



**MISSOURI HIGHWAYS AND TRANSPORTATION  
COMMISSION**

**Official Minutes**

**TABLE OF CONTENTS**

**May 16, 2014**

**OPENING REMARKS – 24 Hour Notice Statement..... 3**

**MoDOT PRESENTATION**  
Resolution Authorizing the Issuance of First Lien Refunding State Road Bonds, Series A 2014 and  
Second Lien Refunding State Road Bonds, Series B 2014 ..... 4

**MINUTES OF THE SPECIAL HIGHWAYS AND TRANSPORTATION COMMISSION  
MEETING HELD ON FRIDAY, MAY 16, 2014**

A special meeting of the Missouri Highways and Transportation Commission was held via teleconference on Friday, May 16, 2014, to take necessary action on one agenda item from the May 14, 2014 Commission meeting that required an in person or teleconference meeting to take action. Stephen R. Miller, Chairman, called the meeting to order at 12:00 p.m. The following Commissioners were present by teleconference: Chairman Stephen R. Miller, Vice-Chairman Lloyd J. Carmichael, Kenneth H. Suelthaus, and Gregg C. Smith.

On February 6, 2014, Governor Nixon withdrew the appointment of Commissioner Kelley M. Martin; at the time of the May 16, 2014 meeting, a replacement had not been appointed. On May 6, 2014, Governor Nixon withdrew the appointment of Commissioner Bryan T. Scott; at the time of the May 16, 2014 meeting, a replacement had not been appointed.

The meeting was called pursuant to Section 226.120 of the Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted, although less than 24 hour notice, in keeping with Section 610.020 of the Revised Statutes of Missouri, as amended.

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*“Department” or “MoDOT” herein refers to Missouri Department of Transportation.  
“Commission” or “MHTC” herein refers to Missouri Highways and Transportation Commission.*

## **OPENING REMARKS – 24 HOUR NOTICE STATEMENT**

Chairman Miller opened the meeting by reading for the record the following statement: Under Missouri’s Sunshine Law, specifically Section 610.020.2, at least 24 hours advance notice is required prior to a meeting of a governmental body unless there is good cause such notice is impossible or impractical. Due to the recent discovery of the requirement of an in person or teleconference meeting of the Commission to approve the bond refunding resolution, and the imminent schedule of the sale, it was impossible to post 24-hour notice of this meeting.

Commissioner Suelthaus recommended the Commission adopt a resolution to that effect indicating the Commission determined that more notice was not practical to give. Upon motion by Commissioner Suelthaus, seconded by Commissioner Carmichael, the Commission unanimously adopted the following resolution:

WHEREAS, the special meeting was called pursuant to Section 226.120 of the 2000 Revised Statutes of Missouri, as amended, but on less than 24 hours notice.

WHEREAS, under Section 610.020.2 of the 2000 Revised Statutes of Missouri, as amended, at least 24 hours advance notice is required prior to a meeting of a governmental body unless there is good cause such notice is impossible or impractical.

WHEREAS, the Commission could not conduct its regularly scheduled monthly meeting on Wednesday, May 14, 2014, as the Commission was unable to achieve a statutory quorum of four members to conduct business under section 226.120 of the 2000 Revised Statutes of Missouri, as amended.

WHEREAS, a notice of a special meeting for an electronic ballot of the Commission to approve the Resolution was posted on Thursday, May 15, 2014 at 11:30 AM for the ballot to be completed by Friday, May 16, 2014 at 1:00 PM.

WHEREAS, after the notice of an electronic ballot meeting was posted, the Commission and department staff were subsequently advised by Commission bond counsel that an in-person or telephone conference meeting of the Commission to approve the resolution was necessary for bond counsel to give an unqualified opinion on the bonds.

WHEREAS, the pricing as well as the retail and institutional sale of the bonds was scheduled to start Monday, May 19, 2014, which left only two business days for the Commission to act on the resolution before the pricing and sale date.

NOW, THEREFORE, BE IT RESOLVED the good cause for providing less than 24 hours notice was due to the recent discovery of the requirement of an in person or teleconference meeting of the Commission to approve the bond refunding resolution, and the imminent schedule of the sale, it was impossible to post 24-hour notice of this meeting.

