

**Minutes of a Meeting of  
the State Bond Commission  
held August 3, 2017**

## STATE BOND COMMISSION

1900 Sillers Building  
August 3, 2017  
2:00 p.m.

### AGENDA

1. Call to Order.
2. Ratify the Bond Commission Meeting Minutes of May 4, 2017.
3. Consider for approval the one time suspension of the Bond Commission's policy that any bond refunding must accomplish a three percent (3%) net present value savings (exclusively for the proposed refinancing of 2012C and 2012D Series of Bonds).
4. Consider ratifying and approving the actions of the Representatives of the Bond Commission with regard to (1.) Soliciting for the services of a Qualified Independent Representative; (2.) Selecting Kensington Capital Advisors to serve as the State's Qualified Independent Representative related to the execution, modification or termination of the interest rate swap agreements that are associated with the refinancing of the State's Series 2012C and Series 2012D bonds.
5. Consider for adoption a Resolution directing the issuance of not to exceed Sixty-Three Million Dollars (\$63,000,000) State of Mississippi General Obligation Bonds, Series 2017B (LIBOR Term Rate) for the purpose of restructuring a series of General Obligation Bonds previously issued by the State of Mississippi; Prescribing the form and details of said Bonds; Providing certain covenants of the State in connection with said Bonds; Authorizing the negotiated sale of said Bonds; Directing the preparation, execution and delivery thereof; Approving the form of and authorizing the distribution of a Preliminary Official Statement in connection with said Bonds; Authorizing the execution and delivery of a Bond Purchase Agreement, a Paying and Transfer Agent/calculation Agent Agreement and a Continuing Disclosure Certificate in connection with said Bonds; Directing the preparation and distribution of a Final Official Statement in connection with said Bonds; and for related matters.
6. Consider for adoption a Resolution directing the issuance of not to exceed One Hundred Three Million Dollars (\$103,000,000) State of Mississippi taxable General Obligation Bonds, Series 2017C (LIBOR Term Rate) for the purpose of restructuring a series of General Obligation Bonds previously issued by the State of Mississippi; Prescribing the form and details of said Bonds; Providing certain covenants of the State in connection with said Bonds; Authorizing the negotiated sale of said Bonds; Directing the preparation, execution and delivery thereof; Approving the form of and authorizing the distribution of a Preliminary Official Statement in connection with said Bonds; Authorizing the execution and delivery of a Bond Purchase Agreement, a Paying and Transfer Agent/calculation Agent Agreement and a Continuing Disclosure Certificate in connection with said Bonds; Directing the preparation and distribution of a Final Official Statement in connection with said Bonds; and for related matters.

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**AGENDA**

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7. Authorize the Mississippi Department of Finance and Administration to conduct a Request for Proposals for Bond Counsel services for the issuance of new bonds during the calendar year 2017.
8. The Mississippi Department of Finance and Administration's update to the Bond Commission regarding the Master Lease Purchase Program Series 2017B transaction.
9. Other Business.
10. Adjournment.

**CERTIFICATE AS TO VALIDATION TRANSCRIPT**

**STATE OF MISSISSIPPI**            )  
  ) **ss:**  
**COUNTY OF HINDS**                )

I, Mike Lanford, Deputy Attorney General of the State of Mississippi (the "State") and Acting Ex officio Secretary of the State Bond Commission of the State, DO HEREBY CERTIFY as follows:

The following persons have constituted the duly appointed, qualified and acting members of the State Bond Commission of the State at all times relative to the proceedings relating to the not to exceed \$63,000,000 State of Mississippi General Obligation Bonds, Series 2017B (Libor Term Rate) (the "Series 2017B Bonds"), to be dated the date of their delivery, to-wit:

| <b>Name</b> | <b>Title</b>                              |
|-------------|---|
| Phil Bryant | Governor and Ex officio Chairman          |
| Jim Hood    | Attorney General and Ex officio Secretary |
| Lynn Fitch  | State Treasurer and Ex officio Member     |

1. Phil Bryant was the duly appointed, qualified and acting Chairman of the State Bond Commission of the State at all times relative to the proceedings relating to the Series 2017B Bonds.

