

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
DECEMBER 7, 2022
2:30 PM

The Kentucky Private Activity Bond Allocation Committee (the “Committee”) meeting was called to order on Wednesday, December 7, 2022, at 2:30 PM ET via ZOOM video teleconference by John Hicks, Secretary of the Governor’s Executive Cabinet and State Budget Director, Chair of the Committee meeting. Other members present were Geri Grigsby, proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet (“FAC”); Joe McDaniel, acting State Controller; Carla Wright, proxy for John Hicks, State Budget Director (“OSBD”); and Katie Smith, 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, Kaitlin Craigmyle and Aubry McDonald.

Other Guests Present: Tom Midkiff and Jim Statler, Kentucky Housing Corporation (“KHC”).

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 July 7, 2022, minutes. A motion to accept the minutes of the July 7, 2022, meeting was made by Ms. Grigsby and seconded by Ms. Wright. Motion **CARRIED**.

Summary of 2022 Volume Cap – Mr. Aldridge presented the Volume Cap summary for the 2022 calendar year in Attachment B, page 7 of the PDF. This chart is used to track the allocation of the different pools throughout the calendar year. He stated in the first section you can see that earlier this year KHC and KHESLC coordinated their requests for volume cap, once again, to continue the efficient use of the State Issuer Pool. For the first time, KPABAC allocated to state issuers with an expiration for unused cap. This was implemented to maximize the utilization of volume cap. In the next section, you can see the allocation to Pratt Paper from the Local Issuer Pool and resulting issuance. The unissued volume cap, \$10,002, returned to the Single Issuer Pool in the second half of the year. An allocation of \$10 million was made to Ferncliff, but market conditions prevented the utilization of that allocation. Therefore it returned to the Single Issuer Pool as well. The unissued volume cap, \$347,233,340 from the State Issuer Pool and Single Issuer Pool is available to be allocated for carryforward. He stated federal regulations require a

December 7, 2022

permanent purpose designation for volume cap to be carryforward. Mr. Aldridge was happy to answer any questions the Committee may have about the informational item.

Summary of Carryforward – Mr. Aldridge directed the committee’s attention to the 2022 carryforward in Attachment C, page 9 of the PDF. This tracks the carryforward for state agencies going into calendar years. He stated going into 2023, KHESLC will have \$140 million of carryforward, and KHC will have \$242 million, not counting the carryforward to be allocated today. Mr. Aldridge was happy to answer any questions the Committee may have about the informational item.

2022 Single Issuer Pool – Mr. Aldridge directed the Committee to the the 2022 Single Issuer Pool, attachment D, page 25 of the PDF. He stated as noted previously, there is \$347 million of volume cap available for carryforward. KHC has requested the full amount, and KHESLC has requested \$25 million. To maximize the efficient use of volume cap, staff recommends allocating the full amount to KHC. He stated representatives from KHC were available should the Committee have any questions.

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

With no further business before the Committee, Secretary Hicks asked for a motion to adjourn. A motion to adjourn was made by Ms. Smith and seconded by Ms. Grigsby. Motion **CARRIED** and the meeting adjourned at 2:37 PM ET.

Respectfully submitted,



Ryan Barrow
Secretary