BE IT FURTHER RESOLVED, the meeting was called pursuant to Section 226.120 of the Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted, although less than 24 hour notice, in keeping with Section 610.020 of the Revised Statutes of Missouri, as amended.

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**RESOLUTION AUTHORIZING THE ISSUANCE OF FIRST LIEN REFUNDING STATE ROAD BONDS, SERIES A 2014 AND SECOND LIEN REFUNDING STATE ROAD BONDS, SERIES B 2014**

On behalf of the Director, Roberta Broeker, Chief Financial Officer, explained that Constitutional Amendment 3 state road bonds issued by the Commission in 2006 and 2007 could be refinanced at a lower interest rate. Approximately \$954 million of outstanding State Road Bonds, which

were issued in August 2006 and September 2007, is currently economical to be refunded consistent with the Commission's Debt Management Policy. The Commission's policy requires there be at least a five percent savings. Based on current market rates when the meeting materials were prepared, the net present value savings on the debt service cost is approximately \$83 million or 8.7 percent, of the refunded par value. Ms. Broeker was able to report at the meeting that based on updated information, the net present value savings on the debt service cost is approximately \$93 million, or 10.6 percent, of the refunded par value. The planned sale dates are May 19, 2014 for retail buyers and May 20, 2014 for institutional buyers. Ms. Broeker recommended the adoption of the following resolution that expresses the Commission's issuance of the First Lien Refunding State Road Bonds, Series A 2014 and Second Lien Refunding State Road Bonds, Series B 2014. Ms. Broeker also requested delegation of authority for execution of documents related to the bond refunding.

#### **RESOLUTION**

**RESOLUTION AUTHORIZING THE ISSUANCE OF FIRST LIEN REFUNDING STATE ROAD BONDS SERIES A 2014 TO REFUND A PORTION OF THE FIRST LIEN STATE ROAD BONDS SERIES 2006; AUTHORIZING THE ISSUANCE OF SECOND LIEN REFUNDING STATE ROAD BONDS SERIES B 2014 TO REFUND A PORTION OF THE SECOND LIEN STATE ROAD BONDS SERIES 2007; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

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**1.** The Commission is duly organized and existing under Article IV, Section 29 of the Missouri Constitution and Sections 226.010 to 226.190 of the Revised Statutes of Missouri, as amended, and is vested with the powers and duties specified in Article IV, Section 29 through 34 and Chapters 226 and 227 of the Revised Statutes of Missouri, as amended (the "**State Highway Act**"), including authority and supervision over the construction, reconstruction and repairs of state roads, highways and bridges which are constructed, improved and maintained in whole or in part by the aid of state moneys, and of highways constructed in whole or in part by the aid of moneys appropriated by the United States government, so far as such supervision is consistent with the acts of Congress relating thereto (the "**State Highway System**").

**2.** The Commission is authorized by the State Highway Act, to issue state road bonds for the purpose of providing funds for use in highway construction and reconstruction, which bonds are payable out of the State Road Fund and the State Road Bond Fund as provided in Article IV, Section 30(b) of the State Highway Act.

3. The Commission has entered into a Master Bond Indenture dated as of December 1, 2000 (as originally executed, the “**Senior Master Bond Indenture**,” and with all amendments and supplements thereto, the “**Senior Bond Indenture**”), to provide for the issuance of state road bonds (the “**Senior Bonds**”), in separate series under the Senior Bond Indenture, in authorized principal amounts as the Commission may determine to be appropriate to comply with the constitutional and statutory duties of the Commission to fund the cost of implementing state highway projects (the “**Projects**”) as provided in the State Highway Act, and to pay certain costs related to the issuance of the Senior Bonds, on the terms and conditions provided for in the Senior Bond Indenture.

4. The Commission has entered into a Master Bond Indenture dated as of July 1, 2005 (as originally executed, and with all amendments and supplements thereto, the “**Master Bond Indenture**”), to provide for the issuance of state road bonds (the “**Bonds**”), in separate series under the Master Bond Indenture, in authorized principal amounts as the Commission may determine to be appropriate to comply with the constitutional and statutory duties of the Commission to fund the cost of implementing Projects as provided in the State Highway Act, and to pay certain costs related to the issuance of the Bonds, subject and subordinate to the terms of the Senior Bonds and the Senior Bond Indenture as to State Road Fund Revenues (as defined in the Senior Bond Indenture) in the State Road Fund and on the terms and conditions provided for in the Master Bond Indenture.