2. The attached and following pages included in this transcript constitute a full, true and complete transcript of all of the proceedings of the State Bond Commission of the State which relate to and/or affect the Series 2017B Bonds.

3. This transcript includes all legal papers pertaining to the sale and issuance of the Series 2017B Bonds, including excerpts of minutes of meetings of




the State Bond Commission of the State and resolutions, all of which are on file in my office, and that all of the minutes for the meetings presented in this transcript have been properly signed as required by law.

4. None of the proceedings or resolutions of the State Bond Commission of the State in the matter of the Series 2017B Bonds have been amended, modified, vacated or rescinded in any manner, except as may be indicated and no appeal has been taken from any of the actions of the State Bond Commission of the State in connection with said matters.

5. There is no litigation now pending or threatened in any way involving the Series 2017B Bonds.

**WITNESS MY SIGNATURE** and the official seal of the State Bond Commission of the State, this 8<sup>th</sup> day of August, 2017.



  
MIKE LANFORD, Deputy Attorney  
General of the State of Mississippi and  
Acting Ex Officio Secretary of the  
State Bond Commission of the State  
of Mississippi

**CERTIFICATE AS TO VALIDATION TRANSCRIPT**

**STATE OF MISSISSIPPI**            )  
  ) **ss:**  
**COUNTY OF HINDS**                )

I, Mike Lanford, Deputy Attorney General of the State of Mississippi (the "State") and Acting Ex officio Secretary of the State Bond Commission of the State, DO HEREBY CERTIFY as follows:

The following persons have constituted the duly appointed, qualified and acting members of the State Bond Commission of the State at all times relative to the proceedings relating to the not to exceed \$103,000,000 State of Mississippi Taxable General Obligation Bonds, Series 2017C (Libor Term Rate) (the "Series 2017C Bonds"), to be dated the date of their delivery, to-wit:

| <b>Name</b> | <b>Title</b>                              |
|-------------|---|
| Phil Bryant | Governor and Ex officio Chairman          |
| Jim Hood    | Attorney General and Ex officio Secretary |
| Lynn Fitch  | State Treasurer and Ex officio Member     |

1. Phil Bryant was the duly appointed, qualified and acting Chairman of the State Bond Commission of the State at all times relative to the proceedings relating to the Series 2017C Bonds.
2. The attached and following pages included in this transcript constitute a full, true and complete transcript of all of the proceedings of the State Bond Commission of the State which relate to and/or affect the Series 2017C Bonds.
3. This transcript includes all legal papers pertaining to the sale and issuance of the Series 2017C Bonds, including excerpts of minutes of meetings of the State Bond Commission

of the State and resolutions, all of which are on file in my office, and that all of the minutes for the meetings presented in this transcript have been properly signed as required by law.

4. None of the proceedings or resolutions of the State Bond Commission of the State in the matter of the Series 2017C Bonds have been amended, modified, vacated or rescinded in any manner, except as may be indicated and no appeal has been taken from any of the actions of the State Bond Commission of the State in connection with said matters.

5. There is no litigation now pending or threatened in any way involving the Series 2017C Bonds.

**WITNESS MY SIGNATURE** and the official seal of the State Bond Commission of the State, this 8<sup>th</sup> day of August, 2017.



