

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
JULY 16, 2010

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) was called to order on Friday, July 16, 2010 immediately following the adjournment of the Kentucky Asset/Liability Commission meeting in Room 182 of the Capitol Annex by Jonathan Miller, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were Bill Burger, proxy for Lt. Governor Mongiardo, Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director, Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development, and Corey Bellamy, proxy for Attorney General, Jack Conway.

Office of Financial Management (OFM) Staff Members Present: Tom Howard, Executive Director and Secretary to the Commission, Brett Antle, Deputy Executive Director, Rob Ramsey, Tom Midkiff, and Marcia Adams.

Other Guests Present: Shannon Morgan, Deputy Secretary, Finance and Administration Cabinet, Ryan Green from the Office of the State Budget Director (OSBD), and Kristi Culpepper from the Legislative Research Commission (LRC).

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

A motion was made by Mr. Bill Burger and seconded by Ms. Katie Smith to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the June 14, 2010 meeting were approved as written.

Secretary Miller introduced Resolution **2010-21**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION
OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF
KENTUCKY ASSET/LIABILITY COMMISSION FUNDING NOTES,
2010 GENERAL FUND FIRST SERIES IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED \$500,000,000 FOR THE PURPOSE OF FINANCING
OR REFINANCING OBLIGATIONS OWED UNDER KRS 161.550(2).**

Mr. Rob Ramsey stated that Resolution 2010-21 is for the financing or refinancing of obligations owed under KRS 161.550(2) and KRS 161.553(2) for the Kentucky Teachers’ Retirement System (KTRS) Pension Fund for transitional funding provided to the KTRS State Medical Insurance Fund during Fiscal Years 2005-2010. The Funding Notes will reimburse the KTRS Pension Fund for one hundred percent of the outstanding loan balances plus accrued interest through the date of settlement. This transaction was authorized under provisions in H.B. 531 of the 2010 Regular Session of the General Assembly. The proposed date of sale is August 18, 2010 with expected delivery on September 1, 2010. This will be a negotiated sale with J.P. Morgan serving as Underwriter; Bond Counsel is Kutak Rock LLP; Underwriter’s Counsel is Peck, Shaffer & Williams LLP; the Trustee is still to be determined; and the OFM will be the Financial Advisor.

Ms. Smith made a motion to approve Resolution **2010-21** that was seconded by Mr. Burger. Motion **CARRIED** and Resolution **2010-21** was **ADOPTED**.

Secretary Miller introduced Resolution **2010-22**:

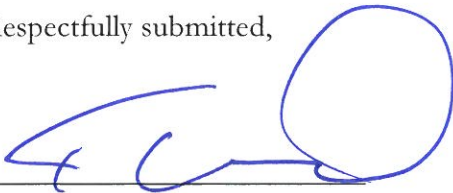
**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION
OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF
UNIVERSITY OF KENTUCKY GENERAL RECEIPTS BONDS, 2010 SERIES A.**

Mr. Tom Midkiff stated that Resolution 2010-22 is for University of Kentucky General Receipts Bonds, 2010 Series A, for an estimated amount of \$25,485,000. The structure of the transaction will be either taxable Build America Bonds (BABs) or Tax-Exempt bonds, depending on market conditions. The University of Kentucky is planning to sell Agency Fund Supported Revenue Bonds to complete funding for a Guaranteed Energy Savings Performance Contract (ESPC) with Ameresco serving as the Energy Savings Company (ESCO) and to pay costs of issuance of the bonds. The project was approved in H.B. 1 of the 2010 Extraordinary Session of the General Assembly and the proposed date of sale is October 12, 2010 and a proposed closing date of October 28, 2010 with anticipated ratings of Aa2 from Moody's and AA- from Standard & Poor's (S&P). The estimated All-in-True Interest Calculation is 3.08%, length of term is 14 years, with an average annual debt service of \$2,237,581, a 10 year call and will be competitively sold. Bond Counsel is Peck, Shaffer & Williams LLP; Financial Advisor is Hilliard Lyons; and Trustee is U.S. Bank, N.A. Staff recommends approval.

Ms. Mary Lassiter made a motion to approve Resolution **2010-22** that was seconded by Mr. Burger. Motion **CARRIED**, and Resolution **2010-22** was **ADOPTED**.

Secretary Miller asked if there was any other business. With no other business, the meeting stands adjourned.

Respectfully submitted,



F. Thomas Howard
Secretary