

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE**  
**MINUTES**  
**June 14, 2011**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Chairman, Lori Flanery, Secretary, Finance and Administration Cabinet, on Tuesday, June 14, 2011 at 3:00 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Other members present were Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, Ed Ross, Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director and Secretary, Governor's Executive Cabinet.

Office of Financial Management (OFM) and staff to the Committee present: Tom Howard, Executive Director of OFM and secretary to the Committee; Brett Antle, Deputy Executive Director, Tom Midkiff, Rachael Dever and Marcia Adams.

Other guests present were Kristi Culpepper from the Legislative Research Commission (LRC), Carla Wright, Office of State Budget Director, (OSBD), Jim Ackinson from Kentucky Higher Education Student Loan Corporation (KHESLC), Rick McQuady and Kevin Bradley from Kentucky Housing Corporation (KHC).

Chairman Flanery verified with staff that a quorum was present and that the press had been notified of the meeting.

The first item on the agenda was the approval of the March 30, 2011 minutes. A motion was made by Ms. Mary Lassiter and the motion was seconded by Ms. Katie Smith to approve the minutes. **Motion CARRIED.**

**Summary of 2011 Volume Cap**– Mr. Tom Midkiff presented information regarding the Volume Cap for the State Issuer's Pool and the Local Issuer's Pool on the spreadsheet. This shows what applicants and amounts have been applied for and how it will be divided. Under the Local Issuer's Pool, the cap allocated at the last meeting for Hematite Properties, LLC has not been issued and if it expires on June 30<sup>th</sup>, the allocation will return to the lottery pool.

**2011 State Issuer Pool** – Mr. Tom Midkiff presented information regarding actual applications for the Volume Cap. There are representative for both State Issuer applicants to answer any questions for the Committee.

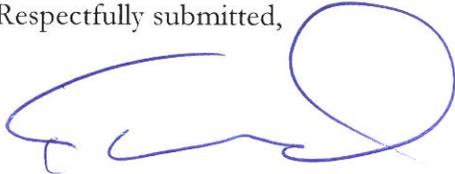
Ms. Lassiter asked for confirmation of the lottery process. Mr. Midkiff answered that the State Allocation Pool of \$247,343,919 will be allocated by June 30, 2011 and the Local Pool of \$164,895,946 that was allocated at the last meeting will expire on June 30, 2011 if Boyle County does not issue. They can reapply when the application process opens again and the lottery process comes into play. If all funds are not utilized after that first lottery, a second lottery process can happen and then unutilized funds will carry forward to the State Issuer Pool. All funds must be allocated and utilized by December 15, 2011 or will be carried forward to next calendar year.

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A motion was made by Ms. Lassiter to approve the staff recommendation for the State Allocation Pool and Local Issuer Pool allocations. Motion was seconded by Mr. Ross.  
**Motion CARRIED.**

With no further business before the Committee, the meeting adjourned.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a large, stylized 'H' followed by a large, circular flourish.

F. Thomas Howard  
Secretary