

**MINUTES OF A MEETING OF THE STATE BOND COMMISSION  
OF THE STATE OF MISSISSIPPI  
HELD SEPTEMBER 27, 2018**

The State Bond Commission ("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 3:00 A.M., Central Standard Time, Thursday, the 27<sup>th</sup> day of September 2018, with the following members of the Bond Commission present, to-wit;

**Governor Phil Bryant**, Governor and Ex-Officio Chairman  
**Jim Hood**, Attorney General and Ex-Officio Secretary  
**Jessie Graham**, Deputy State Treasurer and Acting Ex-Officio Member

Also, present:

Robert G. Waites, Esq., Office of the Governor  
Joey Songy, Esq., Office of the Governor  
Michael Lanford, Esq., Office of the Attorney General  
Romaine L. Richards, Esq., Office of the Attorney General  
Liz Bolen, Esq., Office of the Attorney General  
Teresa Tucker, Office of the Attorney General  
Laura Jackson, Department of Finance and Administration  
Dr. Brian Pugh, Department of Finance and Administration  
Glenn R. Kornbrek, Department of Finance and Administration  
Steven McDevitt, Department of Finance and Administration  
Christopher J. King, Department of Finance and Administration  
Chuck McIntosh, Department of Finance and Administration  
Samuel Brumfield, Esq., Department of Finance and Administration  
Yolanda Campbell, Office of the State Treasurer  
Tenisha Wells, Office of the State Treasurer  
Chuck Mobley, Mississippi Development Authority  
Jay McCarthy, Mississippi Development Authority  
Vickie Hall, Hilltop Securities  
Steve Johnson, Hilltop Securities  
Mark Leggett, Mississippi Poultry Association  
E. J. Gregory, Duncan-Williams, Inc.  
Max Neely, Stephens, Inc.  
Pierce Moore, Stephens, Inc.  
Stephen Clay, Clay Firm

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 August 13, 2018. Attorney General Jim Hood moved to approve the minutes. Deputy State Treasurer Jessie Graham seconded the motion and it was approved by the following vote:

Governor Bryant voted: Yes  
Attorney General Hood voted: Yes  
Deputy State Treasurer Graham voted: Yes

Whereupon the Chairman declared the motion adopted.

The next order of business was to consider for adoption the Resolution directing the issuance of not to exceed Two Hundred Three Million One Hundred Thousand Dollars and No/100ths (\$203,100,000.00) General Obligation Bonds, Series 2018A of the State of Mississippi (the "State") for the purpose of providing financing for various projects and programs in the State; Prescribing the forms 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 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, Bond Advisory Director, with the Department of Finance and Administration ("DFA"), for explanation. Mr. McDevitt stated that this Resolution would direct the issuance of the Tax-Exempt General Obligation Bonds and ratify actions previously taken by the Representatives of the Bond Commission (the "Representatives") and their staff. It further authorizes the Representatives, who are, an Attorney General representative, the State Treasurer and the Executive Director of DFA, to take the necessary steps to complete the financing. With the adoption of this Resolution, the Representatives, Bond Counsel, the State's Financial Advisor and Underwriters will proceed with preparing all of the necessary documents and taking all of the necessary actions to complete the Bond Issuance. This Resolution also names the underwriters for this transaction, who are Piper Jaffray and Stephens Inc. as the co-senior managing underwriters for the Series 2018A Bonds; and approves the form of the Bond Purchase Agreement, the Preliminary Official Statement and the G-17 Disclosures. Chairman Bryant asked if there were any questions. There being none, General Hood moved to adopt the Resolution directing the

issuance of not to exceed Two Hundred Three Million One Hundred Thousand Dollars and No/100ths (\$203,100,000.00) General Obligation Bonds, Series 2018A of the State of Mississippi (the "State") for the purpose of providing financing for various projects and programs in the State; Prescribing the forms 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 in connection with said bonds; Directing the preparation and distribution of a Final Official Statement in connection with said bonds; and for related matters. Deputy Treasurer Graham seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Attorney General Hood voted:	Yes
Deputy State Treasurer Graham voted:	Yes

Whereupon the Chairman declared the motion adopted.

