

KENTUCKY ASSET/LIABILITY COMMISSION
MINUTES
OCTOBER 14, 2020
11:00 AM

The Kentucky Asset/Liability Commission (“ALCo” or the “Commission”) was called to order on Wednesday, October 14, 2020, at 11:02 AM ET via ZOOM video teleconference, by Geri Grigsby, permanent proxy for Holly M. Johnson, Secretary, Finance and Administration Cabinet (“FAC”) and Chairperson to the Commission. Other members present were Edgar C. Ross, State Controller and Executive Director, Office of the Controller; Josh Rayborn, Office of the Kentucky State Treasurer proxy for Allison Ball, State Treasurer; John T. Hicks, State Budget Director, Office of the State Budget Director (“OSBD”); and Stacy Woodrum, permanent proxy for Attorney General Daniel Cameron.

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Commission; Sandy Williams, Deputy Executive Director; Billy Aldridge, Bethany Couch, Steve Starkweather, and Jennifer Yount.

Other Guests Present: Julia Wang, Legislative Research Commission (“LRC”); Carla Wright, OSBD; and Kara Smothermon OSBD.

Ms. Grigsby verified with staff a quorum was present, and the press had been notified of the meeting.

Ms. Grigsby introduced the first item for business, which was the approval of the minutes from the April 13, 2020, meeting. A motion to accept was made by Mr. Ross and seconded by Director Hicks to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the April 13, 2020 meeting were **APPROVED**.

Ms. Grigsby recognized Steve Starkweather to present **Resolution 2020-04**:

A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE, SALE AND DELIVERY OF PROJECT NOTES, 2020 FEDERAL HIGHWAY TRUST FUND FIRST REFUNDING SERIES A OF THE KENTUCKY ASSET/LIABILITY COMMISSION, IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$191,000,000 FOR THE PURPOSE OF PROVIDING FINANCING TO REFUND ON A CURRENT OR ADVANCE BASIS CERTAIN FEDERAL HIGHWAY TRUST FUND FIRST SERIES NOTES PREVIOUSLY ISSUED BY THE KENTUCKY ASSET/LIABILITY COMMISSION; AND AUTHORIZING A 2020 SERIES TRUST INDENTURE, SIXTH SUPPLEMENT TO FINANCING/LEASE AGREEMENT, NOTE PURCHASE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT, ESCROW AGREEMENT AND OTHER AGREEMENTS THAT MAY BE ENTERED INTO, ALL RELATED TO SUCH NOTES.

Mr. Starkweather presented Resolution 2020-04 a request to authorize the issuance, sale, and delivery of Kentucky Asset/Liability Commission Project Notes, 2020 Federal Highway Trust Fund First Refunding Series A, in a principal amount not to exceed \$191 million. While the resolution includes an advance refunding component, that funding mechanism is not currently authorized by Congress. The most likely sale amount will be a \$58.945 million issuance generating a net present value savings of approximately \$3 million or about 5%. The proceeds will be used to refund the Kentucky Asset/Liability Commission 2010 Series A

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ALCo GARVEEs. The estimated all-in true interest cost is 0.9%. This is a negotiated sale. Bond counsel is Kutak Rock LLP, the underwriter is Citi Bank, and the underwriter's counsel is Dinsmore & Shohl LLP. This was included in the OFM October submittal to Capital Projects and Oversight Committee scheduled to meet on Wednesday, October 21, 2020. Staff recommends approval.

Ms. Grigsby called for a motion to approve Resolution **2020-04**. Director Hicks made a motion and was seconded by Mr. Ross. The motion **CARRIED** and Resolution **2020-04** was **ADOPTED**.

With no further business before the Commission, Ms. Grigsby asked for a motion to adjourn. Mr. Ross made a motion and was seconded by Mr. Rayborn. Motion **CARRIED** and the meeting adjourned at 11:13 AM.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary

