

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
December 17, 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 Monday, December 17, 2018 at 3:40 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Ms. Hill asked for a roll call. Other members present were 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; David Carlsen, Kentucky Higher Education and Student Loan Corporation ("KHESLC"); Tom Midkiff, Kentucky Housing Corporation ("KHC"); Tracy Thurston, KHC; and Carla Wright, OSBD.

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 October 11, 2018 minutes. Ms. Smith made a motion to approve the minutes. Mr. Ross seconded the motion. **The motion CARRIED.**

Allocation of 2018 Carryforward – Mr. Aldridge reported that approximately \$170.4 million is available for carry forward into CY2019 from the Local Issuer Pool. The amount was updated from the original meeting packet due to a December 13, 2018 closing that left approximately \$900,000 that was allocated but unissued from the \$5.5 million previously approved at the October 11, 2018 meeting. KHC requested approximately \$137 million for the financing of qualified single family and multi-family housing loans for low and moderate-income residents in the state. KHESLC requested approximately \$33 million for loan programs which may assist Kentucky students pursuing post-secondary educational opportunities and may also assist parent and/or student borrowers with the successful repayment of their loans through the provisions of a supplemental refinance loan. Staff recommended approval. Ms. Smith noted that normally KHC and KHESLC received an even split of the carry forward amount and asked if they were in agreement with the recommendation. Mr. Aldridge confirmed that they are in agreement and had recommended the proposed split to OFM staff.

There being no further discussion, Ms. Smith made a motion to approve the allocations as presented, and was seconded by Mr. Ross. **The motion CARRIED.**

Summary of Carryforward – Mr. Aldridge directed the Committee to the chart that summarized the amount of volume cap carried forward over the past few years. The amount

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to be carried forward from CY2018 to CY2019 for KHELSC is approximately \$173.5 million and the amount for KHC is approximately \$277.5 million, which includes the allocations approved at this meeting and the previous allocation approved in June 2018. This amount will carry forward for 3 years and any unissued cap will drop off after 3 years. The total carryforward amount available for CY2019 is approximately \$1.3 billion.

Summary of 2018 Volume Cap – Mr. Aldridge directed the Committee to the summary of activity during CY2018. He noted the state issuer allocation of approximately \$280 million was split evenly between KHC and KHESLC in May 2018. Approximately \$16.6 million of the \$17.5 million allocated from the Local Issuer Pool was issued in December 2018. The total CY2018 carryforward amount is \$277.5 million to KHC and \$173.5 million to KHESLC.

With no further business before the Committee, the meeting adjourned at 3:47 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'R. Barrow', is written over the typed name.

Ryan Barrow
Secretary