

Minutes  
Missouri Development Finance Board  
Harry S Truman State Office Building, Room 750  
301 W. High Street  
Jefferson City, Missouri

March 16, 2004

The Missouri Development Finance Board met in regular session via telephone conference call, on Tuesday, March 16, 2004 beginning at 10:00 a.m. The conference call originated from the Harry S Truman State Office Building, Room 850, 301 W. High Street, Jefferson City, Missouri.

The following members and officers of the Board were present or absent at the meeting, as follows:

Elizabeth Solberg	Chair & Member	Present*
John D. Starr	Vice Chairman & Member	Absent
Susan Lauman Constance	Secretary & Member	Present*
Bill M. Burch	Treasurer & Member	Present*
Paul S. Lindsey	Member	Present*
James O'Mara	Member	Present*
Larry D. Neff	Member	Present*
Richard J. Wilson	Member	Present
Nelson C. Grumney, Jr.	Member	Present*
Joe Maxwell	Lieutenant Governor & Member	Present*
Kelvin L. Simmons	Dir., Dept of Econ. Dev. & Member	Present
Peter Hofherr	Dir., Dept of Agriculture & Member	Present*
Robert V. Miserez	Executive Director & Assistant Secretary	Present

\*Members participating by telephone conference call.

Chair Solberg declared that a quorum was present and called the meeting to order. In addition to the above, those in attendance included: James Caldwell, Board counsel; Ashley Weaver, Kathleen Barney, Pamela Hill, Jonathan Brightwell, Pam Campbell Cheryl Berkler, Board staff; Julie Gibson, Lt. Governor Joe Maxwell's office; David Seamon, Mike Downing, and Terry Maglich, Department of Economic Development; Tom Lesnak, St. Joseph Chamber of Commerce, representing the Triumph Foods, LLC project.

**I. Secretary's Report**

Secretary Constance

Secretary Constance presented for approval, the minutes from the February 17, 2004 meeting. Copies of the minutes, included in the Board packets, were provided to the members for their review. There being no questions, corrections or additions, Secretary Constance made a motion to approve the minutes as presented. Member Burch seconded the motion. The following roll call vote was recorded:

Aye-- Solberg  
Aye-- Constance  
Aye-- Burch  
Aye-- Lindsey  
Aye-- O'Mara  
Aye-- Neff  
Aye-- Wilson  
Aye-- Simmons

Nay-- None

Absent-- Starr, Grumney, Hofherr and Maxwell.

Chair Solberg declared the motion passed.

Member Grumney joined the call.

**II. Treasurer's Report**

Treasurer Burch

Treasurer Burch presented for approval the treasurer's report as of and for the month ending February 29, 2004. Copies of the treasurer's report, included in the Board packets, were provided to the members for their review. There being no questions, corrections or additions, Member Burch made a motion to approve the treasurer's report as submitted. Member Wilson seconded the motion. The motion being put to a vote, the following roll call vote was recorded:

Aye-- Solberg  
Aye-- Constance  
Aye-- Burch  
Aye-- Lindsey  
Aye-- O'Mara  
Aye-- Neff  
Aye-- Wilson  
Aye-- Grumney  
Aye-- Simmons

Nay-- None

Absent-- Starr, Hofherr and Maxwell.

Chair Solberg declared the motion passed.

Director Hofherr joined the call.

**III. Department of Economic Development Report** Director Simmons

Director Simmons began by reporting that throughout the national recession, manufacturing and industrial vitality has been affected the most. Since January 2001, the national economy has lost approximately 2.8 million manufacturing jobs. Between January 2003 and January 2004 manufacturing jobs decreased approximately 530,000. Missouri's loss over the same time period has been substantially less. The State lost approximately 3,000 manufacturing jobs last year. Only ten states fared better than Missouri in terms of percentage loss, and five states registered small increases. Since January 2001, Missouri has lost approximately 40,200 manufacturing jobs, which is less than the national average and the 10<sup>th</sup> among states which keep statistics.

