

MINUTES OF ARKANSAS STATE POLICE COMMISSION MEETING
January 09, 2020

The Arkansas State Police Commission met on Thursday, January 09, 2020 at the Arkansas State Police Headquarters, Little Rock, Arkansas.

Commission Vice Chairperson Christenson called the meeting to order at 9:00 a.m.

MEMBERS PRESENT:

Commissioner Jane Christenson, Vice-Chairperson
Commissioner Neff Basore, Secretary
Commissioner Bill Benton
Commissioner Steve Edwards
Commissioner Jeffery Teague
Commissioner John Allison

MEMBER ABSENT:

Commissioner Bob Burns, Chairman

STATE POLICE PERSONNEL ATTENDING:

Colonel Bill Bryant	Lt. Colonel Shawn Garner
Lt. Colonel Tim K’Nuckles	Major Charles Hubbard
Major Forrest Marks	Major Jason Aaron
Major Jeffrey Drew	Sherry Woods
Jenna Castleberry	Loretta Williams
Captain John D. Carter	Gary Glisson
Captain Randall Dias	Sergeant Derek Nietert
Captain Scott Woodward	Dan Mack
Captain David Moore	Lieutenant Ronnie Qualls
Sergeant Tiffany Dycus	Captain Todd Shaw
Captain Kyle Drown	Lieutenant Darran Austin
Bridget White	Corporal Trey Keller
Trooper Dean Pitchford	Captain Brady Gore
Jonathan Nettles	Donna Humphries

OTHERS PRESENT:

Sara Farris, Attorney General’s Office	J. R. Hankins, DPS
Michele Allgood, Mitchell Williams	Ro Arrington, ADFA
Jim Hinkle	Cody Hiland, US Attorney
Jackie Baker, DPS	

PLEDGE OF ALLEGIANCE:

Commissioner Benton led the pledge of allegiance.

NOTIFICATION OF MEDIA:

The media was notified of this meeting on January 02, 2020.

Commission Vice-Chairman Christenson stated today we have our election of officers and Commissioner Burns was unable to be here today for the passing of the gavel. He is having several tests run today at the hospital. Whenever he feels better, we plan on having him come back and accept his plaque for outgoing Chairman. I know he has done a great job leading us this past year and we want to acknowledge that, so we will keep him in our thoughts and prayers, please.

Commission Vice-Chairman Christenson stated so at this time, we will have the election of officers for 2020.

ELECTION OF ASPC OFFICERS FOR 2020:

Commissioner Edwards made a motion that Commissioner Jane Christenson be elected Chairman for 2020. This motion was seconded by Commissioner Allison and passed.

Commissioner Edwards made a motion that Commissioner Neff Basore be elected Vice-Chairman for 2020. This motion was seconded by Commissioner Benton and passed.

Commissioner Edwards made a motion that Commissioner Bill Benton be elected Secretary for 2020. This motion was seconded by Commissioner Allison and passed.

MINUTES:

Commissioner Allison made a motion to approve the minutes of the December 12, 2019 regular monthly commission meeting. Commissioner Basore seconded and the motion passed.

Commission Chairperson Christenson stated next we have a promotion certificate to be presented.

PROMOTION CERTIFICATE:

Colonel Bill Bryant presented a promotion certificate to Sergeant Derek Nietert promoting him to Sergeant in the Highway Patrol Division, Troop H Franklin, Logan and Scott Counties

WEAPON RESOLUTIONS:

Major Forrest Marks presented the following resolutions for consideration by the ASP Commission.

R E S O L U T I O N

WHEREAS: Major J. Michael Foster efficiently and effectively served the Arkansas State Police for a period of thirty-six years, six months and fourteen days;

WHEREAS: Major J. Michael Foster retired from this department November 30, 2019;

WHEREAS: His departure creates a vacancy that will be most difficult to fill, which is recognized by each and every member of the Arkansas State Police Commission;

WHEREAS: Major J. Michael Foster has made formal request that his service weapon be retired with him and remain in his possession;

BE IT THEREFORE RESOLVED: The Arkansas State Police Commission, in its regular meeting at Arkansas State Police Headquarters in Little Rock, Arkansas on Thursday, January 09, 2020, in accordance with Act 547 of 2003, awards him, his Glock Model 19, Serial Number BMFZ751, as a token of their esteem and appreciation for service devoted to the Arkansas State Police.

