

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
APRIL 13, 2020
2:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Monday, April 13, 2020, at 2:02 PM ET via ZOOM video teleconference by J. Michael Brown, Secretary of the Governor’s Executive Cabinet permanent proxy for Governor Andy Beshear, Chair of the Commission. Other members present were Robin Morley, permanent proxy, for Holly M. Johnson, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission; Beth Roark, permanent proxy for Lieutenant Governor and Vice-Chair to the Commission Jacqueline Coleman; Chris Lewis, permanent proxy for Attorney General Daniel Cameron; Edgar C. Ross, State Controller and Executive Director, Office of the Controller; John T. Hicks, State Budget Director, Office of the State Budget Director (“OSBD”); and Katie Smith, proxy for Larry Hayes, Interim Secretary for the Cabinet for Economic Development (“CED”).

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; Billy Aldridge, John Brady, Bethany Couch, Steve Starkweather and Jennifer Yount.

Other Guests Present: Katherine Halloran, Legislative Research Commission (“LRC”); Geri Grigsby, FAC; and Carla Wright, OSBD.

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

Secretary Brown introduced the first item for business, which was the approval of the minutes from the March 12, 2020, meeting. A motion to accept the minutes of the March 12, 2020, meeting was made by Mr. Lewis and seconded by Ms. Morley. There being no further discussion, the motion **CARRIED**.

Secretary Brown recognized Billy Aldridge to present **Resolution 2020-04**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE OF HEALTHCARE FACILITIES
REVENUE BONDS, SERIES 2020 (CHRISTIAN CARE COMMUNITIES,
INC. OBLIGATED GROUP) IN ONE OR MORE SERIES AND IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$62,000,000 BY
THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE
AUTHORITY.**

Mr. Aldridge presented Resolution 2020-04 for the approval of the Kentucky Economic Development Finance Authority Healthcare Facilities Revenue Bonds, Series 2020A, and Taxable

Series 2020B (Christian Care Communities, Inc. Obligated Group), in an amount not expected to exceed \$62 million. Proceeds of the Bonds will be used to finance and refinance the costs of acquisition, construction, and equipping of health care and health-related facilities, funding capitalized interest on all or a portion of the bonds, funding a debt service reserve for the bonds, and paying associated costs of issuance. The proposed date of sale is May 2020. The anticipated net interest rate is 4.70%. This will be a 35-year financing with a final maturity date of January 2055. This will be a negotiated sale. Bond counsel is Ice Miller LLP, and the Underwriter is Cain Brothers. This was included in the OFM submittal to Capital Projects and Oversight Committee on April 14, 2020. Staff recommended approval.

Secretary Brown called for a motion to approve Resolution 2020-04. Mr. Lewis made a motion and was seconded by Mr. Hicks. The motion **CARRIED** and Resolution 2020-04 was **ADOPTED**.

Secretary Brown recognized Billy Aldridge to present **Resolution 2020-05**:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF MURRAY STATE UNIVERSITY GENERAL RECEIPTS REFUNDING BONDS, IN ONE OR MORE SERIES OR SUBSERIES, IN AN AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$10,749,000.

Mr. Aldridge presented Resolution 2020-05 for the approval to issue Murray State University General Obligation Bonds, Series 2021 A and C. The approximate principal amount is \$10.77 million. Bond proceeds will be used to refund the 2011 Series A and C bonds and pay associated costs of issuance. The proposed date of sale for the General Obligation Bonds is April 27, 2020, and the proposed closing date is June 8, 2021. This will be a 10-year financing with a final maturity date of September 2031. For Series A, the anticipated all in true interest cost is 2.1868%. For Series C, the anticipated all in true interest cost is 2.2642%. The method of sale is a competitive sale. Bond counsel is Dinsmore & Shohl, LLP, and the financial advisor is Baird. This was included in the OFM submittal to Capital Projects and Oversight Committee on April 14, 2020. Staff recommends approval.

Secretary Brown called for a motion to approve Resolution 2020-05. Ms. Morley made a motion and was seconded by Mr. Ross. The motion **CARRIED** and Resolution 2020-05 was **ADOPTED**.

