

FCR 22

Office of the President
September 16, 2003

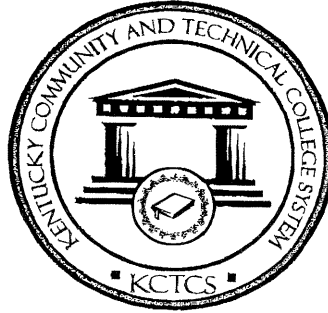
Members, Board of Trustees:

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY APPROVING THE ACTION OF THE BOARD OF REGENTS OF THE KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM (KCTCS) DIRECTING THE UNIVERSITY OF KENTUCKY TO CALL UNIVERSITY OF KENTUCKY COMMUNITY COLLEGE EDUCATIONAL BUILDINGS REVENUE BONDS SERIES I, J AND CERTAIN BONDS OF SERIES A, C, F, AND H (SECOND) AND FURTHER AUTHORIZING THE TREASURER OF THE UNIVERSITY TO EXECUTE A CALL OF SAID BONDS

Recommendation: that the Board of Trustees approve a Resolution authorizing the Treasurer to exercise a call of University of Kentucky Community College Educational Buildings Revenue Bonds Series I, J and certain bonds of Series A, C, F and H (second) as directed by the Board of Regents of KCTCS.

Background: The State Property and Buildings Commission and the Finance and Administration Cabinet of the Commonwealth of Kentucky have determined that the Commonwealth will reduce its annual debt service costs by refunding certain bonds initially issued by the University of Kentucky for community college buildings now under the jurisdiction of the KCTCS Board of Regents. Pursuant to the Memoranda of Agreement on Delegation and Assumption dated January 14, 1998 and January 30, 2001, by and between the Board of Trustees of the University of Kentucky and KCTCS, the KCTCS Board of Regents adopted a resolution dated August 15, 2003, directing the University of Kentucky Board of Trustees to call University of Kentucky Community College Educational Buildings Revenue Bonds Series I, J and certain bonds of Series A, C, F and H (second). The State Property and Buildings Commission will issue new bonds with the resulting debt being assumed and managed by the Commonwealth of Kentucky. The Bond Indenture requires that notice of redemption of said bonds be provided no later than 30 days in advance of said refunding by the Treasurer of the University, at the direction of the Board of Trustees.

Action taken: Approved Disapproved Other _____



RESOLUTION
Pertaining to
Direction, Acknowledgement, and Consent
Authorizing Call of Certain Bond Issues

WHEREAS, the *Kentucky Postsecondary Education Improvement Act of 1997* as amended (*The Act*) creates the Kentucky Community and Technical College System; and

WHEREAS, *The Act* mandates that KCTCS "... be responsive to the needs of students and employers in all regions of the Commonwealth with accessible education and training to support the lifelong learning needs of Kentucky citizens ..."; and

WHEREAS, *The Act* states that "the government of each of the state universities and the Kentucky Community and Technical College System is vested in its respective board of regents. Each board of regents ... shall constitute a body corporate, with the usual corporate powers, and with all immunities, rights, privileges, and franchises usually attaching to the governing bodies of educational institutions"; and

WHEREAS, *The Act* authorizes the KCTCS Board of Regents to "... receive grants of money and expend the same for the use and benefit of the colleges..."; and

WHEREAS, *The Act* states that "the governing board shall attempt in every practicable way to insure the institution's supplying its real needs at the lowest possible cost..."; and

WHEREAS, *The Act* states that "the acquisition and disposition of real property for the colleges under the jurisdiction of the Kentucky Community and Technical College board of regents that are the property of the University of Kentucky shall be approved by the Kentucky Community and Technical College System board of regents, which shall transmit the action to the University of Kentucky board of trustees for approval"; and

WHEREAS, the State Property and Buildings Commission and the Finance and Administration Cabinet of the Commonwealth of Kentucky have determined that the Commonwealth of Kentucky will reduce its annual debt service costs by refinancing certain bonds initially issued by the University of Kentucky for buildings now under the jurisdiction of the Kentucky Community and Technical College System; and

WHEREAS, the State Property and Buildings Commission and the Finance and Administration Cabinet of the Commonwealth of Kentucky have requested the KCTCS Board of Regents approve the call of certain bond issues for the purpose of refinancing said issues,

NOW, THEREFORE, BE IT RESOLVED, pursuant to the Memoranda of Agreement ("Agreements") on Delegation and Assumption dated January 14, 1998, and January 30, 2001, by and between the Board of Regents of the Kentucky Community and Technical College System (the "KCTCS") and the Board of Trustees of the University of Kentucky (the "University"), the KCTCS hereby directs the University to call Educational Buildings Revenue Bonds Series I; Educational Buildings Revenue Bonds Series J; and certain bonds of Educational Buildings Revenue Bonds Series A, C, F and H (Second Series) prior to maturity and hereby acknowledges and consents to such call for redemption prior to maturity.

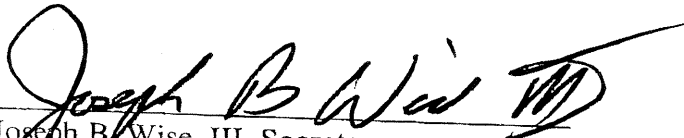
Through review and analysis of the above bond issues and current market conditions, it has been determined that considerable cost savings can be achieved by the refinancing of these issues. The State Property and Buildings Commission will issue new bonds to achieve said refinancing with the resulting debt being assumed and managed by the Commonwealth of Kentucky.


BE IT FURTHER RESOLVED, that the KCTCS President and such other officers as may be required are authorized to take such other and further actions as shall be necessary and helpful in effectuating the call of said bond issues.

BE IT FURTHER RESOLVED, that the KCTCS President is hereby authorized and directed to take such action as he deems appropriate to carry out the transactions contemplated in the foregoing Resolutions.

ADOPTED, this fifteenth day of August, 2003.

ATTEST:


Joseph B. Wise, III, Secretary
KCTCS Board of Regents


Cynthia L. Read, Chair
KCTCS Board of Regents