MIKE LANFORD, Deputy Attorney General of the State of Mississippi and Acting Ex Officio Secretary of the State Bond Commission of the State of Mississippi

**MINUTES OF A MEETING OF THE STATE BOND COMMISSION  
OF THE STATE OF MISSISSIPPI  
HELD AUGUST 3, 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 3<sup>rd</sup> day of August, 2017, with the following members of the Commission present, to-wit;

**Governor Phil Bryant**, Governor and Ex-Officio Chairman  
**Jim Hood**, Attorney General and Ex-Officio Acting Secretary  
**Lynn Fitch**, State Treasurer and Ex-Officio Member

Also, present:

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  
Laura Jackson, Department of Finance and Administration  
Brian Pugh, Department of Finance and Administration  
Chuck McIntosh, Department of Finance and Administration  
Steven McDevitt, Department of Finance and Administration  
Belinda W. Russell, Department of Finance and Administration  
Liz DeRouen, Department of Finance and Administration  
Jesse Graham, Office of the State Treasurer  
Jeff Brown, Department of Finance and Administration  
Lasha Ward, Office of the State Auditor  
Brandie Branch, Office of the State Auditor  
Steve Edds, Butler Snow  
Sue Fairbanks, Esq., Butler Snow  
Vickie Hall, FirstSouthwest  
Chris Janning, FirstSouthwest  
Max Neely, Stephens, Inc.  
Christian Waddell, Balch & Bingham  
Lucien Smith, Balch & Bingham

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 May 4, 2017. State Treasurer Lynn Fitch moved to approve the minutes. Attorney General Jim Hood seconded the motion and it was approved by the following vote:

|                                  |     |
|----------------------------------|-----|
| Governor Bryant voted:           | Yes |
| Attorney General Jim Hood voted: | Yes |
| State Treasurer Fitch voted:     | Yes |

Whereupon the Chairman declared the motion adopted.

The next order of business was to consider for approval the one time suspension of the Bond Commission's policy that any bond refunding must



accomplish a three percent (3%) Net Present Value ("NPV") savings (exclusively for the proposed refinancing of the 2012C and 2012D Series of Bonds). Chairman Bryant recognized Steven McDevitt, Bond Advisory Director, with the Department of Finance and Administration ("DFA"), for further explanation. Mr. McDevitt explained to the Commission that this item would suspend, one time only, the Bond Commission's 3% NPV savings policy for the refinancing of the State's Series 2012C and 2012D Floating Rate Notes ("FRN"), because, due to the nature of FRN, a 3% NPV savings will be challenging to accomplish. Chairman Bryant asked if the purpose for this suspension was because the State might get less than the 3% NPV. Mr. McDevitt responded yes, the market could fluctuate causing the State not to be able to go forward with the deal because of an inability to meet the Commission policy of 3% NPV. Mr. McDevitt added he did not think this suspension would be needed because the proposal is to do a restructuring instead of a refinancing, but would like to have the flexibility, just in case. Laura Jackson, Executive Director of the DFA, added that another issue is that these are floating rates, so it is not like a typical refunding where the State would have the option to pull out if the target is not met. These notes are going to mature September 1, 2017 and November 1, 2017. If the State does not do something about these notes, there will be a large debt service payment to make which is not built into the State Treasury's budget. Chairman Bryant asked if there were questions. Attorney General Jim Hood remarked that as a practical matter since these bonds have been around for a while with the State refinancing every two to three years costing the State a lot money, maybe we could encourage the Mississippi Legislature to pay off some of this debt, as the variable rates are really low at this time or perhaps the State would get a settlement or verdict and some of the funds could be used to pay down the bonds. Governor Bryant asked if periodic payments were being made on these bonds, to which Ms. Jackson responded yes and the bonds were being paid down. Attorney General Hood asked what how much was owed in 2005. Ms. Jackson stated that it was

