

**KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION**  
**MINUTES**  
**OCTOBER 13, 2011**

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Thursday October 13, 2011 in Room 182 of the Capitol Annex at 2:00 p.m. by Jamie Link, Deputy Secretary for Lori Flanery, Secretary, Finance and Administration Cabinet and Executive Director to the Commission. Other members present were Ryan Keith, proxy for Governor Beshear, Edgar C. Ross, Executive Director, Office of the Controller, Finance and Administration Cabinet, Mary Lassiter, State Budget Director, Larry Clarke, proxy for Jack Conway, Attorney General and Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development.

Office of Financial Management (“OFM”) Staff Members Present: Tom Howard, Executive Director and Secretary to the Commission, Brett Antle, Deputy Director, John Bailey, Robin Brewer, Rachael Dever, Jennifer Kantner, Tom Midkiff, and Marcia Adams.

Other Guests Present: Kristi Culpepper, from the Legislative Research Commission (“LRC”) and Taylor Manley and David Talley from Transportation.

Deputy Secretary Link verified with staff that a quorum was present and that the press had been notified of the meeting.

A motion was made by Mr. Ed Ross and seconded by Mr. Larry Clarke to approve the previous meeting minutes. Motion **CARRIED** and the minutes of the September 15, 2011 meeting were approved.

Deputy Secretary Link recognized Ms. Robin Brewer for her introduction of Resolution **2011-28**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF REFUNDING VARIOUS PRIOR BONDS OF THE COMMISSION; 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 REFUND SUCH PRIOR BONDS 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. Robin Brewer stated that Resolution 2011-28 is for the State Property and Buildings Commission (SPBC) Revenue Refunding Bonds, Project No. 101 in a not-to-exceed amount of \$100 million. This transaction is to refund approximately \$91.6 million dollars of bonds issued through SPBC and the Kentucky Infrastructure Authority (KIA). The Commonwealth anticipates approximately \$7.61 million in net present value savings for the General Fund. Some bonds will be refunded on a current basis and some refunded on an advanced basis. Staff will present this project to Capital Projects and Bond Oversight (CPBO) on October 18, 2011. The sale date is anticipated to be November 2, 2011 and the estimated closing date is November 15<sup>th</sup>. The All-In-True interest cost is expected to be 2.29 percent, with a final maturity on the bonds of October 1, 2021. The Managing Underwriter is Morgan Stanley; Bond Counsel is Peck Shaffer Williams, LLC; Underwriter's Counsel is Frost Brown Todd LLC; and Trustee is undecided at this time. Staff recommends approval.

Ms. Mary Lassiter made a motion to approve Resolution **2011-28** that was seconded by Ms. Katie Smith. Motion **CARRIED**, and Resolution **2011-28** was **ADOPTED**.

Deputy Secretary Link recognized Ms. Brewer for her introduction of Resolution **2011-29**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF REFUNDING CERTAIN PRIOR BONDS OF THE COMMISSION; 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 TRANSPORTATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR REVENUE BONDS TO REFUND SUCH PRIOR BONDS PURSUANT TO SECTION 56.450 OF THE KENTUCKY REVISED STATUTES; APPROVING A LEASE OF THE PROJECT TO THE TRANSPORTATION 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; AND AMENDING THE COMMISSION'S RESOLUTION ADOPTED OCTOBER 16, 2001 AS AMENDED BY THE COMMISSION'S RESOLUTION ADOPTED FEBRUARY 14, 2002.**

Ms. Brewer stated that Resolution 2011-29 is for the State Property and Buildings Commission (SPBC) Road Fund Revenue Refunding Bonds, Project No. 73 (Taxable Fourth Series) in an amount not-to-exceed \$50 million. This transaction is to advance refund on a taxable basis, \$41.27 million of SPBC Bonds, Project No. 73 (Second Series). Staff anticipates this to provide approximately \$3.4 million in net present value savings to the Road Fund. The All-In-True Interest cost is expected to be 3.13 percent with

a final maturity of November 1, 2021 on the bonds. The Bond sale date is anticipated to be November 2, 2011 and with an estimated closing for November 15<sup>th</sup>. This transaction will also be presented to Capital Projects and Bond Oversight on October 18<sup>th</sup>. The Managing Underwriter is Morgan Stanley; Bond Counsel is Peck Shaffer Williams, LLC; Underwriter's Counsel is Frost Brown Todd LLC; and the Trustee is U.S. Bank, N.A. This transaction and the prior one are both purely for economic refunding; therefore, there is no debt restructuring involved. Staff recommends approval.

