

MINUTES

**South Carolina Transportation**

**Infrastructure Bank Board**

955 Park Street,

Room 120 B

Columbia, SC 29201

Special Call-in Meeting June 14, 2021

1:00 p.m.

**NOTE: Notification of the time, date, place and agenda of this meeting has been posted and sent, in accordance with the provisions of the South Carolina Freedom of Information Act, to all persons or organizations, local news media, and other news media that requested notification of the time, date, place and agenda of this meeting. Efforts to notify the requesting person or entity include, but are not limited to, the transmissions of notice by the U.S. Mail, electronic mail, or facsimile.**

Present: Mr. John B. White, Chairman Presiding

Mr. J. Barnwell Fishburne

Mr. David B. Shehan

Mr. Ernest Duncan

Others present: Ms. Tami Reed, Chief Financial Officer (CFO) for the Bank; Mr. Rob Tyson, Bank Counsel; Mr. Jim Holly, Bank Counsel; Mr. David Miller, Financial Advisor, PFM

Not in attendance: Senator Hugh Leatherman, Mr. Chip Limehouse, Representative Simrill.

**Opening Remarks:**

The meeting was called to order at 1:00 p.m. by Chairman White. Chairman White welcomed everyone to the meeting and asked Mr. Tyson was there a quorum present. Mr. Tyson stated a quorum was present.

**Discussion of Series Resolution for Refunding Bonds**

Chairman White asked Mr. Miller for confirmation of what the Board was here to approve today. Mr. Miller stated we need the Board to give Chairman White authorization to act on behalf of the Bank and Bank Board in regard to the preparation of the 2012A and 2003B Bonds and the termination of the 2003B Swaps; under the advisement of the Bank's staff, Financial Advisors and the State Treasurer's Office staff, adding this is a time sensitive transaction. He stated Fitch Rating's has upgraded the Bank's credit rating to A+, with a positive outlook, Moody's Investment Service has maintained their Aa3 credit rating, and the market conditions are favorable for these transactions. He stated based on market conditions as of June 11, 2021, the estimated savings for the 2021 A and B bond transactions is \$17M, with the \$60M collateral against the 2003B bonds to become unrestricted cash. Mr. Miller discussed the savings threshold, stating the standard threshold is 3% for a standard fixed rate current refunding transaction. He added the termination for the Swap was more complex. If the Board did not terminate the swaps, every couple of years the Bank would need to roll the Swaps, which will have costs estimated from \$1.5M to \$22.8M. Additionally, the Bank would not have access to \$60M which is posted as collateral to the swaps. Mr. Miller further

commented that terminating the Swaps may increase the Bank's credit rating. Terminating the Swaps also frees the current \$60M collateral up as cash on hand. Mr. Miller asked if there were any questions. Mr. Fishburne stated he agreed with Mr. Miller, but asked if the \$60M termination fee could be recouped. Mr. Miller stated the \$60M amount was the collateral for the Swaps. Mr. Miller further explained that if the Swaps are terminated, the \$60M is not necessary to be held as collateral and can become cash to the bank. The termination fee is more like \$70M, which will be refunded by the 2021 Bonds and can be absorbed in savings because the interest rate is lower. Chairman White asked if there were any more questions. Mr. Tyson stated that tomorrow's bid was time sensitive and that we need the Board's blessing for the Chairman to act on behalf of the Bank. There will be a motion to give the Chairman authorization for the sale and termination of the bonds. Chairman White asked if everyone was comfortable with that. Mr. Tyson stated there is a series resolution to take bids and to terminate the bonds, adding there would be a threshold range to consider --- as of Friday, June 11, that would be between -\$1.5M and \$3.5M.

### **Executive Session**

There was no executive session.

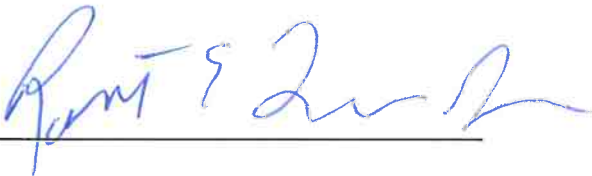
### **Motion**

Chairman White asked if there was a motion for the Resolution. Mr. Duncan made the motion stating the Bank Board seeks to obtain the maximum possible savings for the bond transactions occurring on June 15, 2021. Given the timing of these complex transactions, the Bank's representatives need flexibility in moving forward with the transactions on June 15. Thus, the Chairman, in consultation with the Bank's CFO, the State Treasurer's Office, PFM, the Bank's Bond Counsel and General Counsel, is hereby authorized and empowered to, award the sale of the 2021A Bonds and the Series 2021B Bonds to the bidder offering the lowest true interest cost to the Bank. In addition, the Chairman (in consultation with the same parties described herein) is authorized and empowered to agree to the termination values of the multiple interest rate exchange agreements related to the

Series 2003B Bonds. The Bank Board will meet the afternoon of June 15, 2021, to ratify final approval to the transactions related to the sale of the 2021A and 2021B Bonds and the termination of the 2003B swaps. The Chairman, the CFO and the Secretary and each of them is hereby authorized, empowered and directed to execute any and all documents relating to any of the foregoing. Chairman White asked for a second, Mr. Fishburne seconded the motion. By way of roll call the motion was passed unanimously.

**Adjourn:**

Chairman White asked if there was any new business and hearing none, he adjourned the meeting at 1:25 p.m.

A handwritten signature in blue ink, appearing to read "Robert S. ...", is written over a horizontal line.

Board Secretary