One Hundred Forty Million Dollars (\$140,000,000.00), and the fund actually started in 2003 when the Nissan bonds were issued. The Swaps are now attached to these floating notes because of the State having gone from a fix rate note to floating notes in 2005. Ms. Jackson added that the State Treasury is making annual debt service payments to pay down the debt, and the value of the Swaps decreases as the debt is paid off but to get out of the Swap there would be a very significant termination payment that is not really an option at this time. Attorney General Hood stated that interest rates were lower now than they were in 2005, and it would seem if the debt was decreased, we would be better off. Chris Janning, the State's Financial Advisor ("FA"), reminded the Commission of the prepayment penalty. Ms. Jackson stated that the Swaps would be in play and that there would be a termination payment. The State, in 2003, entered into the Swaps for budgetary purposes and to stabilize debt services. Attorney General Hood asked if an explanation was being given to the Chairman of Appropriations on a yearly basis of the current debt structure. Ms. Jackson stated that it was part of the overall Debt Portfolio for the State. Treasurer Fitch asked if we could run the numbers to see if it would be beneficial to make that prepayment penalty. Attorney General Hood asked if the Working Group could put something together to further explain to the Commission what the options are. Ms. Jackson suggested that the State's Financial Advisors ("FA") could run some numbers to show the Commission what its options are if it wanted to pay off the debt early. Chairman Bryant asked Mr. Janning, FA, if they would get with the Working Group on this matter. Mr. Janning said that they would get something put together for the Commission. Chairman Bryant asked if there were any additional questions. There being none, Attorney General Jim Hood moved to adopt approving the one time suspension of the Bond Commission's policy that any bond refunding must accomplish a three percent (3%) net present value savings (exclusively for the proposed refinancing of the 2012C and 2012D Series of Bonds). State

Treasurer Fitch seconded the motion and it was approved by the following vote:

|                                  |     |
|----------------------------------|-----|
| Governor Bryant voted:           | Yes |
| Attorney General Jim Hood voted: | Yes |
| State Treasurer Fitch voted:     | Yes |

Whereupon the Chairman declared the motion adopted.

The next order of business was to consider ratifying and approving the actions of the Representatives of the Bond Commission with regard to (1.) Soliciting for the services of a Qualified Independent Representative; (2.) Selecting Kensington Capital Advisors to serve as the State's Qualified Independent Representative related to the execution, modification or termination of the interest rate Swap Agreements that are associated with the refinancing of the State's Series 2012C and Series 2012D bonds. Chairman Bryant recognized Steven McDevitt for explanation. Mr. McDevitt explained that during the May 4, 2017, Bond Commission meeting, the Commission authorized the Representatives - the Treasurer, Executive Director of the DFA and a representative from the Attorney General's Office - of the Commission to take the actions necessary to refinance the State's 2012 floating rate notes (FRN) and also to amend the associated Swaps. It was determined that Federal Regulations requires the State to obtain the services of a Swap Advisor to amend the interest rate Swap Agreements that are associated with the 2012 FRN. On behalf of the Representatives of the Commission, DFA requested quotes from five firms and four responded with quotes to provide the Swap Advisor services. Based on the quotes, the Representatives selected Kensington Capital Advisors as the Swap Advisor subject to Commission approval. Kensington's quote was the lowest and best fee offered of the four quotes that were received. In accordance with the Resolution from the May 4<sup>th</sup> Commission meeting, the Bond Commission needs to ratify the actions of the Representatives related to hiring Kensington Capital Advisors to serve as the Swap Advisor to the State. Chairman Bryant asked if there were any questions. Attorney General Hood asked what

Kensington Capital Advisors' quote was versus the other firms. Ms. Jackson stated that out of the five requested quotes, four responded with a range from \$32,500 to \$75,000. State Treasurer Fitch added that since this was a federal mandate, the Commission would have to hire a Swap Advisor in order to restructure the notes. Chairman Bryant asked if there were any questions. There being none, State Treasurer Fitch moved to adopt ratifying and approving the actions of the Representatives of the Bond Commission with regard to (1.) Soliciting for the services of a Qualified Independent Representative; (2.) Selecting Kensington Capital Advisors to serve as the State's Qualified Independent Representative related to the execution, modification or termination of the interest rate Swap Agreement that are associated with the refinancing of the State's Series 2012C and Series 2012D bonds. Attorney General Hood seconded the motion and it was approved by the following vote:

|                                  |     |
|----------------------------------|-----|
| Governor Bryant voted:           | Yes |
| Attorney General Jim Hood voted: | Yes |
| State Treasurer Fitch voted:     | Yes |

Whereupon the Chairman declared the motion adopted.

