

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
JULY 13, 2021
10:30 AM**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order on Tuesday, July 13, 2021, at 10:30 AM ET via ZOOM video teleconference by J. Michael Brown, Secretary of the Governor's Executive Cabinet, permanent proxy for Governor Andy Beshear, and Chair of the Commission.. Other members present were Robert Long, proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet ("FAC"); 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 Committee; Bethany Couch, Billy Aldridge, Steven Starkweather, Matthew Feltner and Aubry McDonald.

Other Guests Present: Katherine Halloran, Legislative Research Commission ("LRC"); Tom Midkiff, Kentucky Housing Corporation ("KHC"); Charles Musson, Rubin & Hays Attorneys at Law; Harold Barnett and Carlos Luna.

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

The first item on the agenda was the approval of the December 15, 2020, minutes. A motion to accept the minutes of December 15, 2020, meeting was made by Director Hicks and seconded by Mr. Ross. Motion **CARRIED**.

2021 State Issuer Pool – Mr. Feltner directed the Committee to the State Issuer Pool portion of the Private Activity Bond Capacity. For FY2021, the State Issuer Pool has \$295,498,566 of available volume cap. KHC requested the full State Issuer volume cap available. If the committee has any questions for the agency, attending today's meeting is Tom Midkiff, representing KHC. Staff recommends fully allocating the State Issuer Pool to KHC.

Director Hicks presented a question for Mr. Feltner regarding the Student Loan Corporation. He asked about the communications that OFM has with them, what is the basic rationale for them not requiring any of the State Issuer Pool. Mr. Feltner responded stating KHC and Kentucky Higher Education Student Loan Corporation ("KHESLC") usually work out terms independently. They have not used all of their volume from the

previous years. Mr. Barrow with OFM added KHESLC was of assistance in advance and worked with us promptly. He noted he hoped it would make today's decision a little easier. Mr. Tom Midkiff with KHC, added how gracious the student loan votes have been this year and was very appreciative and thanked the committee.

Secretary Brown called for a motion to approve the Private Activity Bond Cap Allocations to KHC. Ms. Smith made a motion to approve the allocation as presented and was seconded by Director Hicks. Motion **CARRIED**.

2021 Single Issuer Pool – Mr. Feltner directed the Committee to Attachment C, which begins on page 16 of the PDF, and in particular the Single Issuer Pool Analysis on page 31. Nucor Corporation, which received approximately \$162 million in volume cap last year, applied for the entire Single Issuer Pool this year, approximately \$197 million. If the committee has any questions, a representative from Nucor is in attendance. Based on KPABAC's objectives and scoring, staff recommends approving Nucor Corporation's application and allocating the entire Single Issuer Pool.

Director Brown asked if the representative from Nucor had any comments for the committee and Charles Musson, with Rubin & Hays stated that Mr. Feltner did a great job of explaining what is being requested and he had no further comments.

Secretary Brown called for a motion to approve the Private Activity Bond Cap Allocations to Nucor Corporation. Director Hicks made a motion to approve the allocation as presented and was seconded by Mr. Ross. Motion **CARRIED**.

Ms. Smith, with CED made an abstention and it was noted.

Summary of 2021 Volume Cap – Mr. Feltner presented the Volume Cap summary for the 2020 calendar year. This chart is used to track allocations of the different pools throughout the calendar year. With the approval of the allocations from the State Issuer Pool and the Single Issuer Pool today, the entirety of the Commonwealth's private activity bond cap has been allocated. The unissued portions of the allocations to state issuers may be carryforward for use in the next three years.

With no further business before the Committee, Secretary Brown asked for a motion to adjourn. Ms. Smith made a motion to adjourn and was seconded by Director Hicks. Motion **CARRIED**.

Aubry McDonald, with OFM stated for the record that Mr. Robert Long would serve as the Proxy for Finance and Administrative Cabinet, Secretary Holly Johnson and not Ms.

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Geri Grigsby, as stated in the roll call. Correction was noted and the meeting adjourned at 10:42 AM ET.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ryan Barrow', written over a horizontal line.

Ryan Barrow
Secretary