Commissioner Basore made a motion to approve the above weapon resolution presented to the Commission. Commissioner Benton seconded and the motion passed.

R E S O L U T I O N

WHEREAS: Major J. Michael Foster efficiently and effectively served the Arkansas State Police for a period of thirty-six years, six months and fourteen days;

WHEREAS: Major J. Michael Foster retired from this department November 30, 2019;

WHEREAS: His departure creates a vacancy that will be most difficult to fill, which is recognized by each and every member of the Arkansas State Police Commission;

WHEREAS: Major J. Michael Foster has made formal request that his shotgun be retired with him and remain in his possession;

BE IT THEREFORE RESOLVED: The Arkansas State Police Commission, in its regular meeting at Arkansas State Police Headquarters in Little Rock, Arkansas on Thursday, January 09, 2020 in accordance with Act 547 of 2003, determines the fair market value of the Remington shotgun, serial number PC622755, that Major J. Michael Foster has carried

be affixed at \$100.00, and that Major J. Michael Foster be permitted to purchase the shotgun for his personal use.

Commissioner Basore made a motion to approve the above weapon resolution presented to the Commission. Commissioner Allison seconded and the motion passed.

R E S O L U T I O N

WHEREAS: Sergeant Doug Thomas efficiently and effectively served the Arkansas State Police for a period of thirty-one years, one month and twenty-seven days;

WHEREAS: Sergeant Doug Thomas retired from this department November 30, 2019;

WHEREAS: His departure creates a vacancy that will be most difficult to fill, which is recognized by each and every member of the Arkansas State Police Commission;

WHEREAS: Sergeant Doug Thomas has made formal request that his service weapon be retired with him and remain in his possession;

BE IT THEREFORE RESOLVED: The Arkansas State Police Commission, in its regular meeting at Arkansas State Police Headquarters in Little Rock, Arkansas on Thursday, January 09, 2020, in accordance with Act 547 of 2003, awards him, his Glock Model 17, Serial Number BMSA393, as a token of their esteem and appreciation for service devoted to the Arkansas State Police.

Commissioner Edwards made a motion to approve the above weapon resolution presented to the Commission. Commissioner Basore seconded and the motion passed.

R E S O L U T I O N

WHEREAS: Sergeant Doug Thomas efficiently and effectively served the Arkansas State Police for a period of thirty-one years, one month and twenty-seven days;

WHEREAS: Sergeant Doug Thomas retired from this department November 30, 2019;

WHEREAS: His departure creates a vacancy that will be most difficult to fill, which is recognized by each and every member of the Arkansas State Police Commission;

WHEREAS: Sergeant Doug Thomas has made formal request that his shotgun be retired with him and remain in his possession;

BE IT THEREFORE RESOLVED: The Arkansas State Police Commission, in its regular meeting at Arkansas State Police Headquarters in Little Rock, Arkansas on Thursday, January 09, 2020 in accordance with Act 547 of 2003, determines the fair market value of the Remington shotgun, serial number PC622792, that Sergeant Doug Thomas has carried be affixed at \$100.00, and that Sergeant Doug Thomas be permitted to purchase the shotgun for his personal use.

Commissioner Benton made a motion to approve the above weapon resolution presented to the Commission. Commissioner Basore seconded and the motion passed.

Commission Chairperson Christenson stated at this time I would like to recognize Cody Hiland the U. S. Attorney for the Eastern District of Arkansas and stated glad to have you here.

BOND REFINANCING RESOLUTION:

Michelle Allgood with Mitchell Williams stated in May of 2017 there was a bond issue for a little bit more than \$31 million that financed 5 new headquarters facilities throughout the State. Those are near completion if not completed and we determined that we can do a refunding that would free up some money to enhance some of those projects. So this is what the resolution does. Happy that we have Ro Arrington from ADFA and Edmund Hurst from Crews and Associates and we can answer any questions you may have. The maximum principal amount for the refunded bonds would be \$29 million.