Director Simmons reported that the recent Purchasing Managers Index ("PMI"), which is used to measure new factory orders, production, supply delivery times, back logs, inventory, price, employment, etc., has continued to score the State above fifty. Typically, when the score is above fifty growth and expansion are indicated. A sluggish economy is indicated by a score below fifty. For the past 25 months, Missouri has held a score above fifty.

Director Simmons concluded by reporting that in 2003 exports in Missouri increased to \$7.23 billion, an increase of 6.53% from 2002. Transportation, equipment, chemicals and machinery are the state's largest exported items. Canada, Mexico, Japan, Great Britain and China are the main purchasers of these items. The level of exports now sustains approximately 75,000 manufacturing jobs in Missouri.

**IV. Department of Agriculture Report** Director Hofherr

Director Hofherr reported that the Department continues to monitor some of the issues that were reported at the last meeting. Some progress has been made with part of the rules formulated by the USDA on the BSE situation. There is nothing definitive to report at this time. Agriculture prices in Missouri are looking very positive across commodity groups. The State has had a good rebound on beef, which is approximately 60% of the State's agriculture.

**V. Lieutenant Governor's Report** Lt. Governor Maxwell

The Lieutenant Governor's report was moved to the end of the agenda.

## **VI. Old Business**

- A. City of Kansas City, Missouri application Kathleen Barney  
For contribution tax credits for the benefit of Guadalupe Center, Inc. (“GCI”)

Ms. Barney reported that Guadalupe Center, Inc., had requested that their application be delayed until the April meeting.

Lieutenant Governor Maxwell joined the call.

- B. The Nelson Gallery Foundation Ashley Weaver  
Cultural Facilities Revenue Bonds  
Authorizing Resolution in an amount not to exceed \$60,000,000

Ms. Weaver began by reporting that the Foundation is planning to increase the size of the project to accommodate the following changes/improvements to the expansion project:

1. Increased square footage of the Bloch building
2. Design and contracts for the glass structures
3. Additional improvements to the existing building

As such, the total project costs have increased to approximately \$196,000,000. A major philanthropic foundation has agreed to donate funds toward the project. The additional \$60,000,000 will be repaid by the donation.

Ms. Weaver further reported that the project consists of the development, planning, design and construction of a new addition and improvements to the existing Nelson-Atkins Museum of Art. The building addition, which will expand the museum by 60%--to 385,000 square feet, includes:

- New galleries
- Public facilities
  - Underground parking
  - Visitor orientation lobby
  - Art library
  - Café
  - Sculpture court

She further reported that in 2001 the Board issued \$159,955,000 in bonds. At that time the Board collected a \$2,500 application fee. As the transaction was considered a cultural facility revenue bond, the issuance fee was capped at \$75,000. Since additional bonds are being issued for the same project, a proposal was made at the November 2003 meeting that the fee reflect similar consideration as the original issuance.

Ms. Weaver referred the members to the Board packet for additional information on the project. She concluded by recommending adoption of the authorizing resolution.

Following discussion, Member O'Mara made a motion to adopt the following authorizing resolution:

**RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS VARIABLE RATE DEMAND CULTURAL FACILITIES REVENUE BONDS (THE NELSON GALLERY FOUNDATION PROJECT) SERIES 2004A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 FOR THE PURPOSE OF MAKING A LOAN TO THE NELSON GALLERY FOUNDATION TO PROVIDE FUNDS TO FINANCE, REFINANCE AND REIMBURSE THE COSTS OF CERTAIN CULTURAL FACILITIES OF THE FOUNDATION; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

Member Constance seconded the motion. The motion being put to a vote, the following roll call vote was recorded:

Aye--	Solberg
Aye--	Constance
Aye--	Burch
Aye--	Lindsey
Aye--	O'Mara
Aye--	Neff
Aye--	Wilson
Aye--	Grumney
Aye--	Simmons
Aye--	Hofherr
Aye--	Maxwell
Nay--	None
Absent--	Starr

Chair Solberg declared the motion passed.

**VII. New Business**

- A. Triumph Foods, LLC. St. Joseph Ashley Weaver  
\$3,830,950 Missouri BUILD Bond Program  
Authorizing Resolution

Ms. Weaver began by reporting that the project consisted of the construction and equipping of a 550,000 square foot pork processing facility and corporate headquarters located on approximately 127 acres of land. The project will result in the creation of 1,000 new jobs in St. Joseph, Missouri.

