the State of Mississippi to take such actions as they deem necessary in connection with the restructuring and refinancing of the One Hundred Million Four Hundred Ninety Thousand Dollar and 00/100ths (\$100,490,000.00) State of Mississippi Taxable General Obligation Refunding Bonds (Nissan North America, Inc. Project), Series 2012C (LIBOR Index), Dated August 1, 2012 and the Seventy Eight Million Six Hundred Twenty Five Thousand Dollars and 00/100ths (\$78,625,000.00) State of Mississippi General Obligation Refunding Bonds (Capital Improvements Projects), Series 2012D (SIFMA Index), dated August 1, 2012 and the restructuring, termination or modification of any interest rate swap

agreements associated therewith; and for related purposes, as amended. Deputy Attorney General Lanford seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Deputy Attorney General Lanford voted:	Yes
State Treasurer Fitch voted:	Yes

Whereupon the Chairman declared the motion adopted.

A copy of the Amended Resolution is attached as "Exhibit B, as Amended."

The next item of business for discussion was the Bond Advisory Division's update to the Commission on the Cost of Issuance for Series 2016B and 2016C Bonds. Chairman Bryant stated that no action was needed for this item of business, but that he would like Steven McDevitt to explain further. Mr. McDevitt stated that this was just an update for the Commission regarding the cost of issuance related to the sale of the Series 2016B&C Bonds. At the December 19, 2016, Commission meeting, the Commission authorized the State to pay up to an amount not to exceed Seven Hundred Fifty Thousand Dollars and 00/100ths (\$750,000.00) for costs of issuance; this amount included the underwriter's fees. Since the last meeting, the Treasurer's Office has received all of the invoices and made payments for costs of issuances including the underwriters' cost. The actual total was Six Hundred Sixty Eight Thousand One Hundred Thirty-Seven Dollars and 00/100ths (\$668,137.00), which is approximately Eight-Two Thousand Dollars and 00/100ths (\$82,000.00), less than what the Commission approved in December. Mr. McDevitt added that a detailed listing of the costs of issuance was included in the Commission packet for this meeting. At this point, Chairman Bryant asked where the remainder of the Eight-Two Thousand Dollars and 00/100ths (\$82,000.00), was. Laura Jackson, Executive Director of DFA, stated that the money was divided between the projects. Deputy Attorney General Lanford added it was a good thing that issuance cost was less than allotted for; less money was taken out of the bond issuance for costs. State Treasurer Fitch took this opportunity to update the Commission on the Utility Restoration Bonds.

A copy of the Comparison Costs of Issuance Approved by the State Bond Commission and Actual Costs of Issuance is attached as "Exhibit C."


There was no other business to consider.

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There being no further business to come before the Commission,
Deputy Attorney General Mike Lanford motioned to adjourn the meeting and **State Treasurer** Lynn Fitch
seconded the motion. Thereupon, pursuant to motion duly made and
carried, the Bond Commission adjourned.



Chairman, State Bond Commission

Attest:


Acting Secretary, State Bond Commission

The above and foregoing minutes read and approved this the 4th day
of May, 2017.


Chairman, State Bond Commission

Acting 
Secretary, State Bond Commission


Member, State Bond Commission

Financial Advisor Services

RFP # 3120001052

Cumulative Scoring/Grading Sheet of Proposals


April 10, 2017 10:00 a.m Central Standard Time

<u>Proposal</u>	<u>DFA</u>	<u>State Treasurer</u>	<u>Attorney General</u>	<u>Average</u>
1 FirstSouthwest/Hilltop Securities	<u>100</u>	<u>96</u>	<u>100</u>	<u>98.6667</u>
2 PFM Financial Advisors	<u>97</u>	<u>87</u>	<u>90</u>	<u>91.333</u>
3 Piper Jaffray	<u>98</u>	<u>92</u>	<u>87</u>	<u>92.333</u>
4 PRAG - Public Resources Advisory Group	<u>96</u>	<u>83</u>	<u>85</u>	<u>88</u>

Attest:


