

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
December 17, 2012

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Lori Flanery, Secretary, Finance and Administration Cabinet, on Monday, December 17, 2012 at 3:00 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Other members present were Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, Ed Ross, Controller, Finance and Administration Cabinet, Kevin Cardwell, proxy for Mary Lassiter, State Budget Director, and Ashley Parrot, proxy for Mary Lassiter, Secretary, Governor's Executive Cabinet.

Office of Financial Management (OFM) and staff to the Committee present were Tom Howard, Executive Director and Secretary to the Committee, Tom Midkiff, John Bailey, Robin Brewer, Rachael Dever, Jennifer Kantner, Ryan Barrow, and Marcia Adams.

Other guests present were Pamela Trautner, Public Information Officer, Finance & Administration Cabinet, Carla Wright from the Office of State Budget Director ("OSBD"), Rick McQuady, Jim Statler and Walter Clare from Kentucky Housing Corporation ("KHC") and Jim Ackinson and David Carlsen from Kentucky Higher Education and Student Loan Corporation ("KHESLC").

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

The first item on the agenda was the approval of the November 1, 2012 minutes. Mr. Ed Ross made a motion to approve the minutes. Ms. Katie Smith seconded the motion. **The motion CARRIED.**

Allocation of 2012 Carryforward - Mr. Midkiff presented applications for carryforward starting with KHC, requesting the carryforward of \$48,600,000 left over from the authorized \$50 million dollar allocation to KHC earlier in CY 2012.

Mr. Midkiff continued with the **Summary of 2012 Volume Cap**, stating that bond counsel for the Charah, Inc. Project, informed staff of unissued, allocated cap of \$9,500,000, which they were unable to use. Charah is going forward with the project but on a taxable basis. Therefore, staff recommends this amount be returned to the pool and carried forward by the state agencies that have applied for CY 2012 Carryforward.

KHC was able to issue \$1.4 million of the \$50,000,000 previously allocated to the Corporation by the Committee. Trigg County (Transcraft Corporation \$2,500,000) was also able to issue their allocation of \$2.5 million dollars previously allocated by the Committee. Total available Carryforward amount for CY 2012 is \$362,588,820 and staff recommends that the amount be divided between the two state applicants: KHC for \$181,299,409 and KHESLC for \$181,299,410. Representatives for KHC and KHESLC were available for any questions, but the Committee had none.

Ms. Smith made a motion to approve the 2012 Carryforward, seconded by Mr. Ross. **The motion CARRIED.**

Resolution 2012-01 – Secretary Flanery shared her remarks with the Committee and guests regarding the retirement of Tom Howard from state government at the end of the month and thanked him for his involvement with KPABAC. Sec. Flanery stated that as Secretary to the Committee, combined with his role as Executive Director of OFM, Mr. Howard had been an important part of this organization as well as the Administration. Sec. Flanery thanked Mr. Howard for his hard work for KPABAC and the Finance and Administration Cabinet. She then read Resolution 2012-01 into the meeting minutes, as follows:

A RESOLUTION OF THE KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE OF THE COMMONWEALTH OF KENTUCKY FOR RECOGNITION OF OUTSTANDING SERVICE BY F. THOMAS HOWARD, SECRETARY TO THE COMMITTEE AND AS EXECUTIVE DIRECTOR OF THE OFFICE OF FINANCIAL MANAGEMENT.

WHEREAS, the Kentucky Private Activity Bond Allocation Committee (“the Committee”) has the responsibility to ensure compliance with federal regulations to the debt ceiling on “private bond activity” bonds.

WHEREAS, the Committee 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 Committee; 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 Committee.

NOW THEREFORE BE IT RESOLVED by the Commonwealth of Kentucky, the Kentucky Private Activity Bond Allocation Committee 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 Committee.

Adopted this 17th day of December 2012.

Secretary Flanery stated that the Resolution was approved by Acclamation.

Resolution 2012-02 - Secretary Flanery continued with Resolution 2012-02, which named the new Secretary to the Committee, Tom Howard’s successor and new Executive Director of OFM, Ryan Barrow. Mr. Barrow previously held the position of Budget Director for the City of Lexington, KY. Secretary Flanery asked for a motion to approve the Resolution naming Mr. Barrow the Secretary of the Committee.

Mr. Ed Ross made a motion, seconded by Ms. Smith, to approve Resolution 2012-02 naming Ryan Barrow Secretary to the Committee. **The motion CARRIED.**

With no further business before the Committee, the meeting adjourned.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ryan Barrow".

Ryan Barrow
Secretary