

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
April 9, 2019**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Sandy Williams, proxy for William M. Landrum III, Secretary of the Finance and Administration Cabinet ("FAC"), on Tuesday, April 9, 2019 at 2:40 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Ms. Williams asked for a roll call. Other members present were Scott Brinkman, Secretary of the Governor's Executive Cabinet; Ed Ross, State Controller, FAC; Kevin Cardwell, proxy for John Chilton, State Budget Director, Office of the State Budget Director ("OSBD"); and Katie Smith, proxy for the Secretary of the Cabinet for Economic Development ("CED").

Office of Financial Management ("OFM") and staff to the Committee present were Ryan Barrow, Executive Director of OFM and Secretary to the Committee; John Brady, Bethany Couch, and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission; Janice Tomes, OSBD; Ethan Williams, OSBD; Tracy Thurston, Kentucky Housing Corporation ("KHC"); and Sarah Butler, CED.

Ms. Williams verified with staff that a quorum was present and that the press was notified of the meeting.

The first item on the agenda was the approval of the December 17, 2018 minutes. Ms. Smith made a motion to approve the minutes. Mr. Ross seconded the motion. **The motion CARRIED.**

2019 Available Volume Cap – Bethany Couch presented a summary of the 2019 Volume Cap. She reported that as of July 1, 2018, Kentucky's population was estimated at approximately 4.5 million and the 2019 federal per capita allocation amount remained at \$105, which brought the total Kentucky volume cap for calendar year 2019 to approximately \$469 million. Under KRS 103.286, for each calendar year, 60% of the private activity cap is reserved for state bond issuance authorities, 30% is reserved for local bond issuance authorities, and 10% is reserved for energy efficient projects. The application period for the local issuer pool and energy efficient project pool was open January 28, 2019 through March 8, 2019. The state issuer pool application period is currently open and ends on May 24, 2019.

2019 Local Issuer Pool – Ms. Couch directed the Committee to the application from Bonfiglioli USA, Inc., through Boone County. The company has requested an allocation of \$5,500,000 from the private activity volume cap to be used to finance the construction, installation and equipping of a 75,000 square foot expansion to an existing manufacturing facility in Hebron, Kentucky. The expansion will allow space for additional manufacturing of gearbox and transmissions. The company currently employs 115 people and anticipates the project to create 34 new jobs with an average hourly wage, including benefits, of \$30. The anticipated delivery date of the bonds is within 90 days of allocation, as required by regulation. The company has received \$3,025,000 of state incentives in the past four years, but no private activity bond cap. Staff recommended approval.

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Ms. Williams called for a motion to approve the Private Activity Bond Cap Allocation to Bonfiglioli USA, Inc. Secretary Brinkman made a motion to approve the allocation as presented, and was seconded by Mr. Ross. **The motion CARRIED**, with Ms. Smith abstaining.

Summary of 2019 Volume Cap – Ms. Couch reviewed the summary of volume cap activity during calendar year 2019. She noted that the State Issuer Pool application period is still open through May 24, 2019, with an availability of approximately \$282 million. With the allocation approved today, the Local Issuer Pool has an availability of approximately \$135 million. The Energy Efficient Project Pool has an availability of approximately \$47 million. Ms. Couch noted that effective July 1, 2019, the remaining balances of the local issuer pool and the energy efficient project pool will roll into the single issuer pool and applications will be accepted.

With no further business before the Committee, Ms. Williams called for a motion to adjourn. Mr. Ross made the motion, and was seconded by Secretary Brinkman. The meeting adjourned at 2:47 p.m.

Respectfully submitted,



Ryan Barrow
Secretary