The next item of business was to consider for adoption a Resolution directing the issuance of not to exceed Sixty-Three Million Dollars (\$63,000,000) State of Mississippi General Obligation Bonds, Series 2017B (LIBOR Term Rate) for the purpose of restructuring a series of General Obligation Bonds previously issued by the State of Mississippi; Prescribing the form and details of said Bonds; Providing certain covenants of the State in connection with said Bonds; Authorizing the negotiated sale of said Bonds; Directing the preparation, execution and delivery thereof; Approving the form of and authorizing the distribution of a Preliminary Official Statement in connection with said Bonds; Authorizing the execution and delivery of a Bond Purchase Agreement, a Paying and Transfer Agent/Calculation Agent Agreement and a Continuing Disclosure Certificate in connection with said Bonds; Directing the preparation and distribution of a Final Official Statement in connection with said Bonds; and for related matters. Chairman Bryant



recognized Steven McDevitt for explanation of this item and reminded everyone that the Commission's Bond Counsel and Financial Advisor were in attendance to answer any questions about the Resolution. Mr. McDevitt stated that this Bond Resolution directs the issuance of Sixty-Three Million Dollars (\$63,000,000.00) tax-exempt, General Obligation Bonds ("GO") to restructure the State's Series 2012D bonds that are currently outstanding. Mr. McDevitt went on to explain that this Resolution directs the issuance of up to Sixty-Three Million Dollars (\$63,000,000.00) FRN bonds and authorizes all of the related parties to take the actions that are necessary to complete this transaction. The Bond Counsel, the Financial Advisors, Underwriters and other associated roles such as the Remarketing Agent are specified in this Resolution. Mr. McDevitt noted that based on the authority given to the Representatives of the Commission during the May 4<sup>th</sup> meeting, Morgan Stanley was selected as Senior Underwriter and Loop Capital was selected as Co-Manager for this transaction, so approval of this Resolution will recognize them as the underwriters for this transaction. Mr. McDevitt added approval is also given for the form of the associated documents such as the Preliminary Official Statement, Bond Purchase Agreement and Remarketing Agreement. Additionally, this Resolution authorizes the State to take the necessary actions to amend the Swap Agreements associated with the 2012D bonds. This Resolution is considered a multimodal document, which means that when the State has to refinance these bonds again in the future, the State will have more options to refinance the bonds and thus provide the State more flexibility to seek a different method of refinancing to save money on this transaction in the future. Bond Counsel and the FA have given the Commission the most flexibility for the next time around. Chairman Bryant asked that Steve Edds, Bond Counsel ("BC"), explain to the Commission what multimodal was and its effect. Mr. Edds stated that the State's professional team had made a decision to use multi modal documents in connection with the restructuring of the 2012 Notes. This provides the State with a variety of options upon the maturing of the 2017 Bonds – options that



