

KENTUCKY STATE PROPERTY AND BUILDINGS COMMISSION
MINUTES
MARCH 13, 2019
3:00 PM

The Kentucky State Property and Buildings Commission (“SPBC” or the “Commission”) meeting was called to order on Wednesday, March 13, 2019 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 Lt. Governor Jenean M. Hampton; Scott Brinkman, permanent proxy for Governor Matt Bevin; Tina Howard, proxy for Attorney General Andy Beshear; John E. Chilton, State Budget Director, Office of the State Budget Director (“OSBD”); and Sarah Butler, proxy for Terry R. Gill, Jr., Secretary for the Cabinet for Economic Development (“CED”).

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, Billy Aldridge and Tammy McCall.

Other Guests Present: Ethan Williams, OSBD.

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 January 10, 2019 meeting. A motion to accept the minutes of the January 10, 2019 meeting was made by Secretary Brinkman and seconded by Director Chilton. Motion **CARRIED**.

Ms. Hill recognized Bethany Couch to present **Resolution 2019-02**:

A RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY AUTHORIZING THE ISSUANCE OF REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFUNDING CERTAIN PRIOR BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SAID REVENUE REFUNDING BONDS ARE TO BE ISSUED AND PROVIDING FOR A NEGOTIATED SALE THEREOF; AUTHORIZING AND RATIFYING ACTIONS OF THE COMMISSION STAFF IN THE STRUCTURING, PLANNING AND PREPARATION OF ALL DOCUMENTATION FOR THE ISSUANCE OF SAID BONDS AND IN PREPARING AND PUBLISHING A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR THE BONDS; RECITING, ACKNOWLEDGING AND APPROVING THE FILING OF AN APPLICATION BY THE FINANCE AND ADMINISTRATION CABINET OF THE COMMONWEALTH OF KENTUCKY FOR REVENUE REFUNDING BONDS TO REFUND PRIOR BONDS PURSUANT TO SECTION 56.450 OF THE KENTUCKY REVISED STATUTES; APPROVING A LEASE OF THE PROJECT TO THE CABINET TO

**PROVIDE REVENUES FOR THE AMORTIZATION OF THE BONDS;
DEFINING AND PROVIDING FOR THE RIGHTS OF THE OWNERS OF
THE BONDS AND PROVIDING FOR THE APPLICATION OF THE
PROCEEDS THEREOF.**

Ms. Couch presented Resolution 2019-02 for the approval to issue SPBC Revenue Refunding Bonds, Project No. 121 in an estimated principal amount not to exceed \$16,000,000. The purpose of the issuance is to currently refund and retire all the outstanding SPBC 93 bonds for a total principal amount not to exceed \$16 million and to pay costs of issuance. The project was included in OFM's March submittal to the Capital Projects and Bond Oversight Committee ("CPBOC") which met on March 12, 2019, and was approved contingent upon the approval of this Committee. The SPBC 121 issuance will yield a NPV savings of approximately \$1.5 million, or about 10.6%. The all in true interest cost is expected at 3.355%. This is a negotiated sale tentatively scheduled for April 11, 2019, to be executed by Hilliard Lyons as underwriter. Ms. Couch noted that because the size of the deal is smaller than a typical deal, Secretary William Landrum of the Finance and Administration Cabinet exercised his right under the procurement statute to use Hilliard Lyons as the local co-manager. Hilliard Lyons is the top-ranked local co-managing firm selected to OFM's Issuer Appointments for FY 2018 and FY 2019. Bond counsel is Dinsmore and Shohl. Staff recommended approval. A discussion followed regarding the structure and savings of the bond issuance.

Ms. Hill called for a motion to approve Resolution 2019-02. Director Chilton made a motion and was seconded by Secretary Brinkman. There being no further discussion, the motion **CARRIED** and Resolution 2019-02 was **ADOPTED**.

With no further business before the Commission, the meeting adjourned at 3:11 pm.

Respectfully submitted,



Ryan Barrow
Secretary