

MINUTES OF ARKANSAS STATE POLICE COMMISSION MEETING
SPECIAL CONFERENCE CALL MEETING
August 25, 2015

The Arkansas State Police Commission met for a special Conference Call meeting on Tuesday, August 25, 2015 at the Arkansas State Police Administrative Headquarters, 1 State Police Plaza Drive, Little Rock, Arkansas.

MEMBERS ON CONFERENCE CALL:

Commissioner Frank Guinn, Vice Chairman
Commissioner Jane Christenson
Commissioner Bob Burns
Commissioner Neff Basore
Commissioner Bill Benton

MEMBERS ABSENT

Commissioner Lewis Shepherd, Secretary
Commissioner John Allison

STATE POLICE PERSONNEL ATTENDING:

Colonel William J. Bryant
Bill Sadler
Donna Humphries
Emma French
Jenna Castleberry
Lt. Colonel Tim K'Nuckles

OTHERS PRESENT:

Ro Arrington, ADFA
Scott Carroll, Arkansas Democrat Gazette

Commission Vice Chairman Guinn called the meeting to order at 3:00 p.m.

NOTIFICATION OF MEDIA:

The media was notified of this meeting on August 24, 2015 at 5:51 p.m.

NEW BUSINESS:

Five commissioners were present on the conference call and so there was a quorum.

Commission Vice Chairman Guinn then turned the meeting over to Colonel Bryant. Colonel Bryant advised today's meeting is going to be short; it is more of an informative meeting. On August 18, 2015, I testified before the Arkansas Legislative Committee at the Capitol regarding the method of finances for our proposal to build five new facilities, Troop Headquarters for the Arkansas State Police. During my testimony, I told them that we are looking at building in the five troop areas; in Troop L Springdale, Troop B Newport, Troop D Forrest City, Troop F Warren, and Troop I Harrison. I did advise the committee that the Arkansas State Police is celebrating the 80th anniversary of being in existence and almost every one of these headquarters are half the age of the state police and one is 59 years old. The Springdale Headquarters is 31 years old, the Newport Headquarters is 59 years old, the Forrest City Headquarters is 44 years old, Warren Headquarters is 49 years old and Harrison Headquarters is 41 years old. These facilities are out dated and they approved our proposal to go forward. We are here today, just to keep you in the loop and to show you where we are, I have Ro Arrington here from ADFA, and I will turn it over to him to tell you what our next step will be to keep the commissioners briefed.

Ro Arrington explained ADFA is the bond issuing authority for agencies like the state police and in our role, we essentially serve as investment banker and your access to the bond market. We have been asked to engage professionals and proceed with the structuring of the proposed bond issue to facilitate the construction MINUTES OF THE

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projects that Colonel Bryant discussed. What we would do is go out and engage professionals to issue the bonds on your/our behalf, professionals such as investment bankers, lawyers, and trustees to administer the bond issue. When we engage these professionals, at that point they will be to advise us, us being ADFP with state police input, as to the best way, most efficient way to proceed. By engaging them, we are in no way obligating the state police or anybody to pay them. The only way these professionals are paid is if bonds are successfully issued and money is put into the construction fund. So, we are not asking for your blessing to go out and spend some of your money, we are simply asking to let us go ahead and assemble a team to advise us with again state police involved every step of the way, to proceed and start moving down the road to fund the projects. This is about securing professionals if we could, what we call RFPI on the street, it is basically advertising for responses. Realistically it is a six-week process and we would seek input from the state police before we hired anybody.

Colonel Bryant stated he would like to add, say this takes seven or eight months down the road and it all falls apart, we are not obligated to anybody. It is only once we sign the paper and that money comes to us. Right now, it is still exploratory as far as seeking the financial aspect of building these facilities.

Commissioner Basore stated this is the groundwork part, when are they expecting to go to market? Ro Arrington stated realistically that would be based more on the design and when the need would be there; I cannot imagine it being before the first quarter of 2016. Could we be ready earlier, yes? However, I think it would be beneficial to delay the issuance of the bonds until you are ready to start spending the money, we do not necessarily want to start paying interest until you are actually using the money. Commissioner Basore stated we also do not want to start paying a higher interest and Ro stated that is true. As your advisor, I will execute on your behalf and it is not my position to speculate what interest rates will be, again, we serve as your investment banker and will act accordingly. Commissioner Basore stated I am not sure I understand what you just said. Ro Arrington explained, I work for you and if you tell me to issue bonds as soon as possible, I will do so. Commissioner Basore asked, did you say investment advisor? Ro Arrington stated no, maybe that was a poor choice of words. Commissioner Basore so all you are going to do is answer the phone and when we say go, go and when we say stop, stop and you are not going to offer any other opinions, comments or suggestions. Ro Arrington stated it is not my place to speculate on what interest rates are going to do. Commissioner Basore asked when the selection is made for the underwriter, will they be able to express an opinion on what they think the best timing is. Ro Arrington stated he could not speak for them, but I am certain they would advise you as to upcoming benchmarks that might be announced in regards to the debt markets. However until a professional is hired, I cannot speak as to what they would or would not do to predict interest rates.

Commissioner Burns stated it sounds like it is on schedule and it will be much easier to get our arms around as we get some progress points along the way, it is actually pretty routine.

Commissioner Benton asked if all these professionals or underwriters are from Arkansas. Ro Arrington stated it will be put out nationally but he expects anybody that responds to it would have a local presence.

Commissioner Christenson stated she just wanted to applaud the Colonel and the staff for getting a jump start on all this, because this has been needed for a long time and I am just looking forward seeing the fruition of it.

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Commission Vice Chairman Guinn asked Colonel Bryant if he has anything else. Colonel Bryant stated he appreciates their time, as I have said before this is an exciting time for the Arkansas State Police and we are looking forward to this project and ready to proceed.

With no further business to discuss, Commissioner Burns motioned to adjourn the meeting, Commissioner Christenson seconded and the meeting was adjourned at 3:10 p.m.

Commission Vice Chairman

Commission Secretary