

TURNPIKE AUTHORITY OF KENTUCKY  
OCTOBER 29, 2012  
1:00 P.M.  
ROOM 386, CAPITOL ANNEX

The Turnpike Authority of Kentucky ("Authority" or "TAK") met on Monday, October 29, 2012 at 1:00 p.m. in Room 386 of the Capitol Annex.

Members present were Lori Flanery, Secretary of the Finance and Administration Cabinet, in the Chair; Mary Lassiter, proxy for the Honorable Steven L. Beshear, Governor of the Commonwealth and Chairman of the Authority; Shannon Tivitt, proxy for the Honorable Jerry Abramson, Lt. Governor of the Commonwealth; George Burgess, proxy for Larry Hayes, Secretary of the Economic Development Cabinet; David Talley, proxy for Mike Hancock, Secretary of Kentucky Transportation Cabinet; Steve Waddle, Kentucky State Highway Engineer; and Larry Clarke, proxy for Jack Conway, Attorney General of the Commonwealth of Kentucky.

Others present at the meeting were; Edgar C. Ross, Executive Director, Office of the Controller and Executive Director of the Authority; Tom Howard, Executive Director of Office of Financial Management and Secretary of the Authority; Doris Howe, Office of Financial Management and Treasurer of the Authority; Robin Brewer, Office of Financial Management; Tom Midkiff, Office of Financial Management; Jason Hamilton, Office of Financial Management; Marcia Adams, Office of Financial Management; Christina Keyes, Office of Financial Management; Marcia Hutcherson, Office of Financial Management and Authority Staff; Josh W. Nacey, Legislature Research Committee; Kim Moore, Office of the Controller; E. Jeffrey Mosley; Office of General Counsel, Finance and Administration Cabinet.

Chairperson Flanery having verified that a quorum was present and that proper notice of the meeting was properly posted in accordance with KRS 61.800-61.850, called the meeting to order.

The first item on the agenda was approval of the minutes of the February 15, 2012 meeting as written. George Burgess made a motion to approve and Shannon Tivitt seconded. The motion carried unanimously.

The next item on the agenda was for acceptance and adoption of the Annual Financial Audit for the Authority ending June 30, 2012. Edgar C. Ross informed the board that the audit is based on the trust indentures and also internal controls. Mr. Ross went on to say that the Authority received a clean opinion and there were no findings for the current year. Mr. Ross pointed out a comment from the Blue and Company Fiscal Year 2011 Management Letter that no end of year adjusting entries were made. Mr. Ross explained that this finding was due to the Authority being between two separate auditors and transitioning the Authority's accounts from QuickBooks over to the Statewide Accounting System. Mr. Ross went on to say that this has been corrected for the Fiscal Year 2012 audit and commended Doris Howe, Kim Moore, and Marcia Hutcherson for the smooth transition into the Statewide Accounting System. Mr. Ross asked if there were any questions and asked the board for acceptance of the Fiscal Year 2012 audit. Mary Lassiter made a motion to accept and Shannon Tivitt seconded. The motion carried unanimously.

The next item of business was for approval of the Transfer of Funds and Budget Report. Doris A. Howe presented to the board the Authority's Fiscal Year 2013 Expenditure Report to date and noted that the Authority has only spent 16% of the \$125,000 budgeted amount. Ms. Howe also presented the board with a spreadsheet that reflects the decline of expenses from previous years. Ms. Howe also stated that the decline is due to staffing cuts, significantly lowering operating costs and utilizing the Statewide Accounting System. Ms. Howe also requested approval for the July 1, 2012 to June 30, 2013 Administrative Expense Transfer of Funds for operating costs in the amount of \$125,000. Chairperson Flanery asked for approval. Shannon Tivitt made a motion to approve and Mary Lassiter seconded. The motion carried unanimously.

The next item of business was approval of Appointment of Treasurer. Tom Howard stated to the board that due to the pending retirement of Ms. Howe, the Authority purposed that Jason Hamilton, head of the OFM accounting group, be appointed and assume responsibility of the Treasurer's role. Mr. Howard also stated that this will give Mr. Hamilton the authority to move funds within the Authority's account. George Burgess made a motion to approve and Larry Clarke seconded. The motion carried unanimously.

The next item of business was a Resolution of Acknowledgement for Doris A. Howe. Mr. Howard presented a resolution to the board in recognition of Ms. Howe for over 15 years of outstanding service with the Commonwealth. Mr. Howard also stated that Mrs. Howe helped him tremendously and worked diligently by cutting expenses of the Authority over the years and was a very valuable employee and a pleasure to work with. Applause was given by the board members and guests in honor of Ms. Howe. Chairperson Flanery asked for approval. Mary Lassiter made a motion to approve and Shannon Tivitt seconded. The motion carried unanimously.

The next item of business was a Resolution of Acknowledgement for F. Thomas Howard. Chairperson Flanery presented a resolution to the board in recognition of Mr. Howard. Ms. Flanery stated that the resolution does not show the deep significance and meaning that Mr. Howard has brought to the Finance Cabinet and to the Commonwealth as a whole. Ms. Flanery also stated that Mr. Howard would be hard to replace but has confidence that the Finance Cabinet would attract someone that will be a good steward for the Office of Financial Management. Ms. Flanery expressed her appreciation and gratitude of Mr. Howard's hard work and dedication he brought to the Office of Financial Management and Finance Cabinet.

Mr. Burgess also stated that he had the pleasure of working with Mr. Howard and Ms. Howe for many years and was grateful for their years of service to the Commonwealth. Mr. Ross also stated that Mr. Howard is leaving a legacy that will be hard to replace and expressed that it was a pleasure to work with both Mr. Howard and Mrs. Howe. Mr. Burgess went on to express to the board that Mr. Howard is a unique guy and what he accomplished for the State of Kentucky will never be realized by all the people of the Commonwealth. Mr. Burgess also commended Mr. Howard on his gain of respect by the investment advisors in New York and stated to Mr. Howard "Well done". Jeff Mosley commended Tom on his leadership on several massive transactions and projects, such as the Arena and Bridges as well as many projects prior to his own employment with the Finance Cabinet. Mr. Mosley stated that Mr. Howard is a fantastic and phenomenal resource to the Commonwealth of Kentucky. Mr. Mosley expressed his gratitude for Mr. Howard's excellence in leadership and stated he deserved a huge thank you on behalf of the state. Ms. Lassiter stated that on behalf of Governor Beshear and herself, wished Mr. Howard the best. Ms. Lassiter also expressed her gratitude of years of service she and Mr. Howard worked together. Ms. Lassiter expressed her thanks to Mr. Howard's extensive service to the State of Kentucky as a whole and wished Mr. Howard the best of luck.

Chairperson Flanery stated that both resolutions for Ms. Howe and Mr. Howard will be signed by the Governor and Mr. Ross. Chairperson Flanery asked for a motion of approval for the Resolution of Acknowledgement of Mr. Howard. Mary Lassiter made a motion to approve and Shannon Tivitt seconded. The motion carried unanimously.

Chairperson Flanery asked if there was any further business that need to be presented to the board; none was presented. Chairperson Flanery called for a motion to adjourn. Larry Clarke made a motion and Shannon Tivitt seconded and the meeting was adjourned.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "E. Ross", written in a cursive style.

Edgar C. Ross

Executive Director of the Authority