December 18, 2018

The Honorable Stan Humphries, Co-Chair  
The Honorable Larry Brown, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Frankfort, KY 40601

Dear Senator Humphries, Representative Brown, and Members of the Capital Projects and Bond Oversight Committee:

I have received notification that no action will be taken by the Capital Projects and Bond Oversight Committee due to the cancellation of the December 18, 2018 meeting. This letter is to communicate the decision of this office to proceed with the following item.

In accordance with the provision of KRS 45.750-810, the Finance and Administration Cabinet is reporting the attached action submitted by:

**The Office of Financial Management:**

1) New Debt Issues:  
b) University of Kentucky General Receipts Refunding Bonds, 2019 A

This letter is also to communicate the decision of this Office to resubmit the following items submitted through the Department for Facilities and Support Services, The Kentucky Infrastructure Authority, and the Office of Financial Management.

1) Lease Modification and Lease Renewal:  
a) Lease Modification exceeding $50,000 – Transportation Cabinet, Jefferson County, PR-3974  
b) Lease Renewal (Same Terms and Conditions) – Cabinet for Health and Family Services, Clark County, PR-4849

2) Kentucky Infrastructure Authority Loan Increase and Loan:  
a) Fund A Loan Increase – Farmdale Sanitation District, Franklin County  
b) Fund F Loan – City of Lancaster, Garrard County
3) New Debt Issues:
   a) Kentucky Higher Education Student Loan Corporation (KHESLC) Student Loan Revenue Bonds, Series 2019-1

Sincerely,

[Signature]

William M. Landrum III

cc: Members, Capital Projects and Bond Oversight Committee
    Janice Tomes, Deputy State Budget Director
    Mark D. Bunning, Deputy Secretary, Finance and Administration Cabinet
    Melinda M. Hill, Chief of Staff, Finance and Administration Cabinet
    Judy Piazza, Director, Office of Legislative and Intergovernmental Affairs
    Scott Aubrey Director, Division of Real Properties
    Sandy Dunahoo, Commissioner, Department for Local Government
    Donna McNeil, Executive Director, Kentucky Infrastructure Authority
    Ryan Barrow, Executive Director, Office of Financial Management
    Sandy Williams, Deputy Executive Director, Office of Financial Management
December 12, 2018

William M. Landrum III, Secretary
Kentucky Finance and Administration Cabinet
Office of the Secretary
Room 383, Capitol Annex
Frankfort, Kentucky 40601

Dear Secretary Landrum:

Pursuant to KRS 45.800 and 45.810; this letter is to notify you that, due to cancellation of the December 18, 2018 Capital Projects and Bond Oversight Committee meeting, the committee will not take action on the following items submitted through the Department for Facilities and Support Services, the Kentucky Infrastructure Authority, and the Office of Financial Management.

1) Lease Modification and Lease Renewal
   a) Lease Modification exceeding $50,000 - Transportation Cabinet, Jefferson County, PR-3974
   b) Lease Renewal (Same Terms and Conditions) - Cabinet for Health and Family Services, Clark County, PR-4849

2) Kentucky Infrastructure Authority Loan Increase and Loan
   a) Fund A Loan Increase - Farmdale Sanitation District, Franklin County
   b) Fund F Loan - City of Lancaster, Garrard County

3) New Debt Issues
   a) Kentucky Higher Education Student Loan Corporation (KHESLC) Student Loan Revenue Bonds, Series 2019-1
   b) University of Kentucky General Receipts Refunding Bonds, 2019 Series A

The committee respectfully requests deferral of any above items that are not time sensitive until consideration at its next meeting, scheduled for January 15, 2019 at 1:00 p.m. in Room 169 of the...
Capitol Annex. Non-action items submitted through the Office of State Budget Director and the Department for Facilities and Support Services for the December 2018 meeting will be on the agenda for the January 2019 meeting.

If you have any questions, then please contact Katherine Halloran, Committee Staff Administrator, (502) 564-8100, extension 352.

Sincerely,

Representative Larry Brown, Co-Chair
Capital Projects and Bond Oversight Committee

Senator Stan Humphries, Co-Chair
Capital Projects and Bond Oversight Committee

cc: Members, Capital Projects and Bond Oversight Committee
Janice Tomes, Deputy State Budget Director
Mark D. Bunning, Deputy Secretary, Finance and Administration Cabinet
Melinda M. Hill, Chief of Staff, Finance and Administration Cabinet
Judy Piazza, Director, Office of Legislative and Intergovernmental Affairs
Scott Aubrey, Director, Division of Real Properties
Sandy Dunahoo, Commissioner, Department for Local Government
Donna McNeil, Executive Director, Kentucky Infrastructure Authority
Ryan Barrow, Executive Director, Office of Financial Management
Sandy Williams, Deputy Executive Director, Office of Financial Management
Preliminary New Bond Issue Report

$14,220,000 (est.) University of Kentucky General Receipts Refunding Bonds, 2019 Series A

Purpose of Issue: Bond proceeds of the 2019 Series A will be used to 1.) currently refund and retire all the outstanding University of Kentucky General Receipts Bonds, 2009 Series A; and 2.) pay associated costs of issuance.

