

**KENTUCKY ASSET/LIABILITY COMMISSION
MINUTES
JANUARY 14, 2013**

The Kentucky Asset/Liability Commission (“ALCo” or the “Commission”) was called to order on Monday, January 14, 2013 at 11:00 a.m. ET in Room 182 of the Capitol Annex by Lori Flanery, Secretary, Finance and Administration Cabinet and Chairperson to the Commission. Other members present were Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director, Todd Hollenbach, State Treasurer, and Corey Bellamy, proxy for Attorney General, Jack Conway.

The Office of Financial Management (“OFM”) Staff Members Present: Mr. Ryan Barrow, Executive Director of OFM and Secretary to the Commission, Robin Brewer, John Bailey, Rachael Dever, and Marcia Adams.

Other Guests Present: John Hicks and Carla Wright from the Office of the State Budget Director (“OSBD”), and Kristi Culpepper, Joshua Nacey and Kelly Dudley from the Legislative Research Commission (“LRC”).

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

A motion was made by Ms. Mary Lassiter and seconded by Mr. Ed Ross to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the June 22, 2012 meeting were approved.

Secretary Flanery introduced **Resolution 2013-01**:

**A RESOLUTION OF THE KENTUCKY ASSET/LIABILITY COMMISSION OF
THE COMMONWEALTH OF KENTUCKY APPOINTING A SECRETARY OF
THE COMMISSION.**

Secretary Flanery stated with the retirement of Tom Howard in December, his replacement has been named and Ryan Barrow has been appointed as Executive Director of OFM. Therefore, the Commission needs to appoint a new secretary and this Resolution will appoint a Secretary to the Asset/Liability Commission.

A motion was made by Mr. Ed Ross and seconded by Mr. Corey Bellamy to approve Resolution 2013-01. Motion **CARRIED** and Resolution **2013-01** was **ADOPTED**.

Secretary Flanery recognized Ms. Robin Brewer for her introduction of **Resolution 2013-02**:

**A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE, SALE
AND DELIVERY OF NOT TO EXCEED \$156,000,000 FUNDING NOTES, 2013
GENERAL FUND FIRST SERIES (TAXABLE) OF THE KENTUCKY
ASSET/LIABILITY COMMISSION, IN ONE OR MORE SERIES, FOR THE
PURPOSE OF FINANCING OR REFINANCING OF OBLIGATIONS OWED
UNDER SECTION 161.550(2) OF THE KENTUCKY REVISED STATUTES; AND
AUTHORIZING A TRUST INDENTURE, FINANCING AGREEMENT, NOTE
PURCHASE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT,
OFFICIAL STATEMENT AND OTHER AGREEMENTS THAT MAY BE
ENTERED INTO, ALL RELATED TO SUCH NOTES.**

January 14, 2013

Ms. Brewer stated this resolution authorizes the Kentucky Asset/Liability Commission Funding Notes, 2013 General Fund First Series (Taxable) in an amount not-to-exceed \$156,000,000. Approval is being sought from the Commission to allow financing of the state share of obligations owed under KRS 161.550(2) to the Kentucky Teachers' Retirement System ("KTRS") Medical Insurance Trust Fund for Fiscal Years 2013 and 2014. This transaction was authorized in House Bill 265 of the 2012 Regular Session of the General Assembly. With approval at this meeting, the resolution will be presented to the State Property and Buildings Commission ("SPBC") meeting upon adjournment of this meeting and will be presented to Capitol Projects and Bond Oversight ("CPBO") on January 22, 2013.

The sale date is estimated to be February 7, 2013 with a closing of February 21, 2013 and the estimated all in True-Interest-Cost is 2.62%. The Underwriter is Morgan Stanley, Bond Counsel is Kutak Rock LLP, Underwriter's Counsel is Peck Shaffer and Williams LLP and the Trustee is U.S. Bank N.A. Staff recommends approval.

A motion was made by Mr. Todd Hollenbach and seconded by Ms. Lassiter to approve Resolution 2013-02. Motion **CARRIED** and Resolution **2013-02** was **ADOPTED**.

With no other business, the meeting stands adjourned.

Respectfully submitted,



Ryan Barrow
Secretary