

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION

MINUTES

JULY 11, 2018

1:45 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, July 11, 2018 at 1:45 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. Other members present were Edgar C. Ross, State Controller, Office of the Controller; Katie Smith, proxy for Terry Gill, Secretary for the Cabinet for Economic Development (“CED”); Holly McCoy-Johnson, permanent proxy for Attorney General Andy Beshear; and John E. Chilton, 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 and Secretary to the Commission; Sandy Williams, Deputy Executive Director; John Brady; Steve Starkweather and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission; Ethan Williams, OSBD; and Tracy Thurston, Kentucky Housing Corporation.

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

Secretary Landrum introduced the first item for business, which was approval of the minutes from the June 7, 2018 meeting. A motion to accept the minutes of the June 7, 2018 meeting was made by Ms. McCoy-Johnson and seconded by Director Chilton. Motion **CARRIED**.

Secretary Landrum recognized Katie Smith to present **Resolution 2018-10**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY OF ITS TAXABLE HOSPITAL REVENUE REFUNDING BONDS, SERIES 2018A (BAPTIST HEALTHCARE SYSTEM OBLIGATED GROUP) IN A PRINCIPAL AMOUNT NOT TO EXCEED \$145,000,000.

Ms. Smith presented Resolution 2018-10 for the approval to issue Kentucky Economic Development Finance Authority (“KEDFA”) Taxable Hospital Revenue Refunding Bonds, Series 2018A for the benefit of Baptist Healthcare System Obligated Group, in an aggregate principal amount not to exceed \$145,000,000. The bonds will be used to refund all of the outstanding KEDFA Hospital Revenue Bonds, Series 2009A and Series 2017C. Local resolutions have been received from the jurisdictions that are impacted by the bonds: City of Corbin, City of LaGrange, Lexington Fayette Urban County Government, City of Paducah, and City of St. Matthews. KEDFA will serve as the conduit issuer of the bonds. The bonds would not constitute a general obligation of KEDFA, and KEDFA would not be obligated to pay principal or interest on the bonds from its own funds. KEDFA approved the project at its meeting on June 28, 2018. Staff recommended approval.

Director Chilton asked if the Series 2009A bonds and the 2017C bonds were previously issued as non-taxable or taxable. Ms. Smith answered that she thought they were previously non-taxable and the refunding is now being issued as taxable because of tax law changes. Secretary Landrum asked how much would be saved from the refunding. Ms. Smith said she would find out the answers to these questions and report back to the Committee.

Secretary Landrum called for a motion to approve Resolution 2018-10. Mr. Ross made a motion, and was seconded by Director Chilton. There being no further discussion, the motion **CARRIED** and Resolution 2018-10 was **ADOPTED**.

Secretary Landrum recognized John Brady to present Resolution 2018-11:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING CORPORATION OF ITS MULTIFAMILY HOUSING REVENUE BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$22,000,000.

Mr. Brady presented Resolution 2018-11 for the approval to issue KHC Tax-Exempt Conduit Multifamily Housing Revenue Bonds Series 2018 in an amount not to exceed \$22 million for the City View Park Project. Proceeds of the bonds will be used to finance the acquisition, rehabilitation and equipping of 503 units located on three different properties in downtown Louisville, Kentucky. KHC Board of Directors approved the transaction on February 22, 2018. The material was submitted for review to the Capital Projects and Bond Oversight Commission. The proposed date of sale is September 6, 2018 and the proposed closing date is September 13, 2018. Mr. Brady noted this debt is not a liability to KHC or the Commonwealth. Staff recommended approval.

Secretary Landrum called for a motion to approve Resolution 2018-11. Ms. McCoy-Johnson made a motion and was seconded by Ms. Smith. Motion **CARRIED** and Resolution 2018-11 was **ADOPTED**.

With no further business before the Commission, Secretary Landrum asked for a motion to adjourn. Ms. Smith made a motion, and was seconded by Ms. McCoy-Johnson. Motion carried and the meeting adjourned at 1:54 pm.

Respectfully submitted,



Ryan Barrow
Secretary