Mr. Ed Ross made a motion to approve Resolution **2011-29** that was seconded by Mr. Clarke. Motion **CARRIED**, and Resolution **2011-29** was **ADOPTED**.

Deputy Secretary Link recognized Ms. Rachael Dever for her introduction of Resolution **2011-30**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION  
OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE  
OF EASTERN KENTUCKY UNIVERSITY GENERAL RECEIPTS BONDS, 2011  
SERIES A.**

Ms. Dever stated that Secretary Resolution 2011-30 is for Eastern Kentucky University, (EKU) General Receipts Bonds, 2011 Series A, in an estimated amount of \$21.535 million. The transaction is to fund new student housing authorized in H.B. 406 of the 2008 General Assembly and then re-authorized in H.B. 1 of the 2010 Special Session. These bonds will be sold on November 17, 2011 and expect to close on December 8<sup>th</sup>. The estimated True-Interest-Cost is 3.83 and the average life is 11.4 years. The EKU Board of Regents approved this issuance at the meeting on September 28, 2011 and the project will be presented to CPBO on October 18<sup>th</sup>. Bond Counsel is Peck Shaffer Williams, LLC; Financial Advisor is Hilliard Lyons; and the Trustee is U.S. Bank, N.A. Staff recommends approval.

Ms. Lassiter made a motion to approve Resolution **2011-30** that was seconded by Mr. Clarke. Motion **CARRIED**, and Resolution **2011-30** was **ADOPTED**.

Deputy Secretary Link recognized Ms. Dever for her introduction of Resolution **2011-31**:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION  
OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE  
OF WESTERN KENTUCKY UNIVERSITY GENERAL RECEIPTS BONDS  
(RENOVATE DOWNING UNIVERSITY CENTER PHASE III PROJECT).**

OR

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION  
OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE  
OF WESTERN KENTUCKY UNIVERSITY GENERAL RECEIPTS REFUNDING  
BONDS.**

Ms. Dever stated that Western Kentucky University (WKU) will be issuing either General Receipts Refunding Bonds or General Receipts Bonds for Series 2011A. This transaction will be to refund

Consolidated Educational Revenue Bonds, Series P or to finance a portion of the Downing University Center renovations as authorized in H.B. 1 of the 2010 Special Session of the General Assembly. The WKU Board of Regents Finance Committee approved this transaction on September 30, 2011. Bond Counsel is Peck Shaffer Williams, LLC; Financial Advisor is Hilliard Lyons, and the Trustee is U.S. Bank, N.A. This resolution is being presented as an either/or option due to WKU having approximately \$8 million left outstanding in bank qualified ("BQ") status for the calendar year. The University will get a better rate issuing BQ bonds. This will allow flexibility with the refunding in the current changing market, and if the refunding is not advantageous, WKU will go ahead and issue a portion of the new money authorization for the project. The full authorization is \$33.5 million. Staff recommends approval.

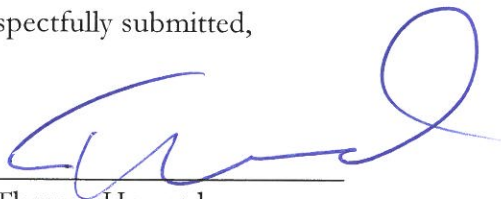
Ms. Lassiter asked when WKU will decide which direction to take on this authorization. Mr. Antle answered that a determination would come next week as WKU is required to give a week's notice before they issue a notice of sale so probably by next Tuesday, October 18<sup>th</sup> for the sale on October 26<sup>th</sup>. Ms. Smith asked if the University Board had approved the transaction. Ms. Dever replied that the Finance Committee has approved the transaction and the full Board will meet to approve on October 21, 2011.

Ms. Lassiter made a motion to approve Resolution **2011-31** that was seconded by Mr. Ross. Motion **CARRIED**, and Resolution **2011-31** was **ADOPTED**.

Deputy Secretary Link asked if there was any other business.

With no other business, the meeting stands adjourned.

Respectfully submitted,



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F. Thomas Howard  
Secretary