Proposed Date of Sale: January 23, 2019
Proposed Date of Delivery: February 25, 2019

Ratings:
Moody's TBD
S&P TBD

Sources:
Par amount of bonds: $14,220,000.00
Premium: $1,117,922.10
Total Sources: $15,337,922.10

Uses:
Refunding Escrow Deposits: $15,162,838.96
Cost of Issuance: $103,983.14
Underwriter Discount: $71,100.00
Total Uses: $15,337,922.10

All-in True Interest Cost: 2.852%
Final Maturity Date: 11/1/2024
Average Annual Debt Service: $2,916,087.98
Total Debt Service: $16,573,100.00
Average Life (years): 3.310

Refunding Summary:
Bond Issue Being Refinanced: See Summary of Bonds Refunded (attached)
Par Amount of Refunded Bonds: $14,945,000
Net PV Savings: $816,908
Percentage Savings of Refunded Bonds: 5.467%

Method of Sale: Competitive
Bond Counsel: Dinsmore & Shohl, LLP
Financial Advisor: Hilliard Lyons
Trustee: U.S. Bank

Based off cashflows as of 12/3/2018

Preliminary Subject to Change
## BOND DEBT SERVICE

University of Kentucky  
Refunding of 2009A  
Tax-Exempt Refunding  
Current Market

<table>
<thead>
<tr>
<th>Period Ending</th>
<th>Principal</th>
<th>Coupon</th>
<th>Interest</th>
<th>Debt Service</th>
<th>Annual Debt Service</th>
<th>Bond Balance</th>
<th>Total Bond Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/25/2019</td>
<td>14,220,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>05/01/2019</td>
<td>90,000</td>
<td>5.00%</td>
<td>130,350</td>
<td>220,350</td>
<td>14,130,000</td>
<td>14,130,000</td>
<td></td>
</tr>
<tr>
<td>06/30/2019</td>
<td>2,070,000</td>
<td>5.00%</td>
<td>353,250</td>
<td>2,423,250</td>
<td>12,060,000</td>
<td>12,060,000</td>
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<tr>
<td>11/01/2019</td>
<td>2,175,000</td>
<td>5.00%</td>
<td>301,500</td>
<td>2,476,500</td>
<td>9,885,000</td>
<td>9,885,000</td>
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</tr>
<tr>
<td>05/01/2020</td>
<td>2,290,000</td>
<td>5.00%</td>
<td>247,125</td>
<td>2,537,125</td>
<td>7,595,000</td>
<td>7,595,000</td>
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<tr>
<td>06/30/2020</td>
<td>2,405,000</td>
<td>5.00%</td>
<td>189,875</td>
<td>2,594,875</td>
<td>5,190,000</td>
<td>5,190,000</td>
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</tr>
<tr>
<td>11/01/2020</td>
<td>2,530,000</td>
<td>5.00%</td>
<td>129,750</td>
<td>2,659,750</td>
<td>2,660,000</td>
<td>2,660,000</td>
<td></td>
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<tr>
<td>05/01/2021</td>
<td>2,660,000</td>
<td>5.00%</td>
<td>66,500</td>
<td>2,726,500</td>
<td>2,660,000</td>
<td>2,660,000</td>
<td></td>
</tr>
</tbody>
</table>

14,220,000  
2,353,100  
16,573,100  
16,573,100
## SAVINGS

**University of Kentucky**  
**Refunding of 2009A**  
**Tax-Exempt Refunding**  
**Current Market**

<table>
<thead>
<tr>
<th>Date</th>
<th>Prior Debt Service</th>
<th>Refunding Debt Service</th>
<th>Savings</th>
<th>Present Value to 02/25/2019 @ 2.4853633%</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/30/2019</td>
<td>343,956.25</td>
<td>220,350.00</td>
<td>123,606.25</td>
<td>123,047.77</td>
</tr>
<tr>
<td>06/30/2020</td>
<td>2,849,637.50</td>
<td>2,724,750.00</td>
<td>124,887.50</td>
<td>122,988.17</td>
</tr>
<tr>
<td>06/30/2021</td>
<td>2,849,862.50</td>
<td>2,723,625.00</td>
<td>126,237.50</td>
<td>121,189.81</td>
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<tr>
<td>06/30/2022</td>
<td>2,849,962.50</td>
<td>2,727,000.00</td>
<td>122,962.50</td>
<td>115,066.40</td>
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<tr>
<td>06/30/2023</td>
<td>2,848,312.50</td>
<td>2,724,625.00</td>
<td>123,687.50</td>
<td>112,955.99</td>
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<tr>
<td>06/30/2024</td>
<td>2,848,562.50</td>
<td>2,726,250.00</td>
<td>122,312.50</td>
<td>109,010.84</td>
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<tr>
<td>06/30/2025</td>
<td>2,851,031.25</td>
<td>2,726,500.00</td>
<td>124,531.25</td>
<td>108,221.02</td>
</tr>
</tbody>
</table>

\[ 17,441,325.00 \quad 16,573,100.00 \quad 868,225.00 \quad 812,480.02 \]

