

STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
JULY 14, 2008

The State Property and Buildings Commission was called to order on Monday, June 16, 2008 at 2:00 p.m. in Room 76 of the Capitol Annex by Lori Flanery, Deputy Secretary, Finance and Administration Cabinet and proxy for Jonathan Miller, Secretary, Finance and Administration Cabinet. Other members present were Mary Lassiter, State Budget Director; Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet; Katie Smith, proxy for John Hindman, Secretary, Cabinet for Economic Development; Edmund Sauer, proxy for Governor Steve Beshear; and Jeff Derouen, proxy for Lt. Governor Daniel Mongiardo.

OFM Staff Members Present: Mr. Tom Howard, Executive Director of OFM and Secretary to the Commission; Ms. Terri Fugate, Deputy Executive Director, Ms. Nora Marshall, Mr. Brett Antle, Ms. Rachael Putnam, Mr. Rob Ramsey, Mr. Tom Midkiff.

Other Guests Present: Ms. Nancy Osborne, LRC, Ms. Shawn Bowen, LRC, Ms. Kristi Culpepper, LRC, and Mr. Ryan Green OSBD.

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

A motion was made by Mr. Ed Ross and seconded by Ms. Katie Smith to approve the minutes of the June 16, 2008 meeting. Motion carried and the minutes of the June 16, 2008 meeting were approved.

Deputy Secretary Flanery introduced Resolution 2008-19:

**A RESOLUTION OF THE STATE PROPERTY AND
BUILDINGS COMMISSION APPROVING CAPITAL
CONSTRUCTION PROJECTS AUTHORIZED BY THE 2008
GENERAL ASSEMBLY WHERE SUCH PROJECTS ARE TO
BE FINANCED BY THE ISSUANCE OF STATE PROPERTY
AND BUILDINGS COMMISSION REVENUE BONDS OR
OTHER AUTHORIZED STATE DEBT-ISSUING
AUTHORITIES.**

Mr. Tom Howard, Executive Director of the Office of Financial Management stated Resolution 2008-19 is for capital construction projects authorized by the 2008 General Assembly. The projects are to be financed by the issuance of State Property and Building Commission revenue bonds or other authorized state debt issuing authorities totaling \$1,312,794,000. The projects were authorized by House Bill 406 and the accompanying appropriations act of HB 514, HB 608 & HB 410, as enacted and vetoed in part. This establishes, from a tax perspective, that we intend to reimburse ourselves with bond proceeds, allowing the projects to move forward for planning, design or emergency so money can be advanced from the capital construction account to all the projects to proceed. They are not planned to be under a plan of finance by this resolution but by another separate resolution typically by Kentucky Asset Liability Commission (ALCO) under their General Fund Program Notes. Mr. Howard stated that ALCO has not taken any action yet nor will they do so for another month or two until some of the projects are ready to go under a plan of finance.

That action ties into an amount of Debt Services that has been appropriated and also when it was appropriated. An ALCO resolution will come back to this commission for approval.

Ms. Mary Lassiter, State Budget Director, stated in the past some agencies with a project on the list might see this resolution as action to move ahead even if full debt services isn't appropriated until the second year because we had flexibility by ALCO. Much of the flexibility in Debt Service from ALCO, was assumed and some of the savings to balance the budget. This action allows us to move forward from a tax perspective on reimbursement but does not put everything under a plan of finance. We are not able to move forward as we did in the past. Mr. Howard concurred that the resolution does not authorize the issuance of bonds before they are authorized by the budget bill.

Deputy Secretary Flanery asked if there were any questions or discussions. Ms. Smith made a motion to approve Resolution 2008-19, that was seconded by Mr. Ross. Motion CARRIED and Resolution 2008-19 was **ADOPTED**.

Deputy Secretary Flanery introduced Resolution 2008-20:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE OF HEALTHCARE FACILITIES
REVENUE BONDS, SERIES 2008 (MASONIC HOMES OF KENTUCKY,
INC.), IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL
AMOUNT OF APPROXIMATELY \$50,000,000 BY THE KENTUCKY
ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

Ms. Katie Smith, Proxy for Cabinet of Economic Development Secretary, John Hindman, stated that Resolution 2008-20 is for Kentucky Economic Development Finance Authority (KEDFA) for the issuance of Health Care Facilities Revenue Bonds not to exceed \$50,000,000 on behalf of Masonic Homes of Kentucky, Inc. The proceeds will be used to finance and or refinance the acquisition, construction, installation and equipping of healthcare facilities in Jefferson and Shelby counties. Both the Shelby County Fiscal Court and Louisville/Jefferson County Metro Government, have adopted resolutions requesting that KEDFA issue the bonds. A hearing was conducted and no public comments were received. KEDFA approved the resolution at its meeting on June 26, 2008. KEDFA is a conduit Financier in the transaction and will not have a general obligation or be liable for the bonds. Upon approval by the State Property and Buildings Commission today, this will be presented to the Capital Projects and Bond Oversight Committee on July 15, 2008. Bond Council is Peck, Shaffer, Williams, Underwriter is Ziegler Capital Markets, Trustee is Wells Fargo Bank and Staff recommends approval.

Ms. Lassiter made a motion to adopt Resolution 2008-20 that was seconded by Mr. Edmund Sauer. Motion **CARRIED** and Resolution 2008-20 was **ADOPTED**.

Mr. Howard stated we have three resolutions for the Commission's approval to recognize the contributions to the Committee of retiring staff of the Office of Financial Management, Shy

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Bradley, Nora Marshall and Terri Fugate. These resolutions express the gratitude of the commission for their dedicated service over the years, it would not have been possible without their help, and we want to express a great deal of thanks.

Ms. Lassiter made a motion to adopt the three Resolutions that was seconded by Ms. Smith. Motion **CARRIED** and the three staff resolutions 2008-21 A, B, & C were **ADOPTED**

With no further business before the Commission, Ms. Smith made a motion to adjourn the meeting that was seconded by Mr. Jeff Derouen.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

F. Thomas Howard
Secretary