Commissioner Allison asked Ms. Allgood to tell him what that looks like, what that means. Ms. Allgood stated I will try to answer your question and you tell me if I have answered it. Right now, we have outstanding bonds and we are going to do refunding on those bonds and that will free up some cash flow. Commissioner Allison asked and the difference in the interest rate is significant? Ms. Allgood stated no, it is not significant but there is definite savings and if you want the specifics, Edmond you want to talk about the specifics. Edmond Hurst stated I think it is fairly substantial, it is about 60 basis points lower in interest rate and it would free up about \$1 million in present value funds. That is about 3¾% of what you have outstanding and just from a savings standpoint, it generally makes sense. Normally, in our world if you can save at least 3% present value money of what you have outstanding then that math kind of makes sense. So in this case, you are saving over a million dollars and you are going to get it all cash up front. Michelle Allgood stated that is the purpose of the structure to front load the debt service savings so that you can enhance some of the additional capital improvements. So a lot of time when you do the refunding you are doing your debt service and taking it over time, over the life of the bond issue. This one is purposely front loaded so that you can expand your current projects. Edmond Hurst stated your payments will stay basically the same and you will benefit the realization of the lower interest rate as cash up front.

Commissioner Teague asked what about the term. Mr. Hurst stated it stays the same. Ms. Allgood stated it won't exceed March 1, 2035 which is the current maturity.

Commissioner Allison stated so if we pull the trigger today, so are we locked. Mr. Hurst stated it will be the middle of February before we can lock in interest rates. This resolution gives us your authority to move forward with that process and it will take until about the middle of February before we have the documents in place to be able to lock in the interest rate. Ms. Allgood stated to comply with tax laws we cannot complete the financing until after March 1, so this puts us in the position to do the normal time line, normal due diligence so that we can achieve that time line. Mr. Hurst stated we will lock rates the middle of February and close the beginning of March.

Commissioner Allison stated I thought it was 5% savings that you do. Ms. Allgood stated that is a business decision of the board and in this instance we are not driven just by that interest rate savings or the total cash flow savings. It is looking at it more holistically and what we want to do with the money and what projects can we pay for now that will enhance the projects that we previously done. Commissioner Allison asked so you have a specific purpose for the money? Ms. Allgood stated we don't get to pick that, I believe that Colonel Bryant, Lt. Colonel K'Nuckles, and Emma French are certainly looking at what the options are.

Commissioner Teague asked if there were any additional fees associated with this restructuring. Mr. Hurst stated yes. Commissioner Teague asked what are these fees. Ms. Allgood stated they haven't been completely finalized at this point, but we have some estimates. Mr. Hurst stated the total amount of fees would end up being about a percent of the transaction. Commissioner Teague asked which translates. Mr. Hurst stated so the total would be about a little over \$200,000.00 on an almost \$30 million bond issue, which are in line with a little bit less than the original fees when the deal came out a few years ago. Ms. Allgood stated you are achieving some efficiencies and some savings on the fees because we are close in time to the original transaction. Commissioner Allison stated so the \$1 million is net of fees. Both Mr. Hurst and Ms. Allgood stated that is correct.

Ms. Allgood stated the next steps here, if it is the Commission's will to move forward with the resolution, the entity of the state that has the authority to issue the bonds is the Arkansas Development Finance Authority. They would consider a bonding resolution to start the process and they are meeting on January 16. Commissioner Allison asked can we hear from ADFA. Commissioner Allison stated he is looking for a recommendation. Ro Arrington,

Director of Public Finance for ADFA stated if you are looking for a recommendation, I would recommend that you proceed with this. What ADFA does is we are the issuer, we also try to do the best we can to act as the steward because as I have told Colonel Bryant and Lt. Colonel K’Nuckles for a few years, this is what we do we issue bonds. If there was a murder we would call the State Police to come take care of it and if there are bonds being issued, I hope the State Police would rely on us because that is what we do. We have a standard to entertain proposals for refinancing at 3% for larger transactions which I would consider this to be one. So it meets our threshold. When Crews and Associates proposed this and as it relates to taking the principal out of the bond issue, Colonel Bryant and I met with the Governor to discuss what we were doing and what we were going to propose to the Commission to do and he was very appreciative and supportive of it. So I think all of the boxes have been checked and I would certainly from where I stand recommend that you proceed.

