

KENTUCKY ASSET/LIABILITY COMMISSION
MINUTES
MARCH 14, 2024
1:30 PM

The Kentucky Asset/Liability Commission (“ALCo” or the “Commission”) was called to order on Tuesday, March 14, 2024, at 1:32 PM ET via ZOOM video teleconference, by Geri Grigsby, permanent proxy for Holly M. Johnson, Secretary, Finance and Administration Cabinet (“FAC”) and Chairperson to the Commission. Other members present were Joe McDaniel, State Controller, Office of the Controller; Stacy Woodrum, Office of the Kentucky Attorney General proxy for Russell Coleman, Attorney General; and John T. Hicks, State Budget Director, Office of the State Budget Director (“OSBD”).

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director of OFM; Steven Starkweather, Deputy Executive Director of OFM; Billy Aldridge, Bethany Padgett, Melissa Perry, Kaitlin Craigmyle, and Aubry McDonald.

Other Guests Present: Katherine Halloran, Legislative Research Commission (“LRC”); and Carla Wright, OSBD.

Ms. Grigsby verified with staff a quorum was present, and the press had been notified of the meeting.

Ms. Grigsby introduced the first item for business, which was the approval of the minutes from the April 18, 2023, meeting. A motion to accept was made by Director Hicks and seconded by Mr. McDaniel to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the April 18, 2023 meeting were **APPROVED**.

Ms. Grigsby recognized Steve Starkweather to present an informational item to the Commission. He noted that provided in the meeting packet was a prior transaction: Asset/Liability Commission Project Notes, 2023 Federal Highway Trust Fund Project First Refunding Series A. The executed Par amount was \$54,840,000 and it generated \$1,598,618 in net present value savings. No action was needed.

Ms. Grigsby recognized Steve Starkweather to present **Resolution 2024-01**:

RESOLUTION PROVIDING FOR THE AUTHORIZATION, ISSUANCE, SALE, AND DELIVERY OF PROJECT NOTES, 2024 FEDERAL HIGHWAY TRUST FUND FIRST REFUNDING SERIES A (THE “SERIES 2024A NOTES”) OF THE KENTUCKY ASSET/LIABILITY COMMISSION, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000 FOR THE PURPOSE OF CURRENTLY REFUNDING CERTAIN FEDERAL HIGHWAY TRUST FUND FIRST SERIES NOTES PREVIOUSLY ISSUED BY THE KENTUCKY ASSET/LIABILITY COMMISSION; AND AUTHORIZING A SERIES TRUST INDENTURE - 2024 FIRST REFUNDING SERIES A, AN EIGHTH SUPPLEMENT TO FINANCING/LEASE AGREEMENT, A NOTE PURCHASE AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, AN ESCROW AGREEMENT, AND OTHER AGREEMENTS THAT MAY BE ENTERED INTO, ALL RELATED TO THE SERIES 2024A NOTES.

Mr. Starkweather presented Resolution 2024-01 and directed the Commission’s attention to Attachment C, page 18 of the pdf. Resolution of the State Property and Buildings Commission approving the issuance of the ALCo Project Notes, 2024 Federal Highway Trust Fund First Refunding Series A, in an aggregate principal not to exceed \$150,000,000 for the purpose of currently refunding Federal Highway Trust Fund

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Notes previously issued by ALCo. The \$150,000,000 in authorization includes the ALCo GARVEEs 2014 Series A, 2015 Series A and the 2023 Series A. He stated the focus of this refunding on the Preliminary New Bond Issue Report is the 2014As, but the interest rate market has been volatile and we wanted to be positioned to take advantage of market moves. Looking at the New Bond Issue Report, on page 34 of the packet, the Par of \$106,770,000 is generating an estimated Net Present Value savings of approximately \$2,600,000, or 2.4%. These notes will be currently callable on September 1, 2024 with a final maturity of September 1, 2026. This will be a negotiated transaction scheduled to price on May 8, 2024 and close on June 3, 2024 with JP Morgan serving as underwriter and Dinsmore as Bond Counsel. This transaction will also be presented to the SPBC March 14, 2024 meeting and it has been presented to CPBO for consideration at their March 26, 2024 meeting. Staff recommends approval.

Ms. Grigsby called for a motion to approve Resolution **2024-01**. Director Hicks made a motion and was seconded by Mr. McDaniel. The motion **CARRIED** and Resolution **2024-01** was **ADOPTED**.

With no further business before the Commission, Ms. Grigsby asked for a motion to adjourn. Ms. Woodrum made a motion and was seconded by all members. Motion **CARRIED** and the meeting adjourned at 1:41 PM.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary

