

BOARD OF PUBLIC BUILDINGS  
MINUTES OF MEETING

July 3, 2012

Pursuant to public notice previously provided by the Office of Administration, Governor Nixon called the meeting to order at 9:05 AM. Call of roll indicated that the following members of the Board were present.

Governor Jay Nixon – Chairman  
Lieutenant Governor Peter Kinder – Secretary  
Attorney General Chris Koster – Member

A waiver and consent to hold this meeting was circulated for signature.

Governor Nixon asked for approval of the September 13, 2011, meeting minutes. Attorney General Koster moved for the adoption of the minutes. Governor Nixon seconded the motion. Motion carried by unanimous vote.

Governor Nixon stated that the first item on the agenda was the resolution pertaining to the Board's Fiscal Year 2013 budget. Governor Nixon asked Stacy Neal to brief the Board. Stacy explained that the resolution authorizes the Office of Administration, Division of Accounting to make payments for the operation and maintenance of the Board of Public Building buildings, as well as, debt service payments for Fiscal Year 2013. All appropriations are located in House Bill 5. She stated that the Board of Public Buildings B 2001 Refunding Bonds will be paid off this fiscal year.

Attorney General Koster moved that the resolution be approved. Lieutenant Governor Kinder seconded the motion. Motion was carried by the vote:

Governor Nixon	YEA
Lieutenant Governor Kinder	YEA
Attorney General Koster	YEA

Governor Nixon stated that the next item on the agenda was a resolution authorizing the use of certain Board funds. Governor Nixon asked Stacy Neal to brief the Board. Stacy explained that every year the Series B 2001 Bonds require a depreciation, maintenance, and reserve fund of \$1 million to be maintained. Annually, the Board has requested any amount in excess of the million dollars be transferred to the General Revenue fund. Approval of the resolution will transfer \$6,598 to General Revenue.

Attorney General Koster moved that the resolution be approved. Lieutenant Governor Kinder seconded the motion. Motion was carried by the vote:

Governor Nixon	YEA
Lieutenant Governor Kinder	YEA
Attorney General Koster	YEA

Governor Nixon stated that the next item on the agenda was regarding a refunding opportunity. Governor Nixon asked Stacy Neal to brief the Board. Stacy explained that the 2012 refunding opportunity would refund some of the outstanding BPB A 2003 bonds for economic savings. Based on the current market conditions, the Office of Administration was expecting over 10% savings. Anytime opportunities meet a 5% savings threshold, those opportunities are brought before the Board. Approval of the request authorizes the Office of Administration, Columbia Capital (Financial Advisor), and Gilmore & Bell and Fields & Brown (co-bond counsel) to pursue the opportunity. A competitive sale would occur August 2, 2012.

Lieutenant Governor Kinder moved that the resolution be approved. Attorney General Koster seconded the motion. Motion was carried by the vote:

Governor Nixon	YEA
Lieutenant Governor Kinder	YEA
Attorney General Koster	YEA

Governor Nixon stated that the next item on the agenda was a resolution authorizing the public sale of the Board of Public Buildings Special Obligation Refunding Bonds, Series A 2012. Governor Nixon asked Stacy Neal to brief the Board. Stacy explained that the resolution directs the Office of Administration, Columbia Capital, Gilmore & Bell and Fields & Brown to market the bonds. The Board was asked to approve the Preliminary Official Statement and the notice of sale which were included in the packets provided. Approval of the resolution would authorize the Office of Administration to sell just under \$300 million of bonds on August 2, 2012 at 10:00 AM. The Board would then meet at 1:00 PM the same day to select the winning bidder.

Lieutenant Governor Kinder moved that the resolution be approved. Attorney General Koster seconded the motion. Motion was carried by the vote:

Governor Nixon	YEA
Lieutenant Governor Kinder	YEA
Attorney General Koster	YEA

Governor Nixon stated that the next item on the agenda was discussion and selection of paying agency and escrow agent for the Board of Public Buildings Special Obligation Refunding Bonds, Series A 2012. Governor Nixon asked Stacy Neal to brief the Board. Stacy explained that any time the Office of Administration sells bonds, there needs to be a paying agent and in this case, an escrow agent, because it was an advanced refunding. Commerce Bank and UMB Bank submitted bids. UMB Bank submitted the lowest bid at \$125 acceptance and no annual fee for the escrow services and \$125 acceptance plus \$150 per year for the paying agent services. Stacy recommended that the Board approve UMB for both paying agent and escrow agent services.

Attorney General Koster moved that UMB be approved as the paying agent and escrow agent. Lieutenant Governor Kinder seconded the motion. Motion was carried by the vote:

Governor Nixon	YEA
Lieutenant Governor Kinder	YEA
Attorney General Koster	YEA

Governor Nixon stated that the next item on the agenda was discussion and authorization to seek a volume cap allocation for the Board of Public Buildings Special Obligation Refunding Bonds, Series A 2012. Governor Nixon asked Stacy Neal to brief the Board. Stacy explained that any time OA issued bonds for public building use there was a maximum amount of private use allowed in those buildings. Private businesses can only occupy 10% of State buildings without causing a tax issue. The IRS caps transactions at \$15 million for private use. In this case, \$15 million on our \$300 million transaction created a challenge for the Office of Administration. Allowing only a 5% allocation could limit the State's ability to have public/private partnerships or not-for-profits enter State buildings or even the Federal Government. To mitigate that issue, OA sought authority to ask the Department of Economic Development for a volume cap allocation which means private use flexibility would be raised to the normal 10%. This would increase operational flexibility and reduce the risk of future tax issues.

Attorney General Koster moved the allocation be pursued. Lieutenant Governor Kinder seconded the motion. Motion was carried by the vote:

Governor Nixon	YEA
Lieutenant Governor Kinder	YEA
Attorney General Koster	YEA

Governor Nixon stated that the final item on the agenda was discussion and approval of easements. Governor Nixon asked Stacy Neal to brief the Board. Stacy explained that there were two easements related to water lines for Board consideration. The first was an easement to Public Water District #4 in Cole County for water service to the Ike Skelton Training Center. The second was an easement to Missouri American Water in St. Louis County for water service to the Missouri Civil War Museum. Both easements had been reviewed and approved by the Attorney General's Office and the Office of Administration, Facilities Management, Design and Construction.

Attorney General Koster moved that the easements be approved. Lieutenant Governor Kinder seconded the motion. Motion was carried by the vote:

Governor Nixon	YEA
Lieutenant Governor Kinder	YEA
Attorney General Koster	YEA

There being no further business, upon motion made by Lieutenant Governor Kinder, seconded by Governor Nixon, and carried by unanimous vote, Governor Nixon declared the meeting adjourned.