Commission Chairperson Christenson stated I know we heard all of this a couple of months ago and at that time were almost ready to pull the trigger, but wanted to make sure the Governor was actually behind it too.

Mr. Arrington stated your question as it relates to the fees of the transaction, we certainly believe that they are completely in line with what is competitive in the market with your factors. Commissioner Teague stated I am glad to hear you say that. Commissioner Teague asked do you need approval of this body.

RESOLUTION

WHEREAS, the General Assembly of the State of Arkansas has adopted the Division of Arkansas State Police Headquarters Facilities and Equipment Financing Act, codified at Arkansas Code Annotated Sections 12-8-601, *et seq.* (the “Act”); and

WHEREAS, the Act provides a method for providing financing for Headquarters Facilities (as defined in the Act) to be utilized by the Arkansas State Police by the issuance of tax-exempt revenue bonds by the Arkansas Development Finance Authority (“ADFA”); and

WHEREAS, ADFA has previously issued its \$31,675,000 Arkansas Development Finance Authority Drivers’ License Revenue Bonds (Arkansas State Police - Headquarters Project), Series 2017 (the “Prior Bonds”); and

WHEREAS, in connection with the issuance of the Prior Bonds, the Commission determined that Arkansas State Police (“ASP” or the “Department”) should make improvements to and construct various troop headquarters facilities located throughout the State (the “Project”); and

WHEREAS, through sound fiscal management, ASP has accomplished the Project in a manner that is under budget, and current market conditions permit the refunding of the Prior Bonds to achieve debt service savings and cash flow modifications to more closely mirror receipts of drivers’ license revenues; and

WHEREAS, refunding the Prior Bonds will permit ASP to utilize remaining proceeds from the Prior Bonds and debt service savings to purchase and construct additional headquarters facilities throughout the State; and

WHEREAS, the Commission wishes to request that ADFA proceed with a plan of financing to issue revenue bonds (the “2020 Bonds”) to refund the Prior Bonds, if determined to be in the best interest of ASP, to establish a debt service reserve fund, and to pay costs of issuance associated with the 2020 Bonds, and the Commission will pledge drivers’ license fees and revenues to the payment of such 2020 Bonds as authorized by the Act.

NOW, THEREFORE, BE IT RESOLVED, THAT:

Section 1. ADFA is hereby requested to proceed with the sale and issuance of the 2020 Bonds to refund the Prior Bonds, if determined to be in the best interest of ASP, to establish a debt service reserve fund, and to pay costs of issuance associated with the 2020 Bonds. The Commission hereby agrees to take such action as is necessary on its part to pledge drivers’ license fees and revenues, as authorized by the Act, as security for such bonds. Such bonds

shall be in a principal amount not to exceed \$29,000,000, shall bear interest at a rate not to exceed three and 00/100 percent (3.00%), calculated on the basis of true interest cost (after taking into account original issue discount and premium and underwriter's discount, but excluding costs of issuing such bonds), and shall mature not later than March 1, 2035.

Section 2. The Director of the Department, Chief Financial Officer and other officers of the Department are hereby authorized to approve the plan of financing and the documents necessary to issue the 2020 Bonds, including a Loan Agreement between the Department and ADFA.

Section 3. The Director of the Department, the Chairman and the Secretary of the Commission, and the officers of the Department are hereby authorized and directed to do all things and to take all appropriate actions necessary or advisable to carry out the intent and purposes of this Resolution and to implement fully the intent and purposes of the Act, including, but not limited to, the execution and delivery of all papers, documents, certificates, agreements and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 4. All actions heretofore taken by representatives of the Department in connection with the refunding of the Prior Bonds and the offer and sale of the bonds are hereby in all respects ratified and approved.

Section 5. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. This Resolution shall be in force and effect immediately upon and after its passage.

Commissioner Teague made a motion to approve the above bond refinancing resolution presented to the Commission. Commissioner Allison seconded and the motion passed.