the State does not currently have. Depending on the interest rate environment at the maturing of the 2017 Bonds, the State will have the option of selecting a daily rate, a weekly rate, a term rate or a fixed rate to maturity. Mr. Edds added this allows the State to benefit from the lowest cost of borrowing at that time. Chairman Bryant asked if Morgan Stanley would assume the responsibility to remarket these Bonds. To which Mr. Edds responded in the affirmative. State Treasurer Fitch asked if there was an opportunity to switch these Bonds out, so that we are not limited by this Resolution and we do not have to wait three to five years to pay them off. Mr. Edds said that we would be limited to whatever the terms are when the bonds are sold and added that there is an opportunity under this document to refund, but it would be an advance refund and would have the costs of escrow. State Treasurer Fitch asked based on our discussion earlier, could there be language that needed to be added to the Resolution to give flexibility to pay the bonds off before maturity. Mr. Edds said there might be a large fee connected to that and deferred to Chris Janning, FA. Mr. Janning stated that they would have to talk with the underwriters. Laura Jackson commented that the likelihood of the Legislature granting that 170 million is probably not very high. Chairman Bryant asked if there were any questions. State Treasurer Fitch asked for a brief explanation from Steve Edds about the risk associated with LIBOR and its dwindling market. Mr. Edds responded a provision is built into the Resolution (that they believe is industry wide acceptable) that if LIBOR was to basically go away, and it is expected to go away within the next 21 months, that allows the State and the borrower to work with your FA and the Remarketing Agent to select at that point a new index similar to LIBOR. The index selected would be up to the State (the Treasurer and Executive Director of DFA) working with the FA and Marketing Agent to select an index that is as comparable to LIBOR. Chairman Bryant asked if there were any further questions. There being none, Attorney General Jim Hood moved to adopt the Resolution directing the issuance of not to exceed Sixty-Three Million Dollars (\$63,000,000) State of Mississippi

General Obligation Bonds, Series 2017B (LIBOR Term Rate) for the purpose of restructuring a series of General Obligation Bonds previously issued by the State of Mississippi; Prescribing the form and details of said Bonds; Providing certain covenants of the State in connection with said Bonds; Authorizing the negotiated sale of said Bonds; Directing the preparation, execution and delivery thereof; Approving the form of and authorizing the distribution of a Preliminary Official Statement in connection with said Bonds; Authorizing the execution and delivery of a Bond Purchase Agreement, a Paying and Transfer Agent/Calculation Agent Agreement and a Continuing Disclosure Certificate in connection with said Bonds; Directing the preparation and distribution of a Final Official Statement in connection with said Bonds; and for related matters. State Treasurer Fitch seconded the motion to amend and it was approved by the following vote:

|                                  |     |
|----------------------------------|-----|
| Governor Bryant voted:           | Yes |
| Attorney General Jim Hood voted: | Yes |
| State Treasurer Fitch voted:     | Yes |

Whereupon the Chairman declared the motion adopted.

A copy of the Resolution attached as "Exhibit A."

The next item of business for discussion was to consider for adoption a Resolution directing the issuance of not to exceed One Hundred Three Million Dollars (\$103,000,000) State of Mississippi taxable General Obligation Bonds, Series 2017C (LIBOR Term Rate) for the purpose of restructuring a series of General Obligation Bonds previously issued by the State of Mississippi; Prescribing the form and details of said Bonds; Providing certain covenants of the State in connection with said Bonds; Authorizing the negotiated sale of said Bonds; Directing the preparation, execution and delivery thereof; Approving the form of and authorizing the distribution of a Preliminary Official Statement in connection with said Bonds; Authorizing the execution and delivery of a Bond Purchase Agreement, a Paying and Transfer Agent/Calculation Agent Agreement and a Continuing Disclosure Certificate in connection with said Bonds; Directing the preparation and distribution of a Final Official Statement in connection with said Bonds; and

