KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
June 11, 2015

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Lori Flanery, Secretary, Finance and Administration Cabinet, on Thursday, June 11, 2015 at 1:00 p.m. in Room 182 of the Capitol Annex, Frankfort, Kentucky. Other members present were Ed Ross, Controller, Finance and Administration Cabinet; Mike Bartlett, proxy for Mary Lassiter, Secretary, Governor's Executive Cabinet; Ms. Jane Driskell, State Budget Director; and Katie Smith, proxy for Larry Hayes, Secretary, Cabinet for Economic Development.

Office of Financial Management ("OFM") and staff to the Committee present were Ryan Barrow, Executive Director and Secretary to the Committee; Sandy Williams, Deputy Executive Director; John Brady, Liz Columbia, Denise Pitts and Tammy McCall.

Other guests present were Josh Nacey from the Legislative Research Commission ("LRC"), Carla Wright, Office of the State Budget Director; David Carlson, Chief Financial Officer from the Kentucky Higher Education Student Loan Corporation ("KHESLC"); and Tom Midkiff, Financial Analyst from the Kentucky Housing Corporation ("KHC").

Secretary Flanery 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 March 27, 2015 minutes. Ms. Jane Driskell made a motion to approve the minutes. Mr. Ed Ross seconded the motion. The motion CARRIED.

2015 State Issuer Pool – Mr. John Brady directed the Committee to the applications from KHC and KHESLC for the state portion of the Private Activity Bond Allocation. He stated that under KRS 103.286, 60% of the private activity cap be reserved each calendar year for state bond issuance authorities. For 2015, 60% of the total cap reserved for the state is $264,807,420. The application period for the State Issuer Pool opened on January 8, 2015 and closed on May 29, 2015. KHC requested half of the state allocation, a total of $132,403,710, for the financing of qualified single family and multi-family housing loans for low and moderate-income residents of the Commonwealth. KHESLC requested the other half of the state portion, also $132,403,710, to provide funds for their loan programs, including funds to assist Kentucky students pursuing post-secondary educational opportunities. Staff recommended approval of the allocations to both state agencies. Mr. David Carlson, KHESLC, thanked the Committee for the opportunity and noted that KHESLC would use the allocation to benefit two services: the supplemental loan program and the acquisition of FFELP loans on a tax-exempt basis. Mr. Tom Midkiff, KHC, informed the Committee that KHC will continue to use a portion of their allocation towards the NCC program and will continue to issue multi-family conduit revenue bonds.

There being no further discussion, Secretary Flanery asked for a motion to approve the recommended 2015 State Issuer Pool distribution. Mr. Ed Ross made a motion, and was seconded by Ms. Katie Smith. The motion CARRIED.
**Summary of 2015 Volume Cap** – Mr. Brady directed the Committee to the 2015 Volume Cap Allocation Summary which is used to track allocations of the different pools throughout the calendar year. The summary showed the entire State Issuer Pool was allocated, while a balance of $125,803,710 in the Local Issuer Pool and a balance of $44,134,570 in the Energy Efficient Pool remain to be allocated.

Mr. Brady updated the Committee on the allocation to the Kelley Beekeeping Company project, in Clarkson, Kentucky, that was approved in March 2014. Bonds are expected to be issued on June 24, 2015, just in time to meet the regulatory deadline of 90 days.

With no further business before the Committee, Secretary Flanery asked for a motion to adjourn. Mr. Mike Bartlett made the motion. The meeting adjourned.

Respectfully submitted,

Ryan Barrow
Secretary