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

The next order of business was to consider for adoption the Resolution directing the issuance of not to exceed One Hundred Fifty-Three Million Dollars and No/100ths (\$153,000,000.00) Taxable General Obligation Bonds, Series 2018B of the State of Mississippi (the "State") for the purpose of providing financing for various projects and programs in the State; Prescribing the forms 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 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. Mr. McDevitt stated that this

Resolution directs the issuance of up to One Hundred Fifty-Three Million Dollars and No/100ths (\$153,000,000.00) of Taxable General Obligation Bonds and names the underwriters for the Taxable Series 2018B Bond to be Raymond James and Duncan Williams as co-senior managing underwriters. As with the previous resolution, the adoption of this Resolution would approve previous actions of the Representatives and future actions to be taken by the Representatives, Bond Counsel, Underwriters and the whole bond financing team. Chairman Bryant stated that a list of the items incorporated in these Bond Resolutions was available if anyone wanted to review them, and directed Mr. McDevitt's attention to item three on the list that had been presented to the Members and asked if it was for the State IHL, Community College and those type of projects. Mr. McDevitt stated yes, and added that Item 4 was for economic development. Chairman Bryant stated that the economic development was primarily the Shipyard and Continental Tire. Chairman Bryant asked if there were any questions. There being none, Deputy Treasurer Graham moved to adopt the Resolution directing the issuance of not to exceed One Hundred Fifty-Three Million Dollars and No/100ths (\$153,000,000.00) Taxable General Obligation Bonds, Series 2018B of the State of Mississippi (the "State") for the purpose of providing financing for various projects and programs in the State; Prescribing the forms 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 in connection with said bonds; Directing the preparation and distribution of a Final Official Statement in connection with said bonds; and for related matters. General Hood seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Attorney General Hood voted:	Yes
Deputy State Treasurer Graham voted:	Yes

Whereupon the Chairman declared the motion adopted.

A copy of the Resolution is attached as "Exhibit B." A copy of the Fall 2018 Bond Sale Project List is attached as Exhibit "B-1."

The next order of business was to consider for approval the payment of costs associated with the issuance of the Series 2018A and Series 2018B State of Mississippi Bonds. Chairman Bryant turned to Steven McDevitt for explanation. Mr. McDevitt stated that this Resolution was requesting the Bond Commission to approve the payment of Cost of Issuance for Series 2018A and Series 2018B General Obligation Bonds in an amount of not to exceed Five Hundred Ninety-Four Thousand Dollars and No/100ths (\$594,000.00). This amount is higher than the current estimate by approximately three percent (3%), which will allow for any unexpected variations in the costs. Chairman Bryant asked if there were any questions. Attorney General Hood asked for an explanation for variances in the costs between Moody's, Standard and Poor's, and Fitch Ratings. Laura Jackson, Executive Director of DFA, explained that this was the cost of getting the Bonds rated and these estimates are generally from the rating agencies themselves. Deputy Attorney Mike Lanford stated that he understood some states were not using all three rating agencies. Ms. Jackson agreed that some states were only using two of the three agencies, and went on to say that at one time the State used only two of the agencies after firing one, but had gone back to using three agencies. Ms. Jackson asked if Steve Edds, Bond Counsel, had any comments on whether the DFA needed to use three agencies. Mr. Edds deferred to Steve Johnson with Hilltop Securities. Mr. Johnson explained that they had several large issuers that use only two agencies, and there was no real benefit to using a third. Mr. Johnson added that there were actually additional rating agencies who were cheaper that mostly provided ratings to lower rated creditors. Mr. Johnson explained, for issuers such as the State, they have found it adequate in many cases to use only two of the three agencies (such as Moody's, S & P, or Fitch). Chairman

