

CHAIRMAN:
PETER D. KINDER
LIEUTENANT GOVERNOR

MEMBERS:
JOHN D. STARR
LARRY NEFF
NELSON C. GRUMNEY, JR
ELIZABETH T. SOLBERG
PAUL S. LINDSEY
RICHARD J. WILSON
JAMES D. HILL
L. B. ECKELKAMP, JR
TROY L. WILSON



MISSOURI DEVELOPMENT FINANCE BOARD

EX-OFFICIO MEMBERS:
GREGORY A. STEINHOFF
DIRECTOR,
ECONOMIC DEVELOPMENT

FRED FERRELL
DIRECTOR, AGRICULTURE

EXECUTIVE DIRECTOR:
ROBERT V. MISEREZ

MINUTES MISSOURI DEVELOPMENT FINANCE BOARD

Governor Office Building
200 Madison Street, Room 1010
Jefferson City, Missouri

JULY 18, 2006

The Missouri Development Finance Board met in regular session on Tuesday, July 18, 2006, beginning at 10 a.m. The meeting was held via telephone conference call.

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

Peter D. Kinder	Lieutenant Governor and Chairman	Present
John D. Starr	Vice Chairman and Member	Present
Larry D. Neff	Secretary and Member	Present
Nelson C. Grumney, Jr.	Treasurer and Member	Absent
Elizabeth T. Solberg	Member	Present
James D. Hill	Member	Present
Paul S. Lindsey	Member	Present
Richard J. Wilson	Member	Present
L. B. Eckelkamp, Jr.	Member	Present
Troy L. Wilson	Member	Absent
Gregory A. Steinhoff	Director, Dept. of Econ. Dev. and Member	Absent
Fred Ferrell	Director, Dept. of Agriculture and Member	Present
Robert V. Miserez	Executive Director and Assistant Secretary	Present

Chairman Kinder called the meeting to order and declared that a quorum was present. At the request of Chairman Kinder, Secretary Neff conducted the meeting due to Chairman Kinder's location. In addition to the above, those in attendance included:

Board Staff: Pamela Hill, Kathleen Barney and Valerie Haller

Board Counsel: David Queen

Others Present: Ben Jones, Lt. Governor's Office; Brian Grace, MO Dept. of Economic Development; Randy Pogue, City of Warsaw; Duncan Kincheloe and J.D. Lester, Missouri Association of Municipal Utilities; and Rodney Gray and Keith Wenzel, Hendren & Andrae

I. Secretary's Report

Secretary Neff

Secretary Neff presented for approval the minutes from the June 29, 2006, meeting. The minutes were included in the Board materials distributed in advance of the meeting. There being no questions, corrections or additions, Secretary Neff made a motion to approve the minutes as presented. Member Eckelkamp seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, Ferrell and Kinder

Nay: None

Absent: Grumney, T. Wilson and Steinhoff

Motion passed.

II. Treasurer's Report

Treasurer Grumney

In Treasurer Grumney's absence, Pamela Hill presented for approval the Treasurer's Report as of and for the eleven months ended May 31, 2006. The Treasurer's Report was included in the Board materials distributed in advance of the meeting. There being no questions or additions, Member D. Wilson made a motion to approve the Treasurer's Report as submitted. Member Eckelkamp seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, Ferrell and Kinder

Nay: None

Absent: Grumney, T. Wilson and Steinhoff

Motion passed.

III. Department of Economic Development Report

Director Steinhoff

In Director Steinhoff's absence, Brian Grace reported on the Department's economic figures. Mr. Grace reported that seasonally adjusted unemployment increased three-tenths of a point in June to 4.7 percent; down six-tenths of a point below the June 2005 rate of 5.3 percent. Mr. Grace also noted that nonfarm payroll employment slipped by 3,700 jobs in June reaching a total of 2,752,300; while over the past year nonfarm payroll has grown by 2,700, not-seasonally adjusted.

IV. Department of Agriculture Report

Director Ferrell

Director Ferrell reported the Midwest Association Directors of Ag will be held in Madison, Wisconsin, with topics including biotech, agriculture transportation, biofuels and the future of animal agriculture. Director Ferrell stated the QSA program will be implementing a strategy to develop a branded beef program for the Missouri project.

Director Ferrell mentioned that everyone was invited to the upcoming Missouri State Fair scheduled for August 10-20, 2006.

Director Ferrell indicated there are 15 county health ordinances which are of significant issue, but the Department is making great progress. Director Ferrell reported on a new initiative — the biofilter tree screen initiative.

Director Ferrell reported the crop prospects were good — corn looks great, rice looks good and cotton looks good; but there is need of rain.

V. Lieutenant Governor's Report

Lt. Governor Kinder

Chairman Kinder deferred his report to the next meeting.