for related matters. Steven McDevitt was recognized for further explanation. Mr. McDevitt stated that this Bond Resolution is similar to the Resolution in agenda item number 5, except it directs the issuance of One Hundred Three Million Dollars (\$103,000,000) taxable General Obligation Bonds to restructure the State's Series 2012C bonds. Like the past Resolution, it names Bond Counsel, the FA and Underwriters. Based on the authority given to the Representatives of the Commission, Piper Jaffray was selected as Senior Underwriter and Loop Capital was selected as the Co-Manager on this transaction. This Resolution will also approve the form of the documents related to the transaction such as the Official Statement ("OS"), Bond Purchase Agreement ("BPA") and Remarketing Agreement; it is also in a form of a multi modal resolution that will allow the State more flexibility to refinance these bonds in the future. This Resolution further authorizes the State to take the necessary actions to amend the Swap related to the 2012C bonds. Mr. Edds commented that these two Swaps were in a SIFMA Index and we are actually moving into a LIBOR index in which both the Underwriters and Financial Advisors think is a positive move for the State. Chairman Bryant asked if there was an anticipated savings on this restructure. Mr. Janning, FA, stated that he had the figures and would inform the Commission as soon as he located them. Chairman Bryant asked if there were any further questions. There being none, State Treasurer Fitch moved to adopt Resolution directing the issuance of not to exceed One Hundred Three Million Dollars (\$103,000,000) State of Mississippi taxable General Obligation Bonds, Series 2017C (LIBOR Term Rate) for the purpose of refinancing a series of General Obligation Bonds previously issued by the State of Mississippi; Prescribing the form and details of said Bonds; Providing certain covenants of the State in connection with said Bonds; Authorizing the negotiated sale of said Bonds; Directing the preparation, execution and delivery thereof; Approving the form of and authorizing the distribution of a Preliminary Official Statement in connection with said Bonds; Authorizing the execution and delivery of a Bond Purchase Agreement, a Paying and

Transfer Agent/Calculation Agent Agreement and a Continuing Disclosure Certificate in connection with said Bonds; Directing the preparation and distribution of a Final Official Statement in connection with said Bonds; and for related matters. Attorney General Hood seconded the motion to amend and it was approved by the following vote:

|                                  |     |
|----------------------------------|-----|
| Governor Bryant voted:           | Yes |
| Attorney General Jim Hood voted: | Yes |
| State Treasurer Fitch voted:     | Yes |

Whereupon the Chairman declared the motion adopted.

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

The next item of business for discussion was authorizing the Mississippi Department of Finance and Administration to conduct a Request for Proposals ("RFP") for Bond Counsel services for the issuance of new bonds during the calendar year 2017. Chairman Bryant recognized Steven McDevitt for explanation. Mr. McDevitt stated that this was a very preliminary request, but this agenda item would allow DFA to publish an RFP for Bond Counsel related to any new money bond issuance that may be done during the fall of 2017. The RFP would be sent to the three firms that are part of the Bond Commission's prequalified short list. This action would also allow the working group to move forward in a timely manner once the fall bond sale takes shape. It does not commit the State to a new money bond issue. Chairman Bryant asked Mr. McDevitt if we had a schedule on the fall issue, to which Mr. McDevitt stated we did not, but it is usually in October or November. State Treasurer Fitch requested Mr. McDevitt to remind everyone of the firms that were on the prequalified list. Mr. McDevitt stated that Butler Snow, Jones Walker, and Watkins Eager law firms were on the list as the three firms that met the qualifications last August. Chairman Bryant asked if there were any further questions. There being none, Attorney General Hood moved to authorize the Mississippi Department of Finance and Administration to conduct a Request for Proposals for Bond Counsel services for the issuance of new bonds during the calendar year 2017. State



Treasurer Fitch seconded the motion to amend and it was approved by the following vote:

|                                  |     |
|----------------------------------|-----|
| Governor Bryant voted:           | Yes |
| Attorney General Jim Hood voted: | Yes |
| State Treasurer Fitch voted:     | Yes |

Whereupon the Chairman declared the motion adopted.