She further reported that it is anticipated that the company will annually contribute a portion of its BUILD tax credits to the City of St. Joseph. These funds will be used to pay part of the project and infrastructure costs. (Note: Annual tax credit is approximately \$380,000 each year for 15 years). Last month, the Board authorized the issuance in an amount not to exceed \$10,500,000. Proceeds of this issuance will be used to pay a portion of the City's costs of infrastructure improvements at the facility.

Ms. Weaver referred the members to the Board packet for additional information about the project. She concluded by recommending adoption of the authorizing resolution.

Tom Lesnak, St. Joseph Chamber of Commerce, was present at the offices of Gilmore and Bell, Kansas City, to answer any questions regarding this project.

Following discussion, Member Wilson made a motion to adopt the following authorizing resolution:

**RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS BUILD MISSOURI REVENUE BONDS (TRIUMPH FOODS, LLC PROJECT), SERIES 2004, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,820,950 FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO FINANCE A PORTION OF THE COSTS OF AN ECONOMIC DEVELOPMENT PROJECT FOR THE BENEFIT OF TRIUMPH FOODS, LLC; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS.**

Member Burch seconded the motion. The motion being put to a vote, the following roll call vote was recorded:

Aye-- Solberg  
Aye-- Constance  
Aye-- Burch  
Aye-- Lindsey  
Aye-- O'Mara  
Aye-- Neff  
Aye-- Wilson  
Aye-- Grumney  
Aye-- Simmons  
Aye-- Hofherr  
Aye-- Maxwell

Nay-- None

Absent-- Starr

Chair Solberg declared the motion passed.

Chair Solberg thanked Mr. Lesnak for this attendance and support of the project.

B. Resolution to authorize signors Pamela Ives Hill

Ms. Hill requested that the Board adopt a resolution whereby two members of the Executive Committee have the signatory authority necessary to establish investment accounts. Essentially, this resolution is an update on current Executive Committee officers. Passage of the resolution will enable the Board to streamline the process necessary to open investment and/or bank accounts necessary to meet the daily needs of Board operations.

Following discussion, Member O'Mara made a motion to adopt the following resolution:

**RESOLUTION**

**WHEREAS, the Missouri Development Finance Board ( the "Board") is a body corporate and politic duly organized and existing pursuant to the Constitution and laws of the State, including particularly the Missouri Development Finance Board Act, Sections 100.250 to 100.297, inclusive, of the Revised Statutes of Missouri, as amended (the "Act"); and**

**WHEREAS, pursuant to the Act the Board is authorized to establish and administer its funds and accounts and to make such investments therein and disbursements therefrom as the Board shall determine are in its best interest; and**

**WHEREAS, The Board has heretofore adopted an investment policy designating the types of investments its funds should be invested in (the “Investment Policy”); and**

**WHEREAS, the Board desires to authorize certain of its officers and employees to establish accounts, make investments and authorize withdrawals from such accounts and the sale and/or reinvestment of such funds consistent with its Investment Policy.**

Member Neff seconded the motion. The motion being put to a vote, the following roll call vote was recorded:

Aye--	Solberg
Aye--	Constance
Aye--	Burch
Aye--	Lindsey
Aye--	O’Mara
Aye--	Neff
Aye--	Wilson
Aye--	Grumney
Aye--	Simmons
Aye--	Hofherr
Aye--	Maxwell
Nay--	None
Absent--	Starr

Chair Solberg declared the motion passed.

**V. Lieutenant Governor Report**

Lt. Governor Maxwell

Lieutenant Governor Maxwell reported that the legislature would be taking its spring break the week of March 22-26, 2004. The House is finalizing its budget. This group continues to have difficulty in balancing its budget. Several tax credit programs which under review by the legislature could involve questions to the Board on the administration of its tax credit program.

## VIII. Miscellaneous

An agenda item updating to the Board on the Personnel Committee was added to the agenda by Chair Solberg.