Bryant added that he had no problem with having only two rating agencies, if there was not a threat to the issuance. Dr. Brian Pugh, Deputy Director of the DFA, commented that while attending a conference at Georgia State, one of the credit rating agencies, who was presenting at the conference, said that the reason some states do not use just two agencies is that the other agency can still rate you. Dr. Pugh added in the case where an agency rates you, but you are not paying them to do so, you would not have the opportunity to dispute the rating if you disagreed with the agency's rating. In other words, just because you are not paying an agency, does not mean they will not rate you. Ms. Jackson commented that was the case with the agency that had been fired years ago. The agency continued to rate the bonds even though they were not being paid. Chairman Bryant stated that he had always been uncomfortable with paying an agency to rate the State. Attorney General Hood asked if the Working Group could look at the benefits of using two agencies instead of three. Chairman Bryant agreed with this request. Laura Jackson asked if this was something to be pursued on this issue or for future issuances. Attorney General Hood and Chairman Bryant both agreed for this to be looked at for future issuances. Chairman Bryant asked if there were any further questions. There being none, General Hood moved to approve the payment of costs associated with the issuance of the Series 2018A and Series 2018B State of Mississippi Bonds. Deputy Treasurer Graham seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Attorney General Hood voted:	Yes
Deputy State Treasurer Graham voted:	Yes

Whereupon the Chairman declared the motion adopted.

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

The next order of business was to consider for acceptance the Resolution of the Mississippi Transportation Commission Requesting that the Mississippi State Bond Commission issue Revenue Bonds of the State of Mississippi in the amount of Two Hundred Fifty Million Dollars and No/100ths (\$250,000,000.00) in part or in whole to provide funding for the "Emergency

Road And Bridge Repair Fund" for use by the Mississippi Department Of Transportation on emergency repairs to roads, streets and highways in this State and emergency bridge repairs on public roads, streets and highways in this State in accordance with and as authorized by the Legislature in Sections and 8 of House Bill 1, First Extraordinary Session of 2018. Chairman Bryant recognized Steven McDevitt. Mr. McDevitt stated that these were the Two Hundred Fifty Million Dollars and No/100ths (\$250,000,000.00) Revenue Bonds that were authorized during the most recent Special Session of the Legislature, and would be managed by the Mississippi Department of Transportation ("MDOT") for the benefit of the Emergency Road and Bridge Repair Fund. Acceptance of this Resolution will acknowledge the Bond Commission's receipt of the Mississippi Transportation Commission's declaration of necessity to issue Two Hundred Fifty Million Dollars and No/100ths (\$250,000,000.00) of Revenue Bonds that were authorized in House Bill No. 1 of the First Extraordinary Session of 2018. Mr. McDevitt added that this is the first step that is required for the DFA to move forward with the issuance. Chairman Bryant commented that the Mississippi Transportation Commission vote was unanimous on this Resolution. Chairman Bryant asked for any questions or comments. There being none, General Hood moved to accept the Resolution of the Mississippi Transportation Commission Requesting that the Mississippi State Bond Commission issue Revenue Bonds of the State of Mississippi in the amount of Two Hundred Fifty Million Dollars and No/100ths (\$250,000,000.00) in part or in whole to provide funding for the "Emergency Road And Bridge Repair Fund" for use by the Mississippi Department Of Transportation on emergency repairs to roads, streets and highways in this State and emergency bridge repairs on public roads, streets and highways in this State in accordance with and as authorized by the Legislature in Sections and 8 of House Bill 1, First Extraordinary Session of 2018. Deputy Treasurer Graham seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Attorney General Hood voted:	Yes
Deputy State Treasurer Graham voted:	Yes

Whereupon the Chairman declared the motion adopted.