The next item of business for discussion was the Mississippi Department of Finance and Administration's update to the Bond Commission regarding the Master Lease Purchase Program Series 2017B transaction. Chairman Bryant recognized Steven McDevitt for further explanation. Mr. McDevitt informed everyone that this item is just an update on the State's Master Lease Program and does not require any action by the Commission. Mr. McDevitt stated that on July 26, 2017, DFA closed on the Series 2017B financing of the Master Lease Purchasing Program ("MLPP") and under this transaction Regions Bank financed approximately Five Million Dollars (\$5,000,000.00) for the purchase of school buses for the Columbus Municipal Public School District and the Jackson Public School District. The repayment of these funds will be made by the School Districts over a period of ten years. As normal with this program, DFA and FirstSouthwest will help facilitate the payments by the School Districts. Mr. McDevitt also added that there is one other transaction coming up within the next few months with the Department of Agriculture and Commerce for equipment. Chairman Bryant asked when the first payment for Jackson Public Schools would be coming up. Ms. Jackson stated that it would be October 15<sup>th</sup>, 2017. The Chairman also asked if the Jackson Public School's bond rating had been changed and if that would affect this transaction. Mr. McDevitt said they had gone out for a private placement and the Jackson Public School's rating would not affect this transaction. Mr. McDevitt added that if the School District could not make the payment, the State had the authority through the Department of Education to get the funds from the School District. Chairman Bryant asked if there were any questions. There were no questions.



At this time, Chris Janning, FA, advised the Commission that he had the numbers on the savings that the Chairman had requested earlier during discussion of Agenda Item No. 6. Mr. Janning estimated a savings of approximately Two Million One Hundred Fifteen Thousand Dollars (\$2,115,000.00) on the taxable deal and One Million One Hundred Sixty Thousand Dollars (\$1,160,000.00) on the tax exempt issuance for a total savings of approximately Three Million Two Hundred Seventy-Five Thousand Dollars (\$3,275,000.00). Chairman Bryant asked if there were any questions. State Treasurer Fitch asked if the quarterly reports, that were to be sent in on various projects, were available and updated in electronic format. Mr. McDevitt stated that they had the paper documents on hand but not in electronic form; but was hoping to get with the Working Group next week to review the documents. Mr. McDevitt also stated that as of now, outside of the State projects, there is a little over Twenty Million Dollars (\$20,000,000.00) on various projects that may be requested. Chairman Bryant asked Mr. McDevitt if he know the amount on the fall sale. Mr. McDevitt replied that if Continental Tire is excluded, around One Hundred Seventy Million Dollars (\$170,000,000.00) max; and that figure includes Forty Five Million Dollars (\$45,000,000.00), on the State Shipyard that the Mississippi Development Authority ("MDA") is not sure of at this time. Ms. Jackson added that the Continental Tire project is another issue that the Bond Commission will have to deal with in the coming months. She reminded everyone that the Commission got short-term financing for Eighty Million Dollars (\$80,000,000.00), and Continental would draw it down through MDA over a period of time. The original time line that MDA gave for drawing down and spending the Eighty Million Dollars (\$80,000,000.00) was originally December of 2017, which is why the Commission approved short-term financing. However, there have been several delays and as of last week, only about Twenty Million Dollars (\$20,000,000.00) has been drawn down with only a portion having been spent. The question then becomes what to do with that debt: Should it be turned into long-term debt or renew the debt

into a new short-term note. Therefore, a lot of this discussion has to be done about Continental. Mr. Janning, FA, stated that the interest rates are very favorable at the moment. Ms. Jackson added that we are only paying interest on what has been drawn down. Chairman Bryant commented that interest rates might go up in the future. To which Ms. Jackson stated that was definitely a possibility. Ms. Jackson added that the State could have drawn down the entire Eighty Million Dollars (\$80,000,000.00), but would have had to pay the interest on it from day one. Given the fact we did not know how fast Continental was going to spend the money, it was better to allow them to draw it down in allotments of Five to Ten Million Dollars and only pay the interest on what was actually drawn down. Ms. Jackson added that six Mississippi banks had been contacted and several of them formed a consortium, so Mississippi banks are financing the money. Chairman Bryant remarked that was good to hear. State Treasurer Fitch commented that in preparation for the fall bond sale, we need to make sure the projects coming forth have actually gone through the money already allotted to them. Chairman Bryant asked if there were any others questions or comments. There was none.

There was no other business to consider.

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