

KENTUCKY ASSET/LIABILITY COMMISSION
Minutes
December 19, 2005

The Kentucky Asset/Liability Commission was called to order at 10:45 a.m. on Monday, December 19, 2005 by Chairman Tim LeDonne, proxy for Robbie Rudolph, Secretary, Finance and Administration Cabinet, in Room 76 of the Capitol Annex. Other members present were Allen Holt, proxy for Brad Cowgill, State Budget Director; Eugene Harrell, proxy for State Treasurer Jonathan Miller; and Bonnie Howell, proxy for Attorney General Gregory Stumbo.

Chairman LeDonne declared that a quorum was present and verified that the press had been notified of the meeting.

A motion was made by Ms. Howell and seconded by Mr. Holt to accept the minutes of the October 17, 2005 meeting. Motion **CARRIED**.

F. Thomas Howard, Executive Director, Office of Financial Management, introduced Resolution 2005-08:

A RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE, SALE AND DELIVERY OF PROJECT NOTES, 2006 ROAD FUND SERIES OF THE KENTUCKY ASSET/LIABILITY COMMISSION IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$250,000,000 FOR THE PURPOSE OF PROVIDING FINANCING FOR AN AUTHORIZED PROJECT IN ANTICIPATION OF THE ISSUANCE OF BONDS BY THE TURNPIKE AUTHORITY OF KENTUCKY; AND AUTHORIZING A TRUST INDENTURE, FINANCING AGREEMENT, NOTE PURCHASE AGREEMENT, REMARKETING AGREEMENT, EXCHANGE AGREEMENT, CONTINUING DISCLOSURE STATEMENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENT AND OTHER AGREEMENTS THAT MAY BE ENTERED INTO, ALL RELATED TO SUCH NOTES.

F. Thomas Howard, Executive Director, Office of Financial Management, stated that Resolution 2005-08 authorized the Kentucky Asset/Liability Commission to provide interim financing for road projects authorized in House Bill 267. Mr. Howard indicated that half of the \$450 million authorized for road fund projects had been issued and this resolution would preserve the remaining balance of the authorization and eliminate the need for the reauthorization. Mr. Howard stated that approval of the resolution would provide cash flow on as-needed basis for the Transportation Cabinet. Mr. Howard indicated that Resolution 2005-08 is similar to the resolution for the General Fund which funded approximately \$100 million of projects on an interim basis. Mr. Howard stated that the transaction team has not been determined at this time.

A motion was made Mr. Holt and seconded by Mr. Harrell to approve the authorization, issuance, sale and delivery of Project Notes, 2006 Road Fund Series of the Kentucky Asset/Liability

Minutes-Kentucky Asset/Liability Commission

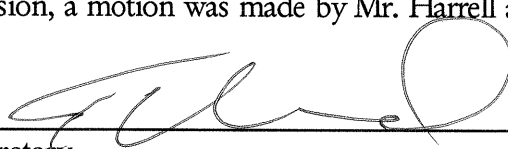
Page 2

December 19, 2005

Commission in an aggregate principal amount not to exceed \$250,000,000. Motion carried and Resolution 2005-08 was **ADOPTED**.

Mr. Howard indicated that \$100 million of Commercial Paper was issued under the General Fund Series, the bulk of which matures next October to finance the project expenditures that could reasonably be foreseen in the 18-24 month period. Mr. Howard indicated staff would be evaluating hedging options for budgetary purposes.

With no new business before the commission, a motion was made by Mr. Harrell and seconded by Ms. Howell to adjourn the meeting.



Secretary
Kentucky Asset/Liability Commission