5. Pursuant to the State Highway Act and a resolution duly adopted by the Commission, the Commission issued \$296,670,000 principal amount of **Missouri Highways and Transportation Commission, First Lien State Road Bonds, Series A 2006** (the “**Series A 2006 Bonds**”) and \$503,330,000 principal amount of **Missouri Highways and Transportation Commission First Lien State Road Bonds, Series B 2006** (the “**Series B 2006 Bonds**,” and together with the Series A 2006 Bonds, being the “**Series 2006 Bonds**”), under the Master Bond Indenture, as amended and supplemented by the Supplemental Bond Indenture No. 3, for the purpose of providing funds to: (a) finance the costs of projects for the State Highway System; and (b) pay costs related to the issuance of the Series 2006 Bonds.

6. Pursuant to the State Highway Act and a resolution duly adopted by the Commission, the Commission issued \$526,800,000 principal amount of **Missouri Highways and Transportation Commission, Second Lien State Road Bonds, Series 2007** (the “**Series 2007 Bonds**”), under the Master Bond Indenture, as amended and supplemented by the Supplemental Bond Indenture No. 4, for the purpose of providing funds to: (a) finance the costs of projects for the State Highway System; and (b) pay costs related to the issuance of the Series 2007 Bonds.

7. Pursuant to the State Highway Act, the Commission proposes to issue (a) its **Missouri Highways and Transportation Commission, First Lien Refunding State Road Bonds, Series A 2014** (the “**Series A 2014 Refunding Bonds**”), under the Master Bond Indenture, as amended and supplemented by the Supplemental Bond Trust Indenture No. 6, for the purpose of providing funds to, (i) refund a portion of the Series 2006 Bonds (the “**2006 Refunded Bonds**”), and (ii) pay costs related to the issuance of the Series A 2014 Refunding Bonds, and (b) its **Missouri Highways and Transportation Commission, Second Lien Refunding State Road Bonds, Series B 2014** (the “**Series B 2014 Refunding Bonds**,” and together with the Series A 2014 Refunding Bonds, being the “**Refunding Bonds**”), under the Master Bond Indenture, as amended and supplemented by the Supplemental Bond Trust Indenture No. 6, for the purpose of providing funds to, (i) refund a portion of the Series 2007 Bonds (the “**2007 Refunded Bonds**,” and together with the Series 2006 Refunded Bonds, being the “**Refunded Bonds**”), and (ii) pay costs related to the issuance of the Series B 2014 Refunding Bonds.

8. The Series A 2014 Refunding Bonds would constitute a series of First Lien Bonds (as defined in the Master Bond Indenture), authorized under **Section 202** of the Master Bond Indenture, and will be secured

under the Master Bond Indenture on a parity with the Outstanding First Lien Bonds and any other First Lien Bonds issued under the Master Bond Indenture.

**9.** The Series B 2014 Refunding Bonds would constitute a series of Second Lien Bonds (as defined in the Master Bond Indenture), authorized under **Section 202** of the Master Bond Indenture, and will be secured under the Master Bond Indenture on a parity with the Outstanding Second Lien Bonds and any other Second Lien Bonds issued under the Master Bond Indenture.

**10.** The Commission finds and determines that it is necessary and desirable in connection with the issuance of the Refunding Bonds that the Commission execute and deliver certain documents and that the Commission take certain other actions as herein provided.

