

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**DECEMBER 12, 2016**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Monday, December 12, 2016 at 3:31 p.m. ET in Room 182 of the Capitol Annex by William M. Landrum III, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. The Secretary asked for a roll call. Other members present were Edgar C. Ross, State Controller, Office of the Controller; John E. Chilton, State Budget Director, Office of the State Budget Director; Katie Smith, proxy for the Cabinet for Economic Development (“CED”); Holly McCoy-Johnson, permanent proxy for Attorney General Andy Beshear; and Adrienne Southworth, proxy for Lt. Governor Jenean Hampton.

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; John Brady, Liz Columbia, Bethany Couch, Steve Starkweather, Denise Pitts and Tammy McCall.

Other Guests Present: Tom Midkiff, Kentucky Housing Corporation; Julia Wang, LRC; and Kentucky House Representative Dennis Keene.

Secretary Landrum verified that a quorum was present and that the press was notified of the meeting.

Secretary Landrum introduced the first item for business, which was approval of the minutes from the November 3, 2016 meeting. A motion to accept the minutes of the November 3, 2016 meeting was made by Ms. McCoy-Johnson and seconded by Ms. Smith. Motion **CARRIED**.

Secretary Landrum directed the Commission to Resolution 2016-42:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF FINANCING VARIOUS PROJECTS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SAID REVENUE BONDS ARE TO BE ISSUED AND PROVIDING FOR A NEGOTIATED SALE THEREOF; AUTHORIZING AND RATIFYING ACTIONS OF THE COMMISSION STAFF IN THE STRUCTURING, PLANNING AND PREPARATION OF ALL DOCUMENTATION FOR THE ISSUANCE OF SAID BONDS AND IN PREPARING AND PUBLISHING A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE BONDS; RECITING, ACKNOWLEDGING AND APPROVING THE FILING OF AN APPLICATION BY THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR REVENUE BONDS TO FINANCE VARIOUS PROJECTS PURSUANT TO SECTION 56.450 OF THE KENTUCKY REVISED STATUTES; APPROVING A LEASE OF THE PROJECTS TO THE CABINET TO PROVIDE REVENUES FOR THE AMORTIZATION OF THE BONDS; DEFINING AND PROVIDING FOR THE RIGHTS OF**

**THE OWNERS OF THE BONDS AND PROVIDING FOR THE APPLICATION OF THE PROCEEDS THEREOF.**

Ms. Columbia presented Resolution 2016-42 for the approval to issue State Property and Buildings Commission Revenue Bonds, Project No. 115, in a principal amount not to exceed \$252 million. The purpose of the issue is to: 1) provide permanent financing for approximately \$250 million of General Fund projects authorized by the General Assembly in H.B. 267 (2005 Session), H.B. 380 and H.B. 557 (2006 Session), H.B. 406, H.B. 410, H.B. 514, and H.B. 608 (2008 Session), H.B. 1 (2010 Special Session), H.B. 265 (2012 Session), H.B. 235 (2014 Session), and H.B. 303 (2016 Session); and 2) pay costs of issuance. The list of projects expected to be financed from this transaction was detailed in the meeting packet under Exhibit A. The transaction will be submitted to the Capital Projects and Bond Oversight Committee ("CPBOC") on December 20, 2016. This will be a tax-exempt negotiated sale, currently scheduled for January 24, 2017. Staff recommended approval.

Secretary Landrum called for a motion to approve Resolution 2016-42. Mr. Ross made a motion and was seconded by Director Chilton. Motion **CARRIED** and Resolution 2016-42 was **ADOPTED**.

Secretary Landrum directed the Commission to Resolution 2016-43:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF UNIVERSITY OF KENTUCKY GENERAL RECEIPTS REFUNDING BONDS, 2017 SERIES A, AND UNIVERSITY OF KENTUCKY GENERAL RECEIPTS REFUNDING BONDS, 2017 SERIES B.**

Ms. Couch presented Resolution 2016-43 for the approval to issue University of Kentucky General Receipts Refunding Bonds, 2017 Series A and University of Kentucky General Receipts Refunding Bonds, 2017 Series B. Bond proceeds from the 2017 Series A issuance will be used to 1) currently refund and retire all the outstanding Kentucky Asset/Liability Commission University of Kentucky General Receipts Project Notes, 2006 Series A, in an approximate principal amount of \$30,625,000; and 2) pay associated costs of issuance. Bond proceeds of the 2017 Series B will be used to: 1) currently refund and retire all the outstanding University of Kentucky General Receipts Taxable Build America Bonds, 2010 Series A, in an approximate principal amount of \$7,480,000; and 2) pay associated costs of issuance. The University of Kentucky Board approved the issuance on June 24, 2016, and it will be presented to CPBOC on December 20, 2016. The all-in true interest cost for the 2017 Series A Refunding is 2.433% with a final maturity date of 10/1/2022; the net present value savings is projected at \$1.752 million, or 5.601%. For the 2017 Series B Refunding, the all in true interest cost is 2.712% with a final maturity date of 10/1/2024; the net present value savings is projected at \$23 thousand, or 0.298%. Ms. Couch noted that the University of Kentucky has an internal net present value savings target of 1.5%. The University is requesting approval now, so if market rates improve in January, they will move forward with the issuance of the bonds. Staff recommended approval. There was a small discussion regarding the Build America Bonds.

Secretary Landrum called for a motion to approve **Resolution 2016-43**. Ms. McCoy-Johnson made a motion and was seconded by Ms. Southworth. There being no further discussion, the motion **CARRIED** and Resolution 2016-43 was **ADOPTED**.

With no further business before the Commission, Secretary Landrum made a motion to adjourn and was seconded by Ms. Smith. Motion carried and the meeting adjourned at 3:43 pm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'R. Barrow', is written over a horizontal line.

Ryan Barrow  
Secretary