

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
SEPTEMBER 12, 2013

The Kentucky State Property and Buildings Commission ("SPBC" or the "Commission") meeting was called to order on Thursday, September 12, 2013 in Room 182 of the Capitol Annex at 1:00 p.m. E.T. by Lori Flanery, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were John Hicks, proxy for Governor Steven Beshear, Chad Aull, proxy for Lt. Governor Jerry E. Abramson, Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Corey Bellamy, proxy for Attorney General Jack Conway and Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development.

The Office of Financial Management ("OFM") Staff Members Present: Robin Brewer, Jennifer Kantner, Tom Midkiff, and Marcia Adams.

Other Guests Present: Carla Wright from the Office of the State Budget Director ("OSBD"), Kristi Culpepper, Joshua Nacey, and Zach Ireland from the Legislative Research Commission ("LRC").

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

After a review of the previous meeting minutes, a motion was made by Ms. Katie Smith and seconded by Mr. Ed Ross to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the August 14, 2013 meeting were approved.

Secretary Flanery introduced Ms. Katie Smith for her introduction of Resolution **2013-24**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE OF REVENUE BONDS (CATHOLIC
HEALTH INITIATIVES) IN ONE OR MORE SERIES AND IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$158,195,000 BY
THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE
AUTHORITY.**

Ms. Katie Smith stated that the Cabinet for Economic Development is requesting approval of a bond resolution related to the issuance of tax-exempt revenue bonds in one or more series and in an aggregate principal amount not to exceed \$158,195,000 on behalf of Catholic Health Initiatives. The bond proceeds will be used to refinance outstanding taxable commercial paper which was used to finance, on an interim basis, certain projects located in London and Mt. Sterling, payment of certain capital expenditures, payment of costs of issuance and fund a debt service reserve if deemed necessary due to market conditions. The Louisville-Jefferson County Metro Government, Laurel County Fiscal Court, Montgomery County Fiscal Court, and Lexington-Fayette Urban County Government have all adopted resolutions requesting KEDFA (Kentucky Economic Development Finance Authority) issue the bonds. KEDFA held a TEFRA (Tax Equity and Fiscal Responsibility Act of 1982) Hearing for the purpose of receiving public comment on the proposed bond issue and

September 12, 2013

no comments were received. KEDFA did approve the project at its meeting on August 29, 2013. Bond Counsel is Polsinelli PC; Underwriter's Counsel is Orrick, Herrington & Sutcliffe LLP; the Trustee is Wells Fargo; and the Underwriters are Morgan Stanley and J.P. Morgan. Staff recommends approval.

Secretary Flanery asked the Commission members if they had any questions. Mr. John Hicks made a motion to approve Resolution **2013-24** that was seconded by Mr. Ross. Motion **CARRIED**, and Resolution **2013-24** was **ADOPTED**.

Secretary Flanery recognized Ms. Jennifer Kantner for her introduction of Resolution **2013-25**:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF WESTERN KENTUCKY UNIVERSITY GENERAL RECEIPTS BONDS (RENOVATE DOWNING UNIVERSITY CENTER PHASE III AND HONORS COLLEGE PROJECT).

Ms. Kantner stated that Resolution 2013-25 is a Resolution of the State Property and Buildings Commission of the Commonwealth of Kentucky approving the issuance of Western Kentucky University General Receipts Bonds to renovate Downing University Center Phase III and Honors College Project. The 2013 Series A Bonds will be used to (1) finance the remaining authorization of the Downing University Center renovations, as authorized by H.B. 265 of the 2012 Regular Session, (2) fully finance the construction of the Honors College facility project authorized in H.B. 7 of the 2013 Regular Session and (3) pay associated costs of issuance. The estimated par amount of the transaction is \$34,830,000. The University Board approved the Resolution on July 26, 2013, and the transaction will go to the Capital Projects and Bond Oversight Committee meeting on September 17, 2013.

A competitive sale is scheduled for October 15, 2013, with a tentative closing date of October 29, 2013. The estimated True-Interest-Cost is approximately 4.36% for the 20-year bonds with a final maturity of September 1, 2033 and the estimated average annual debt service is \$2,738,268. Bond Counsel is Peck, Shaffer & Williams; the Financial Advisor is Hilliard Lyons; and the Trustee is U.S. Bank N.A. Staff recommends approval.

Secretary Flanery asked for any questions. Mr. Ross made a motion to approve Resolution **2013-25** that was seconded by Mr. Bellamy. Motion **CARRIED**, and Resolution **2013-25** was **ADOPTED**.

With no other business, the meeting stands adjourned.

Respectfully submitted,



Ryan Barrow

Secretary