**NOW THEREFORE, BE IT RESOLVED BY THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, AS FOLLOWS:**

**Section 1. Authorization of the Refunding Bonds.** The Commission is authorized to issue and sell the Series A 2014 Refunding Bonds in an aggregate principal amount not to exceed \$625,000,000 and the Series B 2014 Refunding Bonds in an aggregate principal amount not to exceed \$350,000,000, for purposes aforesaid which shall be issued under and secured by and shall have the terms and provisions set forth in the Master Bond Indenture dated as of July 1, 2005, as supplemented and amended by supplemental indentures including the Supplemental Bond Trust Indenture No. 6 referred to herein. The principal amount of, and interest rates on, the Refunding Bonds shall be in such amounts with such interest rates to provide present value debt service savings of at least 5% of the principal amount of the Refunded Bonds, and present value savings of at least 3% of the principal amount of each maturity of bonds being refunded. The Refunding Bonds shall mature in principal installments with a final maturity not later than 2027, and shall have such redemption provisions, including premiums, and other terms to be determined by the authorized officers of the Commission and the Missouri Department of Transportation ("MoDOT") in the manner described herein. The Refunding Bonds shall be sold by the Commission to the underwriters under the hereinafter-described Bond Purchase Agreement with an underwriter's discount of not more than 0.415% of the aggregate principal amount thereof, plus accrued interest. The final terms of the Refunding Bonds shall be specified in the Master Bond Indenture and Bond Purchase Agreement upon the execution thereof, and the signatures of the officers of the Commission or MoDOT executing such Master Bond Indenture and Bond Purchase Agreement shall, subject to approval as to form by the Chief Counsel's Office, constitute conclusive evidence of their approval and the Commission's approval thereof.

**Section 2. Limited Obligations.** The Refunding Bonds shall be limited obligations of the Commission payable solely from the sources and in the manner as provided in the Master Bond Indenture, and shall be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Master Bond Indenture) to the Bond Trustee (herein defined) and in favor of the holders of the Refunding Bonds, as provided in the Master Bond Indenture. The Refunding Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any State of Missouri constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Master Bond Indenture. The issuance of the Refunding Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State of Missouri shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Refunding Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Commission. No breach by the Commission of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State of Missouri or any charge upon its general credit or against its taxing power.

**Section 3. Authorization and Approval of Documents.** The following documents (the “**Financing Documents**”) are hereby approved in substantially the forms filed in the records of the Secretary to the Commission, and the Commission is hereby authorized to execute and deliver each of such documents with such changes therein as shall be approved by the officers of the Commission or MoDOT executing such documents, such officers’ signatures thereon being conclusive evidence of their approval and the Commission’s approval thereof, subject to approval as to form by the Chief Counsel’s Office:

- (a) Supplemental Bond Trust Indenture No. 6 between the Commission and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Bond Trustee**”), providing for the issuance thereunder of the Refunding Bonds, and setting forth additional terms and provisions applicable to the Refunding Bonds.
- (b) Tax Compliance Agreement between the Commission and the Bond Trustee, which sets forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Refunding Bonds, to establish and maintain the exclusion of interest on the Refunding Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of §148(f) of the Internal Revenue Code.
- (c) Bond Purchase Agreement between the Commission and Merrill Lynch, Pierce, Fenner & Smith Incorporated, a subsidiary of Bank of America Corporation, as representative of the underwriters of the Refunding Bonds (the “**Underwriters**”), under which the Commission agrees to sell and the Underwriters agree to purchase the Refunding Bonds with an underwriter’s discount of not more than 0.415% of the principal amount thereof, plus accrued interest, upon such terms and conditions thereof as set in the Bond Purchase Agreement.
- (d) Continuing Disclosure Agreement between the Commission and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent, under which the Commission agrees to provide continuing disclosure of certain financial information, operating data and material events, for the benefit of the owners of the Refunding Bonds and to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission.
- (e) Escrow Deposit Agreement between the Commission and The Bank of New York Mellon Trust Company, N.A., as escrow agent, to provide for the defeasance and payment of the principal of and interest on the Refunded Bonds.

**Section 4. Approval of Preliminary and Final Official Statement.** The form and substance of the Preliminary Official Statement relating to the Refunding Bonds submitted to the Commission is hereby in all respects ratified, confirmed and approved, and the officers of the Commission and MoDOT are hereby authorized, empowered and directed to execute the Preliminary Official Statement and the final Official Statement in the name and on behalf of the Commission. The Commission approves the use and distribution of the Preliminary Official Statement and final Official Statement by the Underwriters in connection with the offering and sale of the Refunding Bonds. The Preliminary Official Statement and the final Official Statement shall be in substantially the same form as the draft Preliminary Official Statement now on file in the records of the Secretary to the Commission and hereby approved, with such changes therein as shall be approved by the officer of the Commission or MoDOT executing the same, and such execution shall constitute conclusive evidence of such officer’s approval and the Commission’s approval of any departures therein from the form of the Preliminary Official Statement now on file in the records of the Secretary to the Commission. The Commission authorizes and ratifies the use of the Preliminary Official Statement and the final Official Statement in connection with the offering and sale of the Refunding Bonds. For the purpose of enabling the Underwriters to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the appropriate officers of the

Commission and MoDOT are hereby authorized, if requested, to provide the Underwriters a letter or certification deeming the information contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Underwriters to comply with the requirements of such Rule.

