

# KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION

## MINUTES

NOVEMBER 13, 2018

3:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Tuesday, November 13, 2018 at 3:00 p.m. ET in Room 182 of the Capitol Annex by Melinda Hill, permanent proxy for William M. Landrum III, Secretary of the Finance and Administration Cabinet (“FAC”) and Executive Director to the Commission. Other members present were Scott Brinkman, permanent proxy for Governor Matt Bevin; Edgar C. Ross, State Controller, Office of the Controller; Tina Howard, proxy for Attorney General Andy Beshear; and John E. Chilton, State Budget Director, Office of the State Budget Director (“OSBD”).

The Office of Financial Management (“OFM”) Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Commission; Sandy Williams, Deputy Executive Director; John Brady; Steve Starkweather, Bethany Couch, and Marcia Hutcherson.

Other Guests Present: Katherine Halloran, Legislative Research Commission; April Johnson, Kentucky Higher Education and Student Loan Corporation (“KHESLC”); and David Carlsen, KHESLC.

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

Ms. Hill introduced the first item for business, which was approval of the minutes from the October 11, 2018 meeting. A motion to accept the minutes of the October 11, 2018 meeting was made by Secretary Brinkman and seconded by Mr. Ross. Motion **CARRIED**.

Ms. Hill recognized John Brady to present **Resolution 2018-15**:

**A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION OF STUDENT LOAN BACKED NOTES PURSUANT TO AN INDENTURE OF TRUST AND AN AUTHORIZING RESOLUTION OF KHESLC TO BE ISSUED AS ONE OR MORE SERIES OF FEDERALLY TAX-EXEMPT OR FEDERALLY TAXABLE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$325,000,000.**

Mr. Brady presented Resolution 2018-15 for the approval to issue KHESLC Student Loan Backed Notes in a principal amount not to exceed \$325,000,000. The Notes are to be issued in one or more tranches for the purpose of financing Federal Family Education Loan Program (“FFELP”) Student Loans and rehabilitated FFELP loans. The transaction was approved by the KHESLC Board of Directors on September 11, 2018, and material was submitted to the Capital Projects and Bond Oversight Committee for review and approval. The proposed pricing and closing will be on various dates on or prior to June 30, 2019. The expected initial interest rate is one month LIBOR plus 0.75%.

The method of sale will be either a direct placement or a negotiated transaction. Bond Counsel is Hawkins Delafield & Wood; the Financial Advisor is SL Capital Strategies; and the Underwriter or Purchaser is Bank of America. Staff recommended approval. Mr. Carlsen gave an overview of the FFELP loans in general and the transaction requested for approval. A discussion followed regarding the background and criteria for the transaction and the advantages it gives KHESLC.

Ms. Hill called for a motion to approve Resolution 2018-15. Mr. Ross made a motion and was seconded by Director Chilton. There being no further discussion, the motion **CARRIED** and Resolution 2018-15 was **ADOPTED**.

With no further business before the Commission, the meeting adjourned at 3:40 pm.

Respectfully submitted,



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Ryan Barrow  
Secretary