

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**NOVEMBER 19, 2012**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Monday, November 19, 2012 in Room 182 of the Capitol Annex at 10:00 a.m. ET by Lori Flanery, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were Ryan Keith, proxy for Governor Steven Beshear, Shannon Tivitt, proxy for Lt. Governor Jerry Abramson, John Hicks, proxy for Mary Lassiter, State Budget Director, Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, and Corey Bellamy, proxy for Jack Conway, Attorney General.

Office of Financial Management (“OFM”) Staff Members Present: Tom Howard, Executive Director and Secretary to the Commission, John Bailey, Rachael Dever, Tom Midkiff, Jennifer Kantner, Christina Keyes, and Marcia Adams.

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

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. Katie Smith and seconded by Mr. Ed Ross to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the October 12, 2012 meeting were approved.

Secretary Flanery recognized Ms. Katie Smith for her introduction of Resolution **2012-23**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS  
COMMISSION OF THE COMMONWEALTH OF KENTUCKY  
APPROVING THE APPLICATION OF THE SECRETARY OF THE  
CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND  
SPECIFY CERTAIN ECONOMIC DEVELOPMENT PROJECTS TO BE  
FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT  
REVENUE BONDS TO BE ISSUED BY THE COMMISSION TO MAKE A  
GRANT TO THE CRITTENDEN COUNTY FISCAL COURT FOR THE  
BENEFIT OF INVENSYS RAIL CORPORATION (INVENSYS) (\$250,000).**

Ms. Smith stated that Secretary Hayes is recommending the use of \$250,000 in Economic Development Bond Funds for the purpose of making a grant to the Crittenden County Fiscal Court for the benefit of Invensys Rail Corporation (Invensys). Invensys is considering an expansion of its existing manufacturing facility of control systems for railways and transit authorities in Marion, KY. Due to continued sales growth, the number of truck deliveries has increased on a daily basis, often in the turning lane to the facility, causing traffic congestion and safety concerns. The proposed expansion will provide assistance to establish a new road into the facility, a parking area, a staging area for shipments of product and a new building for expanded manufacturing. The proposed EDB grant funds will be used to offset the cost associated with this project.

In consideration of this EDB grant, Invensys will retain the existing full-time workforce of 200 Kentucky residents and the company will be required to create 50 new, full-time jobs (excluding contract or temporary employees) for Kentucky residents within three years of the date of approval by the Kentucky Economic Development Finance Authority (KEDFA). In addition, Invensys will be required to pay the 50 jobs an average hourly wage of not less than \$14, including benefits. Invensys will also be required to maintain the 50 new jobs and retain the existing 200 jobs at the Marion County facility for an additional three (3) years. Repayment provisions will be included in the grant agreement if Invensys fails to create or maintain the jobs or pay the required wages. Invensys will be required to provide collateral satisfactory to the Cabinet as security for the repayment of any grant proceeds. KEDFA approved the project at its meeting on October 25, 2012 and staff recommends approval.

Secretary Flanery asked for any further questions. Mr. Ross made a motion to approve Resolution **2012-23** that was seconded by Mr. John Hicks. Motion **CARRIED**, and Resolution **2012-23** was **ADOPTED**.

Secretary Flanery introduced Resolution **2012-24**:

Secretary Flanery began with telling the Commission about her first meeting with the retiring Commission Secretary, Tom Howard back in 1995. She stated this Commission is synonymous with Tom and the job he has done for the Commonwealth of Kentucky. Over his tenure, Tom has grown into his role as Executive Director of the Office of Financial Management. His professional and technical abilities, his discretion, his ability to work with both sides of the aisle, with legislators and executives, and to have a national presence with the Municipal Securities Review Board (MSRB) has brought great value to this Cabinet.

Secretary Flanery read Resolution **2012-24** into the record:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY FOR RECOGNITION OF OUTSTANDING SERVICE BY F. THOMAS HOWARD, SECRETARY TO THE COMMISSION AND AS EXECUTIVE DIRECTOR OF THE OFFICE OF FINANCIAL MANAGEMENT.**

**WHEREAS**, the State Property and Buildings Commission (“the Commission”) has the responsibility to issue revenue bonds to provide financing for capital construction projects and financing programs approved by the General Assembly; and

**WHEREAS**, the Commission relies heavily upon the staff of the Office of Financial Management; and

**WHEREAS**, such advice, counsel and guidance requires a significant expenditure of time and resources on behalf of the Commission; and

**WHEREAS, Tom Howard** has dedicated his time and energy on behalf of the Commonwealth, as a staff member of the Office of Financial Management during his tenure from February 27, 1989 through December 31, 2012, including Executive Director of the Office of Financial Management as of October 1, 2005, with responsibility as Secretary to the Commission.

**NOW THEREFORE BE IT RESOLVED** by the Commonwealth of Kentucky, State Property and Buildings Commission expresses its appreciation to Tom Howard, for his valued advice and professionalism during his service with the Office of Financial Management and assistance to the Commission.

**Adopted** this 19<sup>th</sup> day of November 2012 and signed by Governor Steven Beshear.

Mr. Ross made a motion to adopt Resolution **2012-24** that was seconded by Ms. Shannon Trivitt. Motion **CARRIED**, and Resolution **2012-24** was **ADOPTED**.

Mr. John Hicks added that Tom is an example of a professional in state government who has lasted a long time in an organization that still works the same way but is very different from when he started in 1989. The role that Tom has played as a staffer and a leader in this organization has well served the Commonwealth. The Office of Financial Management does work that few people observe or are aware of, but its function allows state government to work so well. As a representative from the Office of the State Budget Director, our agency works extremely close with OFM and that partnership has been well served by Tom. I wish to acknowledge his effort, his role, and his expertise given to state government as well as from the entire staff of OFM and on behalf of the State Budget Director and as a member of this Commission, we extend a big thank you to Tom.

Mr. Ed Ross added that Tom has brought a great deal of credit to the state from state and national organizations and financial institutions. Mr. Ross added he would like to know just how much money Tom has saved the state over the years. He has done a terrific service and will be greatly missed.

Tom Howard thanked everyone and told the Commission that it has been an amazing journey.

With no other business, the meeting stands adjourned.

Respectfully submitted,



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Ryan Barrow  
Secretary