### Savings Summary

- **PV of savings from cash flow**: 812,480.02
- **Plus: Refunding funds on hand**: 4,428.14

**Net PV Savings**: 816,908.16
### SUMMARY OF BONDS REFUNDED

University of Kentucky  
Refunding of 2009A  
Tax-Exempt Refunding  
Current Market

<table>
<thead>
<tr>
<th>Bond</th>
<th>Maturity Date</th>
<th>Interest Rate</th>
<th>Par Amount</th>
<th>Call Date</th>
<th>Call Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Receipts Bonds, 2009 Series A, 2009A:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BOND</td>
<td>11/01/2019</td>
<td>5.250%</td>
<td>2,220,000.00</td>
<td>02/25/2019</td>
<td>100.000</td>
</tr>
<tr>
<td></td>
<td>11/01/2020</td>
<td>4.000%</td>
<td>2,325,000.00</td>
<td>02/25/2019</td>
<td>100.000</td>
</tr>
<tr>
<td></td>
<td>11/01/2021</td>
<td>4.000%</td>
<td>2,420,000.00</td>
<td>02/25/2019</td>
<td>100.000</td>
</tr>
<tr>
<td></td>
<td>11/01/2022</td>
<td>5.000%</td>
<td>2,530,000.00</td>
<td>02/25/2019</td>
<td>100.000</td>
</tr>
<tr>
<td></td>
<td>11/01/2023</td>
<td>5.000%</td>
<td>2,660,000.00</td>
<td>02/25/2019</td>
<td>100.000</td>
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<tr>
<td></td>
<td>11/01/2024</td>
<td>4.375%</td>
<td>2,790,000.00</td>
<td>02/25/2019</td>
<td>100.000</td>
</tr>
</tbody>
</table>

14,945,000.00
December 4, 2018

The Honorable Stan Humphries, Co-Chairman
The Honorable Larry Brown, Co-Chairman
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Frankfort, Kentucky 40601

Dear Senator Humphries, Representative Brown, and Members of the Capital Projects and Bond Oversight Committee:

In accordance with the provisions of KRS 45.750-800, the Finance and Administration Cabinet is reporting the attached actions involving:

**Reporting of Project Pool in Excess of $1,000,000**
Kentucky Tourism, Arts and Heritage Cabinet, Kentucky State Fair Board – South Wing Meeting Rooms and Restroom Renovations in the amount of $1,347,500.

Sincerely,

[Signature]
William M. Landrum III
Secretary

Attachments
November 19, 2018

David S. Beck, President
Kentucky State Fair Board
937 Phillips Lane
Louisville, Kentucky 40209

Dear Mr. Beck:

This letter is to inform you that your request to report a project in excess of $1,000,000 from the 2018-2020 Maintenance Pool is approved. The project is South Wing Meeting Rooms and Restroom Renovations in the amount of $1,347,500.00.

This action will be on the agenda of the Capital Projects and Bond Oversight Committee currently scheduled for December 18, 2018 at 1:00 pm in Room 169, Capitol Annex. Please have a representative familiar with this project in attendance for any related question the committee may have.

Sincerely,

[Signature]

William M. Landrum III
Secretary
Date: December 4, 2018
Agency: State Fair Board
Project: South Wing Meeting Rooms and Restroom Renovations
Account Number: 235-C91M
Type of Action: Reporting of Pool Project in Excess of $1,000,000

The Secretary of the Finance and Administration Cabinet is reporting an appropriation in the amount of $1,347,500 from the State Fair Board Maintenance Pool to the South Wing Meeting Rooms and Restroom Renovations project in Jefferson County. This Project will renovate meeting rooms and restrooms located in South Wing B and South Wing C at the Kentucky Exposition Center.
November 14, 2018

William Landrum III, Secretary
Finance and Administration Cabinet
Capitol Annex Room 383
Frankfort, KY 40601

Dear Secretary Landrum:

The Kentucky State Fair Board is wishing to report a capital project entitled SWB & SWC Meeting Room & SWB Corridor Toilet Renovations identified as fund number C91M. The total cost of the project is 1,347,500.

This renovation will update meeting rooms and restrooms in South Wing B and meeting rooms in South Wing C of the Kentucky Exposition Center. These areas have not been renovated in since original construction. Fair Board staff have been working with the Finance and Administration Cabinet’s Division of Engineering and Contract Administration on the scope and design of the project. Project bidding is complete and we are awaiting contract establishments.

This project is to be reported to the Capital Project and Bond Oversight Committee pursuant to the 2018-2020 biennial budget bill. Please let me know if you have any questions, or need additional information.

If you have any questions please call me at (502) 367-5000.

Sincerely,

David S. Beck
President and CEO