Secretary Brown recognized Bethany Couch to present **Resolution 2020-06**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF FINANCING CERTAIN PROJECTS; SETTING FORTH

THE TERMS AND CONDITIONS UPON WHICH SAID REVENUE BONDS ARE TO BE ISSUED AND PROVIDING FOR A NEGOTIATED SALE THEREOF; AUTHORIZING AND RATIFYING ACTIONS OF THE COMMISSION STAFF IN THE STRUCTURING, PLANNING AND PREPARATION OF ALL DOCUMENTATION FOR THE ISSUANCE OF SAID BONDS AND IN PREPARING AND PUBLISHING A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE BONDS; RECITING, ACKNOWLEDGING AND APPROVING THE FILING OF AN APPLICATION BY THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR REVENUE BONDS TO FINANCE CERTAIN PROJECTS PURSUANT TO SECTION 56.450 OF THE KENTUCKY REVISED STATUTES; APPROVING A LEASE OF THE PROJECT TO THE CABINET TO PROVIDE REVENUES FOR THE AMORTIZATION OF THE BONDS; DEFINING AND PROVIDING FOR THE RIGHTS OF THE OWNERS OF THE BONDS AND PROVIDING FOR THE APPLICATION OF THE PROCEEDS THEREOF.

Ms. Couch presented Resolution 2020-06 for the approval to issue SPBC Revenue Bonds, Project No. 123 Federally Taxable Series A in an estimated principal amount not to exceed \$37 Million. The Bond proceeds will be used to 1) provide permanent financing for a \$35 million General Fund supported capital project authorized by the General Assembly in HB 99 (2020 Regular Session); 2) pay costs of issuance. The proposed date of sale is May 19, 2020, and the proposed closing date is June 10, 2020. The estimated all-in true interest cost is 3.943%, and the final maturity date is November 2040. This is a negotiated bond sale. Bond counsel is Kutak Rock LLP, the underwriter is Citigroup, and the underwriter's counsel is Frost Brown Todd. This was included in the OFM submittal to Capital Projects and Oversight Committee on April 14, 2020. Staff recommended approval.

Secretary Brown called for a motion to approve Resolution 2020-06. Mr. Ross made a motion and was seconded by Mr. Hicks. The motion **CARRIED** and Resolution 2020-06 was **ADOPTED**.

Secretary Brown recognized Steve Starkweather to present **Resolution 2020-07**:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE OF KENTUCKY ASSET/LIABILITY COMMISSION GENERAL FUND PROJECT NOTES, 2020 SERIES A REFUNDING NOTES IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$140,000,000 FOR THE PURPOSE OF PROVIDING FINANCING FOR AN AUTHORIZED PROJECT.

Mr. Starkweather presented Resolution 2020-07 for the approval to issue Kentucky Asset/Liability Commission General Fund Refunding Notes, 2020 Series A, in an estimated principal amount not to exceed \$140 Million. The proceeds will be used to refund the Kentucky Asset/Liability Commission General Fund Floating Rate Notes 2007 Series A and Series B. The proposed date of sale and the proposed closing date are to be determined based on market conditions and will be executed if there is up to a negative \$1,000 net present value savings. The estimated all-in true interest cost is 3.965%. This is a negotiated sale. Bond counsel is Kutak Rock LLP, the underwriter is Morgan Stanley, the underwriter's counsel is Dinsmore & Shohl LLP, and the Swap advisor is Hilltop Securities. This was included in the OFM submittal to Capital Projects and Oversight Committee on April 14, 2020. Staff recommended approval.

Secretary Brown called for a motion to approve Resolution **2020-07**. Ms. Morley made a motion and was seconded by Ms. Smith. The motion **CARRIED** and Resolution **2020-07** was **ADOPTED**.

With no further business before the Commission, Secretary Brown asked for a motion to adjourn. Mr. Lewis made a motion and was seconded by Mr. Hicks. Motion **CARRIED** and the meeting adjourned at 2:19 PM.

Respectfully submitted,



Ryan Barrow
Secretary

