

TURNPIKE AUTHORITY OF KENTUCKY

Meeting Minutes

February 23, 2023

1:00 P.M.

Via Zoom

Meeting ID: 865 7627 4578

Passcode: 0abYKs

The Turnpike Authority of Kentucky (“Authority” or “TAK”) met on Thursday, February 23, 2023, at 1:00 p.m. via Zoom.

Members present were: John Hicks, Secretary, Office of the Governor, in the Chair, proxy for the Honorable Andy Beshear, Governor of the Commonwealth of Kentucky; Susan Rieber, proxy for Jacqueline Coleman, Lt. Governor of the Commonwealth of Kentucky; Gerri Grigsby, proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet; James E. Ballinger, State Highway Engineer; Robin Brewer, proxy for Secretary, Jim Gray, Kentucky Transportation Cabinet; John Horne, proxy for Daniel Cameron, Attorney General of the Commonwealth of Kentucky and Katie Smith, proxy for Secretary, Jeff Noel, Economic Development Cabinet.

Others present at the meeting were: Ryan Barrow, Executive Director, Office of Financial Management (OFM) and Secretary of the Authority; Steve Starkweather, Deputy Executive Director and Treasurer of the Authority; Bethany Padgett, OFM; Billy Aldridge, OFM; Melissa Perry, OFM; Marcia Hutcherson, OFM and Authority staff; John Merchant, Dinsmore & Shohl, LLP; Kara Smotherman, Office of State Budget Director; Joe McDaniel, Office of the Controller; Sara Young, Office of Administrative Services; and Marcia Hutcherson, OFM, Authority staff.

Melissa Perry conducted Roll Call. Secretary Hicks having verified a quorum was present and proper notice of the meeting was posted in accordance with KRS 61.800 – 61.850, called the meeting to order.

Secretary Hicks introduced the first item of business, which was approval of the minutes from the May 12, 2022 meeting. A motion was made by Mr. Ballinger and seconded by Ms. Grigsby. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Steve Starkweather to present the approval of the FY22 Audit of Financial Statements. Mr. Starkweather pointed out that in all material respects, the balances for the year ended in conformity with the basis of accounting and a clean audit was received. Mr. Starkweather also noted that as of 06/30/22, bonds outstanding is approximately \$905 million. Mr. Starkweather recommended approval of the FY22 audit. A motion was made by Ms. Rieber and seconded by Ms. Smith. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Mr. Starkweather to present the 2022 Series B Approval Letter. Mr. Starkweather stated this is the final bond issue report of the TAK 2022 Series B. It represents the results of the issuance of the final \$50 million in new money project funds authorized by House Bill 3 of the 2010 extraordinary session of the General Assembly. TAK issued a par amount of

\$47,480,000 for 20 years at an All-In True Interest Cost of 4.377%. This item is informational and requires no action.

Secretary Hicks recognized Mr. Starkweather to present the TAK Administrative Account Summary. Mr. Starkweather provided information from the last 5 years of the TAK administrative expenses to support the Administrative Expense Request. This item is informational and requires no action.

Secretary Hicks recognized Mr. Starkweather to present for approval, the TAK Administrative Expense Request. Mr. Starkweather stated this request is from TAK to the Kentucky Transportation Cabinet. This request funds the salary of one employee, costs associated with running the Authority and professional services such as, audit and arbitrage calculations. Mr. Starkweather stated he times this request on a calendar year as opposed to fiscal year. Mr. Starkweather recommended the board to consider and approve the Administrative Expense Request in the amount of \$110,000 for operation costs for the period of January 1, 2023 through December 31, 2023. A motion was made by Ms. Grigsby and seconded by Mr. Ballard. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Mr. Starkweather to present Resolution **2023-01**, a Resolution appointing an Executive Director for TAK. Mr. Starkweather explained that at one time TAK was a distinct entity with a paid executive director and other staff. In 2006, the office duties were absorbed into, and segregated between the Controller's Office and OFM at a significant savings for the Commonwealth. In recent history, the Authority's Executive Director duties have been performed by the State Controller, the Secretary of the Authority has been the Executive Director of OFM, and the Treasurer has been another staff member of OFM. Mr. Starkweather stated since Mr. Ross retired, Joe McDaniel has stepped-in to that role. This resolution is simply a formal action of the Authority to appoint Mr. McDaniel as the Executive Director of TAK and staff recommends approval. A motion was made by Ms. Grigsby and seconded by Ms. Rieber. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Mr. Starkweather to present Resolution **2023-02**, a resolution to authorize the use of electronic signatures and records as a formal means of conducting business. Mr. Starkweather stated that this resolution simply adopts the use of existing state law and creates efficiencies within the Authority. It formally states the intent of the Authority to allow staff to use digital signatures for bond transactions and electronically store records. This action follows a similar action by the State Property and Building Commission earlier in the month. Staff respectfully requests its adoption. A motion was made by Mr. Ballinger and seconded by Ms. Brewer. There being no further discussion, the motion **CARRIED**.

Secretary Hicks recognized Mr. Starkweather to present Resolution **2023-03**, a resolution authorizing 2023 Bond Series. Mr. Starkweather stated this is the annual refunding resolution for TAK. The resolution simply authorizes staff to execute refunding's of existing debt for economic savings. Over the last couple of years, the Authority has booked some pretty incredible savings by refunding outstanding debt. Mr. Starkweather stated it is unlikely we would execute a transaction in this rate environment however, if the need arises we have authorization. This resolution authorizes transactions of up to \$250 million of refunding, utilizing a variety of

financing techniques. Staff recommends approval. A motion was made by Ms. Smith and seconded by Ms. Brewer. There being no further discussion, the motion **CARRIED**.

With no further business being brought before the board, Secretary Hicks asked for a motion to adjourn. Ms. Grigsby made a motion and was seconded by Mr. Ballinger. The meeting adjourned at 1:13 PM.

Respectfully Submitted,

Ryan Barrow

Ryan Barrow
Secretary of the Authority