VI. New Business

A. Missouri Association of Municipal Utilities
Tax Exempt Commercial Paper Authorization

Kathleen Barney

Ms. Barney presented a request for the adoption of an Authorizing Resolution for the issuance of up to \$50 million in tax-exempt commercial paper. MAMU is a trade organization for Missouri municipalities that own and operate their own utilities. Ms. Barney reported that one year ago the Board did a similar issue to this commercial tax exempt paper, and there are approximately 23 transactions that will nearly fully utilize the 2005 amount. Ms. Barney reported the program has two previous pooled MDFB-issued revenue bonds and a \$50 million tax-exempt commercial paper issue in June 2005 that provided funding or refunding of utility improvements for multiple municipalities. The MDFB issued \$100 million of bonds in 1999, and \$33,345,000 of bonds in 2003. The commercial paper allows MAMU to market the program over a time period of 18 months, giving greater flexibility to the communities involved. Ms. Barney reported there are four cities ready to apply for the program. The leases are backed by annual appropriation pledges with MDFB having no payment obligation. Staff recommended approval of the application.

Vice Chairman Starr made a motion to adopt the following resolution:

RESOLUTION AUTHORIZING THE MISSOURI DEVELOPMENT FINANCE BOARD TO ISSUE ITS COMMERCIAL PAPER LEASE REVENUE NOTES (MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES LEASE FINANCING PROGRAM), SERIES 2006A, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE OR REFINANCE THE COSTS OF PROJECTS TO BE LEASED BY THE MISSOURI ASSOCIATION OF MUNICIPAL UTILITIES TO GOVERNMENTAL ENTITIES THAT ARE MEMBERS OF SAID ASSOCIATION PURSUANT TO LEASE-PURCHASE AGREEMENTS; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF SAID NOTES; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID NOTES.

Member Solberg seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, Ferrell and Kinder

Nay: None

Absent: Grumney, T. Wilson and Steinhoff

Motion passed.

B. City of Warsaw, Missouri Robert Miserez
Downtown Revitalization Tax Credit for Contribution Application

Mr. Miserez presented an application from the City of Warsaw for the authorization of \$11,875 in calendar year 2006 tax credits to leverage the contribution of up to \$23,750 to partially pay costs associated with construction of a parking lot and streetscape improvements. The estimated total project costs are \$184,500. Mr. Miserez noted this was the third application the City has submitted; the first two approved in prior years. Mr. Miserez reported the CDBG funding had been approved by the Department of Economic Development. Staff recommended approval of the application.

Vice Chairman Starr made a motion to approve the application as submitted. Member Solberg seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, Ferrell and Kinder

Nay: None

Absent: Grumney, T. Wilson and Steinhoff

Motion passed.

VII. Miscellaneous

Robert V. Miserez

Mr. Miserez reported on the following:

- The State Auditor's Office met with staff for a preliminary interview and will begin their audit of MDFB on Monday, July 24. Williams-Keepers, LLC, will begin their audit field work on August 7.
- The DREAM Web site is active and can be viewed at www.dream.mo.gov. Application deadlines are August 1 and selections will be announced at the Governor's Conference being held September 25-27 in St. Louis. The announcement also will be made at the Missouri Housing Development Commission Conference scheduled for September 28-29 in Springfield, Mo.
- The Department has received a draft application from Lee's Summit for a MODESA project. A copy has been forwarded to MDFB, but review has not yet begun.
- The MDFB Audit Committee will be holding their second meeting immediately after adjournment.
- The August 15 MDFB meeting will be held in Springfield, Mo.
- A subordination agreement will be brought before the Board from the American Fish & Wildlife Museum on the restructuring of their bond issue.
- The MDFB Retreat is scheduled for October 15-17, 2006, at Branson Landing in Branson, Mo.

CLOSED SESSION

Member Eckelkamp made a motion to move the meeting into closed session pursuant to Section 610.021 (13) of the Missouri Statutes for the purpose of 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 R. Wilson seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, and Ferrell

Nay: None

Absent: Grumney, T. Wilson, Steinhoff and Kinder

Motion passed.

Upon completion of discussion, Secretary Neff made a motion to move the meeting back into open session. Member Eckelkamp seconded the motion. The following roll call vote was recorded:

Aye: Starr, Neff, Solberg, Lindsey, R. Wilson, Hill, Eckelkamp, and Ferrell

Nay: None

Absent: Grumney, T. Wilson, Steinhoff and Kinder

Motion passed.

OPEN SESSION

The Board returned to open session.

VIII. Adjournment

There being no further business, Member Hill motioned to adjourn the meeting. Member Eckelkamp seconded the motion. The meeting was adjourned.

[Secretary Neff's Signature]