

TURNPIKE AUTHORITY OF KENTUCKY  
SEPTEMBER 1, 2010  
10:00 A.M.  
ROOM 386, CAPITOL ANNEX

The Turnpike Authority of Kentucky (Authority or TAK) met on Wednesday, September 1, 2010 at 10:00 a.m. in Room 386 of the Capitol Annex.

Members present were Mary Lassiter, in the Chair presiding for the Honorable Steven L. Beshear, Governor of the Commonwealth; Bill Burger, proxy for Daniel Mongiardo, Lt. Governor of the Commonwealth; Lori Flanery, proxy for Jonathan Miller, Secretary of Finance and Administration Cabinet; Bonnie Howell, proxy for Jack Conway, Attorney General of the Commonwealth; Steve Waddle, State Highway Engineer; Taylor Manley, proxy for Mike Hancock, Secretary of Kentucky Transportation Cabinet; and George Burgess, proxy for Larry Hayes, Secretary of Economic Development Cabinet.

Others present at the meeting were; Tom Howard, Executive Director, Office of Financial Management and Secretary of the Authority; Edgar C. Ross, Executive Director, Office of the Controller and Executive Director of the Authority; Doris A. Howe, Office of Financial Management and Treasurer of the Authority; Brett Antle, Deputy Executive Director, Office of Financial Management; Marcia Hutcherson, Office of Financial Management and Authority staff; David Tally, Kentucky Transportation Cabinet; and Kristi Culpepper, Legislative Research Committee.

Chairperson Lassiter having verified that a quorum was present and that notice of the meeting was properly posted in accordance with KRS 61.800-61.850, called the meeting to order.

The first item of the agenda was approval of the minutes of the March 12, 2010 as written. Lori Flanery made a motion to approve and Bill Burger seconded. The motion carried unanimously.

The next item on the agenda was approval of the Bond Reimbursement Resolution for the Road Fund Bond Authorization approved in 2010 Extraordinary Session of the General Assembly. Tom Howard stated to the board that this Resolution declares the Authority's intent to reimburse the Kentucky Transportation Cabinet with bond proceeds consistent with the Internal Revenue Code requirements. Mr. Howard also explained that there is essentially a 60-day claw back to the date this resolution is adopted in order to capture expenditures that have been made. Mr. Howard further noted that no expenditures have been made but this action allows the Cabinet to move forward with the projects that are authorized in House Bill 3 at \$400 million in Economic Development Road Bonds and \$112 million in BRAC Bonds. Mr. Howard went on to say that this resolution allows projects to move forward and spend cash as needed and once we have aggregated expenditures we will convert to permanent financing and will bring the resolution and

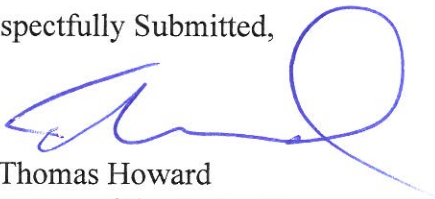
associated documents before the Board for approval. Chairperson Lassiter asked if there were any questions regarding this resolution and with none being presented Bill Burger made a motion to approve and Taylor Manley seconded. The motion carried unanimously.

The next item on the agenda was the budget report. Doris Howe reviewed the Expense Report for the Board showing the expenditures for Fiscal Year 2010 totaled \$114,728.98. Ms. Howe also reviewed a graph showing the decrease in expenditures from Fiscal Year 2000 to Fiscal Year 2010. Ms. Howe further stated to the Board that the decrease was due from rolling off the Resource Recovery and Toll Road Bond Indentures as well as retired staff. Mr. Howard explained the reduction in expenses contributed greatly to the retirement of the Toll Road Bond Indenture which had very expensive requirements from the 1960's. Mr. Howard also noted that the Authority's expenses reduced significantly from \$400,000 in 2000 to just over \$100,000 in 2010. Chairperson Lassiter asked if this budget report required approval, and Mr. Howard noted that it was for informational purposes for the Board.

The last item on the agenda is to inform the Board of the Authority's Personal Service Contracts. Ed Ross stated to the Board that the Authority entered into contracts with the following: Blue & Company, LLC to perform the audit; McElroy, Mitchell and Associates, LLP to prepare the financial statements, also being the previous auditor for the Authority; and Arbitrage Compliance Specialists, Inc. (ACS) to prepare arbitrage reports. Mr. Ross also stated that due to not utilizing the Legal Services Contract last year, the Authority decided not to go forward with a Legal Service Contract this term. Mr. Ross asked if anyone had any questions; none was presented.

Chairperson Lassiter asked if there was any further business to be brought before the Board; none was presented. Chairperson Lassiter called for a motion to adjourn; Bill Burger made a motion and Lori Flanery seconded. The motion carried unanimously and the meeting adjourned.

Respectfully Submitted,



F. Thomas Howard  
Secretary of the Authority