**Section 5. Execution of Refunding Bonds and Financing Documents.** The Chair or the Vice Chair of the Commission, or the Director, Chief Engineer or the Chief Financial Officer of MoDOT, are hereby authorized and directed to execute the Refunding Bonds by manual or facsimile signature and to deliver the Refunding Bonds to the Bond Trustee for authentication for and on behalf of and as the act and deed of the Commission in the manner provided in the Master Bond Indenture. The Chair or Vice Chair of the Commission, or the Director, Chief Engineer or the Chief Financial Officer of MoDOT, are hereby authorized and directed to execute and deliver the Financing Documents for and on behalf of and as the act and deed of the Commission, subject to approval as to form by the Chief Counsel’s Office. The Secretary to the Commission is hereby authorized and directed to attest to the Refunding Bonds by manual or facsimile signature, to the Financing Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

**Section 6. Post-Issuance Compliance Procedures.** The Commission hereby adopts the Post-Issuance Compliance Procedures for Tax Advantaged Financings, in the form on file in the records of the Commission, as its general procedures with respect to all tax advantaged financings of the Commission.

**Section 7. Subscription for United States Treasury Securities.** The officers of the Commission and MoDOT, the Financial Advisor to the Commission, the Bond Trustee and the Escrow Agent are hereby authorized to subscribe for the purchase of United States Treasury Securities, State and Local Government Series or open market securities, in order to provide for the refunding of the Refunded Bonds in compliance with the Master Bond Indenture.

**Section 8. Further Authority.** The Commission shall, and the officers, agents and employees of the Commission and MoDOT are hereby authorized and directed to, take such further action, and execute such other documents, agreements, certificates and instruments, including, without limitation, any credit enhancement, liquidity or security documents, arbitrage certificate, closing certificates, redemption notices, and tax forms, as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Commission with respect to the Refunding Bonds and the Financing Documents, subject to approval as to form by the Chief Counsel’s Office.

**Section 9. Effective Date.** This Resolution shall take effect and be in full force immediately after its adoption by the Commission.

Upon motion by Commissioner Carmichael, seconded by Commissioner Smith, the Commission unanimously took the following action:

- Adopted a resolution authorizing the issuance of the First Lien Refunding State Road Bonds, Series A 2014 (hereinafter, “Series A 2014 Bonds”), and Second Lien Refunding State Road Bonds, Series B 2014 (hereinafter, “Series B 2014 Bonds” and collectively with the Series A 2014 Bonds, “the Refunding Bonds”), in an aggregate principal amount not to exceed \$625,000,000 and \$350,000,000, respectively, to: (1) refund a portion of the Series A & B 2006 Bonds; (2) refund a portion of the Series 2007 Bonds; (3) pay costs related to the issuance of the

Series A 2014 Bonds and the Series B 2014 Bonds; and (4) authorize and approve certain documents and actions in connection with the issuance of said Series A 2014 Bonds and Series B 2014 Bonds (Attachment 1).

- Authorized the Secretary to the Commission to execute the Resolution confirming its adoption by the Commission, subject to approval as to form by the Chief Counsel's Office.
- Authorized the Director, Chief Engineer or the Chief Financial Officer to execute the following documents for the Series A 2014 Bonds and the Series B 2014 Bonds: (1) Supplemental Bond Trust Indenture No. 6; (2) Tax Compliance Agreement; (3) Continuing Disclosure Agreement; (4) Bond Purchase Agreement; (5) Escrow Deposit Agreement; (6) the Preliminary Official Statement and the Official Statement; (7) MoDOT's Post-Issuance Compliance Procedures for Tax Advantaged Financings; and (8) any other ancillary documents, certificates or instructions necessary to complete the bond issuance, subject to approval as to form by the Chief Counsel's Office.

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**The Mission of the Missouri Highways and Transportation Commission is to:**

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

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