Member Constance, Chair of the Committee, reported that at its September retreat, the Board indicated that it would like to have annual staff salary adjustments reflect the performance of individual staff members. As the Board is not a governmental entity, it has the ability to establish its own salary determinations. However, the Board has never established bases upon which such determinations could be made.

The Personnel Committee, which is comprised of Chair Solberg, Member Lindsey, Member Neff, Member O'Mara and Member Constance began by requesting a job description of, and a list of goals for each Board staff member. Pamela Hill was given this assignment, which she performed in a very thorough and professional manner. The information compiled by Pamela was given to the Committee for its review. The Committee prepared an evaluation form which could be individualized on an annual bases for each Board staff member.

The job descriptions were reviewed, not only to ensure that the Board could meet its current workload, but also to determine if current staff capabilities would be able to meet the additional responsibilities and challenges that are in the Board's future. After its review, the Personnel Committee determined a need for staff reorganization which may result in new opportunities for staff.

The next step in the Committees process is to go over its recommendations with Pamela Hill and Bob Miserez. When Bob and Pamela have prepared the items requested by the Personnel Committee, the Committee, after reviewing said items, will present its recommendation to the full Board.

Member O'Mara made a motion to move the meeting into closed session.

### **CLOSED SESSION**

**Closed session pursuant to 610.021 (2) RSMo. Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefore.**

Member Constance seconded the motion. The motion being put to a vote, the following roll call vote was recorded:

Aye--	Solberg
Aye--	Constance
Aye--	Burch
Aye--	Lindsey

Aye-- O'Mara  
Aye-- Neff  
Aye-- Wilson  
Aye-- Grumney  
Aye-- Simmons  
Aye-- Hofherr  
Aye-- Maxwell

Nay-- None

Absent-- Starr

Chair Solberg declared the motion passed.

Member O'Mara made a motion to move the meeting back into open session.  
Member Neff seconded the motion. The motion being put to a vote, the following roll call vote was recorded:

Aye-- Solberg  
Aye-- Constance  
Aye-- Burch  
Aye-- Lindsey  
Aye-- O'Mara  
Aye-- Neff  
Aye-- Wilson  
Aye-- Grumney  
Aye-- Simmons  
Aye-- Hofherr  
Aye-- Maxwell

Nay-- None

Absent-- Starr

Chair Solberg declared the motion passed.

Chair Solberg asked staff to leave the meeting room so the Board could discuss personnel matters.

Member Neff made a motion to move the meeting into closed session.

**CLOSED SESSION**

**Closed session pursuant to 310.021 (13) RSMo. Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment, except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such.**

Member O'Mara seconded the motion. The motion being put to a vote, the following roll call vote was recorded:

Aye-- Solberg  
Aye-- Constance  
Aye-- Burch  
Aye-- Lindsey  
Aye-- O'Mara  
Aye-- Neff  
Aye-- Wilson  
Aye-- Grumney  
Aye-- Simmons  
Aye-- Hofherr  
Aye-- Maxwell

Nay-- None

Absent-- Starr

Chair Solberg declared the motion passed.

Member O'Mara made a motion to move the meeting back to open session. Member Grumney seconded the motion. The motion begin put to a vote, the following roll call vote was recorded:

Aye-- Solberg  
Aye-- Constance  
Aye-- Burch  
Aye-- Lindsey  
Aye-- O'Mara  
Aye-- Neff  
Aye-- Wilson  
Aye-- Grumney  
Aye-- Simmons  
Aye-- Hofherr  
Aye-- Maxwell

Nay-- None

Absent-- Starr

Chair Solberg declared the motion passed.

A. Executive Director Report Robert V. Miserez

No report was given.

B. Tax Credit Status Report FYI Only  
Authorized Projects—not closed  
Potential Projects  
Inquiries for possible Board financing

This was included for informational purposes only.

C. Miscellaneous FYI Only

This was included for informational purposes only.

**IX. Adjournment**

There being no further business to come before the members of the Board, Member O'Mara made a motion to adjourn the meeting. Member Wilson seconded the motion. The meeting was adjourned.

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Secretary Constance