DIVISION REPORTS:

Fiscal Section – Jenna Castleberry

Ms. Castleberry gave an overview of the reports which were distributed to the Commission. Ms. Castleberry stated as you can see from your reports we are at 50%, we are half way through the year. As mentioned at last month's meeting we did look at a budget reduction and it wound up being about \$460,000. Legislative audit did arrive last week and they are looking at FY19. Commissioner Allison said tell me about your first part again, reduction in budget, \$460,000. Jenna stated we took about \$460,000 budget cut, it was due to revenues that were not coming in. Commissioner Allison asked were we told about that last month. Commission Chairperson Christenson stated yes, she wasn't for sure at the time how much. Commissioner Allison asked so was that like a and b money? Jenna stated no sir it was not general revenue; it was special revenue. Commission Chairperson Christenson stated most of it was from concealed weapons fee. Jenna stated actually it was from the driver's record fee that was replacing the concealed handgun's loss, it was not coming in quite where it should be. Commissioner Allison asked if we expect that to pick up. Jenna stated we hope so, there was a delay in the fee starting, instead of starting in July, it started in October due to some programming at DFA, so hopefully next year it will look better.

Administrative Services – Major Charles Hubbard

Major Hubbard presented an oral summary of the written report distributed to the Commission. He began by reporting the Human Resources/Personnel transactions for the month. The uniformed noncommissioned include one new hire, one voluntary resignation, and one retirement. The commissioned transactions include three lateral transfers, one termination, three retirements, and two promotions. We currently have eight military deployments.

Regarding the ASP Health Plan, December paid claims were \$1,200,205 an increase of \$232,432 from last month and the fund balance is \$52,452 lower than last month for a total fund balance of \$6,275,371. The average discount savings for the month was 79%.

Regarding the 2020A Troop School, we have fifty recruits plus five alternates. They will start with an orientation on Tuesday, January 21 here at headquarters and then the first day of Troop School will be January 26, with a graduation date of June 18.

NEW BUSINESS:

STIPEND AND MILEAGE REIMBURSEMENT:

Commission Chairperson Christenson asked for a motion to approve the stipend of \$60.00 per meeting. Commissioner Benton made the motion to approve the stipend payment and it was seconded by Commissioner Edwards. The motion passed.

Commission Chairperson Christenson asked for a motion to approve the mileage reimbursement. Commissioner Edwards made the motion to approve the mileage reimbursement and it was seconded by Commissioner Basore. The motion passed.

APPOINTMENT OF COMMITTEES FOR 2020:

Commission Chairperson Christenson stated that she has asked Commissioner Edwards, Commissioner Teague and Commissioner Allison to serve on the Health Insurance Committee for this coming year.

EXECUTIVE SESSION:

Commission Chairperson Christenson asked Colonel Bryant if he had any reasons for executive session. Colonel Bryant stated yes ma'am we have one promotion to consider. Commission Chairperson Christenson asked for motion. Commissioner Basore made a motion to go into Executive Session for the purpose of considering employment, appointment, promotion, demotion, disciplining, or resignation of employees, Commissioner Teague seconded and the motion passed. The Commission went into Executive Session at 9:17 a.m.

Commission Chairperson Christenson called the meeting back to order at 9:44 a.m. and turned it over to Colonel Bryant.

Colonel Bryant stated thank you madam Chairman, we just have one promotion to consider today. It is ASP Sergeant in Highway Patrol Division, Troop J, Johnson and Yell Counties. My recommendation to the Commission would be Corporal Chase Melder. Commissioner Basore made a motion that Corporal Chase Melder be promoted to Sergeant in the Highway Patrol, Troop J, Johnson and Yell Counties. Commissioner Teague seconded and the motion passed.

NEXT MEETING:

Commission Chairperson Christenson stated the next regularly scheduled meeting will be held on Thursday, February 13, 2020 at 9:00 a.m. with the Nathan Clayton Appeal Hearing upon adjournment at approximately 10:00 a.m.

With no more business, Commission Chairperson Christenson asked for a motion to adjourn. Commissioner Edwards made a motion to adjourn the meeting, Commissioner Basore seconded and the motion passed. Commission Chairperson Christenson adjourned the meeting at 9:47 a.m.

Commission Chairperson

Commission Secretary