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

The next order of business was to consider for acceptance the Resolution of the Mississippi Transportation Commission requesting that the Mississippi State Bond Commission issue Revenue Bonds of the State of Mississippi in an amount of not more than Fifty Million Dollars and No/100<sup>th</sup> (\$50,000,000.00) as authorized by the Legislature in Section 7 of House Bill No. 1, First Extraordinary Session of 2018, to provide funding for the "2018 Transportation And Infrastructure Improvements Fund" to be disbursed in the discretion of the Department Of Finance and Administration on the projects authorized as provided in Section 9 of House Bill No. 1, First Extraordinary Session of 2018, as amended in Section 13 of Senate Bill 2002, First Extraordinary Session of 2018. Chairman Bryant recognized Steven McDevitt for explanation. Mr. McDevitt explained that these funds would be managed by DFA to help fund projects from the Senate Bill 2002 of the First Special Session of 2018. Chairman Bryant asked if there were any questions or comments on Item No. 7. General Hood asked what the process was for DFA in managing these funds received from the Legislature. Laura Jackson stated that the process was delineated in Senate Bill 2002, so the DFA would handle the distribution and monitoring similar to the way an out of state government project for any General Obligation Bonds is handled by. The DFA is requiring that they sign a Memorandum of Understanding, provide assurance that the money will be spent in accordance with the Legislation, and requiring quarterly reporting until the money is depleted. General Hood asked if the Legislation specified first come, first serve or if that is a policy decision that the DFA is making. Ms. Jackson stated that because the total projects were a little over One Hundred and Two Million Dollars (\$102,000,000), and DFA only had Fifty-Two Million Dollars (\$52,000,000.00) that was currently available out of BP money, the other Fifty Million Dollars



(\$50,000,000.00) would be coming from Revenue Bonds, that was a policy decision of the DFA. There were some projects with tax status issues that the DFA was concerned with funding through the Revenue Bond issue, so those projects were removed and are being funded with BP money. Everything else was first come, first serve. Ms. Jackson added that the DFA worked through the Mississippi Municipal League ("MML") and the Mississippi Association of Supervisors ("MAS"), as a voice to their membership, to let them know about the DFA's website to request funding. The DFA had packets, with templets for the MOU's and letters, put together on the website for them to have everything approved by their governing body and return to the DFA on a first come, first serve basis. Chairman Bryant asked Ms. Jackson if the response had been timely. Ms. Jackson commented that the DFA had given away all but Fifteen Million Dollars (\$15,000,000.00) of the BP money. When the DFA first started this project, it was made clear to the MML and the MAS to communicate to their members that the DFA did not have all the funding up front and that the remainder of the projects would have to wait until the Revenue Bonds were issued. Chairman Bryant added that this Bond meeting [September 27, 2018] was called as quickly as possible, with no delay on the Bond Commission's part. Chairman Bryant asked if there were additional questions. There being none, General Hood moved to accept the Resolution of the Mississippi Transportation Commission requesting that the Mississippi State Bond Commission issue Revenue Bonds of the State of Mississippi in an amount of not more than Fifty Million Dollars and No/100<sup>th</sup> (\$50,000,000.00) as authorized by the Legislature in Section 7 of House Bill No. 1, First Extraordinary Session of 2018, to provide funding for the "2018 Transportation And Infrastructure Improvements Fund" to be disbursed in the discretion of the Department Of Finance And Administration on the projects authorized as provided in Section 9 of House Bill No. 1, First Extraordinary Session of 2018, as amended in Section 13 of Senate Bill 2002, First

Extraordinary Session of 2018. Deputy Treasurer Graham seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Attorney General Hood voted:	Yes
Deputy State Treasurer Graham voted:	Yes

Whereupon the Chairman declared the motion adopted.