 Steven McDevitt, Bond Advisory, DFA


 Jesse Graham, Office of the State Treasurer


 Romaine Richards, Office of the Attorney General

Thereupon, State Treasurer Fitch offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE TREASURER OF THE STATE OF MISSISSIPPI, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION OF THE STATE OF MISSISSIPPI AND A DESIGNEE OF THE ATTORNEY GENERAL OF THE STATE OF MISSISSIPPI TO TAKE SUCH ACTIONS AS THEY DEEM NECESSARY IN CONNECTION WITH THE RESTRUCTURING AND REFINANCING OF THE \$100,490,000 STATE OF MISSISSIPPI TAXABLE GENERAL OBLIGATION REFUNDING BONDS (NISSAN NORTH AMERICA, INC. PROJECT), SERIES 2012C (LIBOR INDEX), DATED AUGUST 1, 2012 AND THE \$78,625,000 STATE OF MISSISSIPPI GENERAL OBLIGATION REFUNDING BONDS (CAPITAL IMPROVEMENTS PROJECTS), SERIES 2012D (SIFMA INDEX), DATED AUGUST 1, 2012 AND THE RESTRUCTURING, TERMINATION OR MODIFICATION OF ANY INTEREST RATE SWAP AGREEMENTS ASSOCIATED THEREWITH; AND FOR RELATED PURPOSES.

WHEREAS, the State of Mississippi (the "State"), acting by and through the State Bond Commission of the State (the "Commission"), has previously authorized and issued the following variable rate debt:

- (a) \$100,490,000 State of Mississippi Taxable General Obligation Refunding Bonds (Nissan North America, Inc. Project), Series 2012C (LIBOR Index), dated August 1, 2012 (the "Series 2012C Bonds"), and
- (b) \$78,625,000 State of Mississippi General Obligation Refunding Bonds (Capital Improvements Projects), Series 2012D (SIFMA Index), dated August 1, 2012 (the "Series 2012D Bonds" and together with the Series 2012C Bonds, the "Series 2012 Bonds"); and

WHEREAS, the Series 2012 Bonds were issued pursuant to Sections 31-18-1 *et seq.*, Mississippi Code of 1972, as amended (the "Act") and other applicable laws of the State; and

WHEREAS, a portion of the Series 2012C Bonds are subject to interest rate swap agreements (collectively, the "2012C Swap Agreements"); and

WHEREAS, a portion of the 2012D Bonds are subject to interest rate swap agreements (collectively, the "2012D Swap Agreements" and together with the Series 2012C Swap Agreements, the "Swap Agreements"); and

WHEREAS, the Series 2012C Bonds mature on November 1, 2017; and

WHEREAS, the Series 2012D Bonds mature on September 1, 2017; and

WHEREAS, the Commission has determined that it is in the best interest of the State to restructure and refinance the Series 2012 Bonds and, if necessary, to restructure, modify or terminate the Swap Agreements upon such terms and conditions as are deemed most favorable to the State; and

WHEREAS, it is proposed that the Commission should take such actions and authorize such proceedings as shall be necessary in connection with the

restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOND COMMISSION OF THE STATE OF MISSISSIPPI, AS FOLLOWS:

SECTION 1. This resolution is adopted pursuant to the Act and other applicable laws of the State.

SECTION 2. The Commission does hereby find and declare that it is in the best interest of the State to take such actions as may be necessary for the restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements.

SECTION 3. The Treasurer of the State, the Executive Director of the Department of Finance and Administration of the State and a designee of the Attorney General of the State are hereby appointed as representatives of the Commission (the "Representatives") in connection with the restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements.

SECTION 4. FirstSouthwest, a division of Hilltop Securities, Inc., Dallas, Texas, is hereby selected to serve as Financial Advisor to the State (the "Financial Advisor") in connection with the restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements.

SECTION 5. The Bond Working Group is hereby directed to select an investment banker (the "Investment Banker") in connection with the restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements subject to the approval of Representatives.

