

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
October 11, 2018**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Melinda Hill, proxy for William M. Landrum III, Secretary of the Finance and Administration Cabinet ("FAC"), on Thursday, October 11, 2018 at 1:40 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Ms. Hill asked for a roll call. Other members present were Scott Brinkman, Secretary, Governor's Executive Cabinet; Ed Ross, State Controller, FAC; John Chilton, State Budget Director, Office of the State Budget Director ("OSBD"); and Katie Smith, proxy for the Secretary of the Cabinet for Economic Development ("CED").

Office of Financial Management ("OFM") and staff to the Committee present were Ryan Barrow, Executive Director of OFM and Secretary to the Committee; Sandy Williams, Deputy Executive Director; John Brady; Steve Starkweather, Bethany Couch, Billy Aldridge and Tammy McCall.

Other Guests Present: Katherine Halloran, Legislative Research Commission; Trina Shields, Kentucky Housing Corporation (KHC); Diane Beidleman, KHC; Jeremy Ratliff, KHC; Mike Herrington, Stites & Harbison; Mark Franklin, Stoll Keenon Ogden; and James Parsons, Keating Muething & Klekamp.

Ms. Hill verified with staff that a quorum was present and that the press had been notified of the meeting.

The first item on the agenda was the approval of the June 7, 2018 minutes. Secretary Brinkman made a motion to approve the minutes. Director Chilton seconded the motion. **The motion CARRIED.**

2018 Local Issuer Pool – Ms. Couch directed the Committee to the two applications from Continental Silver Grove and SKAPS Industries requesting volume cap allocations. She reported that as of July 1, 2018, there was approximately \$187 million of unallocated volume cap available for allocation. The application period opened September 24, 2018 and closed October 8, 2018. Continental Silver Grove requested \$12 million for the acquisition, construction, installation and equipping of certain solid waste disposal facilities relating to the manufacturing processes at the plant which is located in Silver Grove, Kentucky (Campbell County). The company currently employs 256 full time employees with an average operator salary of approximately \$54,000 (including overtime and bonus) and an average exempt salary of approximately \$107,000 (including bonus). Campbell County passed an Inducement Resolution on November 15, 2017. SKAPS Industries requested \$5.5 million for a project that consists of industrial manufacturing facilities to be acquired, constructed, installed and equipped by SKAPS Industries in Henderson, Kentucky, for the purpose of manufacturing fiberglass fabrics, reinforcements, and related projects. There are currently 70 full time employees and the project is expected to create 20 new full time positions at an average wage of \$16.60 an hour (including benefits). Henderson County passed an Inducement Resolution on June 25, 2018. Staff recommended approval of both allocations.

October 11, 2018

Ms. Hill asked for a motion to approve the recommended 2018 Local Issuer Pool distributions. Mr. Ross made a motion, and was seconded by Secretary Brinkman. **The motion CARRIED**, with Ms. Smith abstaining.

Summary of 2018 Volume Cap – Ms. Couch directed the Committee to the Summary of 2018 Volume Cap spreadsheet that was provided to the Committee as an informational item. She noted that with the approved allocations of \$12 million to Continental Silver Grove and \$5.5 million to SKAPS Industries, there is approximately \$169.5 million that remains as unallocated volume cap. There will be another meeting of this Committee in December after applications are received from the state issuers requesting carryforward allocations.

With no further business before the Committee, Ms. Hill asked for a motion to adjourn. Mr. Ross made the motion, and was seconded by Director Chilton. The meeting adjourned at 1:52 p.m.

Respectfully submitted,



Ryan Barrow
Secretary