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

The next order of business was to consider for approval the Resolution authorizing and directing preparations for the sale and issuance of Tax-Exempt Revenue Bonds of the State of Mississippi in a total aggregate principal amount of not to exceed Three Hundred Million Dollars and No/100ths (\$300,000,000.00), for the purpose of providing funding for (a) the State's Emergency Road and Bridge Repair Fund in the amount of Two Hundred Fifty Million Dollars and No/100ths (\$250,000,000.00) and (b) the State's 2018 Transportation and Infrastructure Improvements Fund in the amount of Fifty Million Dollars and No/100ths (\$50,000,000.00); Directing the preparation and distribution of a Preliminary Official Statement in connection with said bonds; And to take certain other actions in preparation for the sale of said bonds; and for related purposes. Chairman Bryant recognized Steven McDevitt for explanation. Mr. McDevitt explained that this Resolution would give the Representatives the authority of overseeing and directing the preparations for the Bond Issuance. This would include soliciting and selecting underwriters for this transaction and a Request for Qualifications ("RFQ") would be done for that process. This Resolution also names Butler Snow as Bond Counsel, Hilltop Securities as Financial Advisor and allows them to take all the actions they need to be able to move this transaction forward. Mr. McDevitt reminded the Bond Commission that all of the actions taken by the Representatives, Bond Counsel, the Financial Advisor and Underwriters are not binding to the Bond Commission, and will have to be approved by the Bond Commission at a future meeting. Laura Jackson added that the issuance of Revenue Bonds was more complicated than the General Obligation Bonds, so the Revenue Bonds have a different rating;

necessitating having separate conversations and/or visits with the rating agencies to make sure they understand the structure for the Revenue Bonds. Chairman Bryant asked if the increase of interest rates during that time would affect the issuance of these bonds. To which Ms. Jackson responded it could. There being no further comment, General Hood moved to approve the Resolution authorizing and directing preparations for the sale and issuance of Tax-Exempt Revenue Bonds of the State of Mississippi in a total aggregate principal amount of not to exceed Three Hundred Million Dollars and No/100ths (\$300,000,000.00), for the purpose of providing funding for (a) the State's Emergency Road and Bridge Repair Fund in the amount of Two Hundred Fifty Million Dollars and No/100ths (\$250,000,000.00) and (b) the State's 2018 Transportation and Infrastructure Improvements Fund in the amount of Fifty Million Dollars and No/100ths (\$50,000,000.00); Directing the preparation and distribution of a Preliminary Official Statement in connection with said bonds; And to take certain other actions in preparation for the sale of said bonds; and for related purposes. Deputy Treasurer Graham seconded the motion and it was approved by the following vote:

Governor Bryant voted:	Yes
Attorney General Hood voted:	Yes
Deputy State Treasurer Graham voted:	Yes

Whereupon the Chairman declared the motion adopted.

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

There was no other business to consider.

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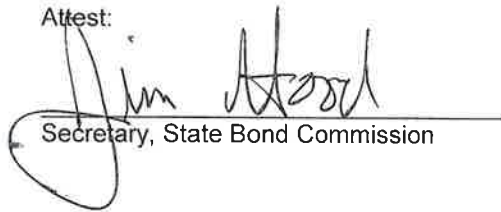
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There being no further business to come before the Commission, **Attorney General Jim Hood** motioned to adjourn the meeting and **Deputy State Treasurer Jessie Graham** seconded the motion. Thereupon, pursuant to motion duly made and carried, the Bond Commission adjourned.



Chairman, State Bond Commission

Attest:

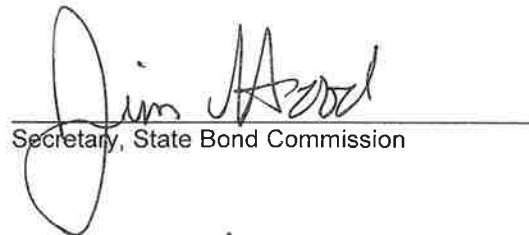


Secretary, State Bond Commission


The above and foregoing minutes read and approved this the 27<sup>th</sup> day of September 2018.



Chairman, State Bond Commission



Secretary, State Bond Commission

ACTING   
Member, State Bond Commission