SECTION 6. The Representatives, with the advice of the Financial Advisor and Butler Snow LLP, Ridgeland, Mississippi ("Special Counsel"), are hereby authorized and directed, to take such actions as the Representatives shall deem necessary in connection with the restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements and as the Representatives shall determine to be consistent with this resolution and the Act and to be in the best interest of the State, subject only to ratification by the Commission.

SECTION 7. The Representatives, Special Counsel, the Financial Advisor and the Investment Banker are each hereby authorized and directed to carry out their respective responsibilities as set forth in this resolution, all in accordance with the Act and other applicable laws of the State.

SECTION 8. The Representatives are hereby authorized and directed to take all such other actions as the Representatives determine to be consistent with this resolution and the Act and to be in the best interest of the State, with the Investment Banker and the parties to the Swap Agreements and all other parties in connection with the restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements.

SECTION 9. Special Counsel is hereby authorized and directed to prepare the forms of all necessary legal documents in connection with the restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements. Special Counsel and the Financial Advisor are further authorized and directed to provide such advice and assistance as shall be requested by the Representatives in connection with the Representatives fulfilling their duties under this resolution.

SECTION 10. This resolution shall be considered full authority for the Representatives to take all actions as the Representatives determine necessary and

in the best interest of the State in connection with restructuring and refinancing of the Series 2012 Bonds and the restructuring, modification or termination of the Swap Agreements subject only to ratification by the Commission.

SECTION 11. All resolutions and orders or parts thereof in conflict herewith are to the extent of such conflict, hereby repealed, and this resolution shall become effective immediately.

Deputy Attorney General Lanford seconded the motion to adopt the foregoing resolution, and the question being put to a vote, the result was as follows:

Governor Bryant voted:	Yes
Deputy Attorney General Lanford voted:	Yes
State Treasurer Fitch voted:	Yes

The motion having received the affirmative vote of a majority of the members of the Commission present, being a quorum of said Commission, the Governor and Ex-Officio Chairman declared the motion carried and the resolution adopted, this 4th day of May 2017.

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Comparison of Costs of Issuance Approved by the State Bond Commission and Actual Costs of Issuance

	Series 2016B		Series 2016C		Total	
	Approved	Actual Over/(Under)	Approved	Actual Over/(Under)	Approved	Actual Over/(Under)
Cost of Issuance	\$ 225,000.00	\$ 209,394.44	\$ 130,000.00	\$ 105,321.08	\$ 355,000.00	\$ 314,715.52
Underwriters	265,000.00	246,223.40	130,000.00	107,198.50	395,000.00	(40,284.48)
	\$ 490,000.00	\$ 455,617.84	\$ 260,000.00	\$ 212,519.58	\$ 750,000.00	\$ 668,137.42
		\$ (34,382.16)		\$ (47,480.42)		\$ (81,862.58)

Cost of Issuance - Detail

	Series 2016B		Series 2016C		Total	
	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount	Actual Amount
Butler Snow - Fee	\$ 26,439.00	\$ 11,410.00	\$ 11,410.00	\$ 37,849.00	\$ 37,849.00	\$ 37,849.00
Butler Snow - Expenses	2,500.00	2,500.00	2,500.00	5,000.00	5,000.00	5,000.00
Hiltop Securities	55,000.00	40,750.00	40,750.00	95,750.00	95,750.00	95,750.00
Moody's	43,665.43	16,334.57	16,334.57	60,000.00	60,000.00	60,000.00
Standard & Poor's	19,172.03	7,171.97	7,171.97	26,344.00	26,344.00	26,344.00
Fitch Ratings	59,372.50	25,627.50	25,627.50	85,000.00	85,000.00	85,000.00
Printing	1,653.84	618.68	618.68	2,272.52	2,272.52	2,272.52
Miscellaneous*	1,591.64	908.36	908.36	2,500.00	2,500.00	2,500.00
	\$ 209,394.44	\$ 105,321.08	\$ 105,321.08	\$ 314,715.52	\$ 314,715.52	\$ 314,715.52

(*) - Miscellaneous costs includes \$500 per Series for the State Bond Attorney, Spence Flatgard, and costs associated with the pre-issuance road show.