

TURNPIKE AUTHORITY OF KENTUCKY
October 13, 2016
2:00 P.M.
ROOM 182, CAPITOL ANNEX

The Turnpike Authority of Kentucky ("Authority" or "TAK") met on Thursday, October 13, 2016 at 2:00 p.m. in Room 182 of the Capitol Annex.

Members present were: Nate Haney, Deputy Secretary, Office of the Governor, in the Chair, proxy for the Honorable Matthew G. Bevin, Governor of the Commonwealth of Kentucky; William M. Landrum III, Secretary, Finance and Administration Cabinet; Katie Smith, proxy for Acting Secretary, Eric Dunnigan, Economic Development Cabinet; Paul Looney, proxy for Patty Dunaway, State Highway Engineer; Robin Brewer, proxy for Secretary, Greg Thomas, Kentucky Transportation Cabinet; and Rebecca Goodman, proxy for Andy Beshear, Attorney General of the Commonwealth of Kentucky.

Others present at the meeting were: Ed Ross, Office of the Controller and Executive Director of the Authority; Ryan Barrow, Executive Director, Office of Financial Management (OFM) and Secretary of the Authority; Sandy Williams, Deputy Executive Director, OFM; Steve Starkweather, OFM; Denise Pitts, OFM; Liz Columbia, OFM; Bethany Couch, OFM; John Brady, OFM; Kim Moore, Office of the Controller; Tommy Richie, Office of the Controller; John Merchant, Dinsmore & Shohl, LLP; Justin Perry, Legislative Research Commission (LRC); Carla Wright, Office of State Budget Director; Marcia Hutcherson, OFM, Authority staff.

Chairman Haney having verified that 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

The first item on the agenda was approval of the February 5, 2016 minutes as written. Rebecca Goodman made a motion to approve and William M. Landrum III seconded. The motion carried unanimously.

The second item on the agenda was approval of the resolution for appointment of treasurer. Chairman Haney introduced the resolution to appoint Steve Starkweather as Treasurer of the Authority. Chairman Haney noted that TAK fell under Mr. Starkweather's review; Mr. Starkweather stated yes. Robin Brewer made a motion to approve and Secretary Landrum seconded. The motion carried unanimously.

The next item on the agenda for consideration was the Economic Development Road Revenue and Revenue Refunding Bonds (Revitalization Projects), 2016 Series B and 2016 C, Authorizing Resolution. Steve Starkweather presented to the board the 2016 Series Resolution authorizing the issuance for a par amount not to exceed \$180 million. Mr. Starkweather stated that the approval being sought will authorize the sale of bonds for \$125 million of new money, which is the remaining authorization of the \$400 million appropriated by House Bill 3 of the 2010 Extraordinary Legislative Session. Additionally, the resolution would be used to authorize the partial advance refunding of the Economic Development Road Revenue and Revenue Refunding Bonds (Revitalization Projects) 2011 Series A, years 2022 through 2031.

Mr. Starkweather also noted that after discussion with Kentucky Transportation Cabinet, the plan is to go to market with a \$50 million new money issuance. Mr. Starkweather went on to say that this resolution also authorizes the refunding of the 2011 Series A bonds, but would be beneficial to wait to execute that transaction until closer to the call date or in a situation where the market creates extremely favorable refunding conditions.

Mr. Starkweather stated that the All-In True Interest Cost of the \$50 million new money transaction (based on current market rates) is 2.91%.

Mr. Starkweather stated upon approval of the board, the transaction will be presented to the Capital Projects Bond Oversight Committee as an informational item. This transaction will be sold by negotiated sale on November 15th and 16th, 2016 with Morgan Stanley serving as the Underwriters; and is scheduled to close on December 7, 2016. Dinsmore and Shohl, LLP will serve as Bond Counsel and Stites and Harbison as Underwriters Counsel. Mr. Starkweather stated that staff does recommend approval.

Chairman Haney asked if there were any questions or discussion about the resolution presented; none were raised. Chairman Haney asked for a motion to approve. Secretary Landrum made a motion to approve and Katie Smith seconded. Motion carried unanimously.

Chairman Haney asked if there was any other business that needed to be brought before the board; none was presented and the Chair asked for a motion to adjourn the meeting. Ms. Smith made a motion to adjourn and Secretary Landrum seconded. The meeting adjourned at 2:06 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Ryan Barrow', written in a cursive style.

Ryan Barrow
Secretary of the Authority