

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
JULY 7, 2022
2:00 PM

The Kentucky Private Activity Bond Allocation Committee (the “Committee”) meeting was called to order on Thursday, July 7, 2022, at 2:00 PM ET via ZOOM video teleconference by John Hicks, Secretary of the Governor’s Executive Cabinet and State Budget Director, permanent proxy for Governor Andy Beshear, and Chair of the Committee. Other members present were Geri Grigsby, proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet (“FAC”); Edgar C. Ross, State Controller, and Executive Director of the Committee; and Sarah Butler, proxy for Jeff Noel, 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; Steven Starkweather, Deputy Director of OFM; Billy Aldridge, Melissa Perry and Aubry McDonald.

Other Guests Present: Tom Midkiff, Kentucky Housing Corporation (“KHC”); Katherine Halloran, Legislative Research Commission (“LRC”); Korey Saltee, LRC; Laura Theilmann, Frost Brown Todd; James Duffy, Ferncliff Distillery Company; and Harold Barnett.

Secretary Hicks 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 March 8, 2022, minutes. A motion to accept the minutes of the March 8, 2022, meeting was made by Mr. Ross and seconded by Ms. Butler. Motion **CARRIED**.

2022 State Issuer Pool – Mr. Aldridge directed the Committee’s attention to the State Issuer Pool Analysis in Attachment B, page 22 of the PDF. Kentucky statute reserves 60% of the available volume cap, \$297,620,004 for state issuers. Cooperation and coordination between Kentucky Housing Corporation and Kentucky Higher Education Student Loan Corporation led to requests of \$247,620,004 and \$50,000,000 respectively. Staff recommended allocating the requested amounts to the State Issuers with the allocations expiring on December 1, 2022 to permit reallocation for carryforward purposes.. Staff recommended approval.

Secretary Hicks called for a motion to approve the Private Activity Bond Cap Allocation as presented to the State Issuers. Mr. Ross made a motion to approve the allocation as presented and was seconded by Ms. Grigsby. Motion **CARRIED**.

2022 Single Issuer Pool – Mr. Aldrige directed the committee’s attention to the Single Issuer Pool Analysis in Attachment C, page 65 of the PDF. The Single Issuer Pool had approximately \$49.6 million of volume cap made up of the remaining portions of the Local Issuer Pool and Energy Efficient Project Pool. Ferncliff Distillery, the sole applicant, requested \$10 million of volume cap. Staff recommended allocating \$10 million to Ferncliff Distillery.

Secretary Hicks called for a motion to approve the Private Activity Bond Cap Allocation to Ferncliff Distillery. Mr. Ross made a motion to approve the allocation as presented and was seconded by Ms. Butler. Motion **CARRIED**.

Summary of 2022 Volume Cap – Mr. Aldridge presented the Volume Cap summary for the 2022 calendar year. This chart is used to track allocation of the different pools throughout the calendar year. Allocation from the Local Issuer Pool, State Issuer Pool, and Single Issuer Pool are documented. He stated the potential carryforward, pending any issuance of today’s allocation, is documented at the bottom. Mr. Aldrige was happy to answer any questions the Committee may have about the informational item.

With no further business before the Committee, Secretary Hicks asked for a motion to adjourn. A motion to adjourn was made by Ms. Butler and seconded by Ms. Grigsby. Motion **CARRIED** and the meeting adjourned at 2:06 PM ET.

Respectfully submitted,

Ryan Barrow

Ryan Barrow
Secretary