

# CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

## Minutes

March 29, 2023

### Call to Order and Roll Call

The March meeting of the Capital Projects and Bond Oversight Committee was held on March 29, 2023, at 9:00 AM in Room 131 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

### Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Deanna Frazier Gordon, Co-Chair; Senator Shelley Funke Frommeyer, Senator Jason Howell, Representative Jason Petrie, and Representative Walker Thomas.

Guests: Ryan Barrow, Executive Director, Office of Financial Management; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Kevin Cardwell, Deputy State Budget Director,, Office of State Budget Director; Buddy Hoskinson, Executive Director, Office of Unemployment Insurance, Education and Labor Cabinet; Andy Casebier, Assistant Vice President, Kentucky Community and Technical College System (KCTCS); Michael McKinney, Division Director, Office of Support Services, Department of Corrections, Justice and Public Safety Cabinet; and, Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet.

LRC Staff: Jenny Bannister and Spring Emerson.

### Approval of Minutes

Representative Thomas moved to approve the minutes of the February 21, 2023 meeting. The motion was seconded by Co-Chair Frazier Gordon, and the minutes were approved without objection.

### Information Items

Ms. Bannister outlined the information items as KRS 45.760(5) Postsecondary Medical, Scientific, and Research Equipment Purchase - University of Kentucky, and KRS 45.812(1) School District Debt Issues - New Projects for Bullitt County, Corbin Independent (Whitley County), Hancock County, McLean County; and Menifee County.

### Report from the Office of Financial Management

Mr. Barrow presented information on the Action Item - School District Debt Issues with School Facilities Construction Commission (SFCC) Debt Service Participation - New Projects. Senator Funke Frommeyer moved to roll the SFCC debt issues into one roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled into one, as approved by voice vote.

Co-Chair Frazier Gordon moved to approve the SFCC debt issues. The motion was seconded by Representative Thomas, and the debt issues were approved by roll call vote.

Ms. Williams presented information on Kentucky Infrastructure Authority (KIA) Loans and Grant Reallocations. Motion was made by Co-Chair Frazier Gordon to roll these into one roll call vote. The motion was seconded by Senator Howell, and the votes were rolled into one, as approved by roll call vote.

The items included loans for Wastewater Revolving Loan Fund (Fund A) - City of Hardinsburg (Breckinridge County), A23-010; Infrastructure Revolving Loan Fund (Fund B) - City of Bardstown (Nelson County), B23-003; Infrastructure Revolving Loan Fund (Fund B) - Garrard County Water Association (Garrard County), B23-005; Drinking Water State Revolving Fund (Fund F) - Hyden-Leslie County Water District (Leslie County), F23-001; Drinking Water State Revolving Fund (Fund F) - City of Lebanon F/B/O Lebanon Water Works Company (Marion County), F23-009S; Drinking Water State Revolving Fund (Fund F) - City of Scottsville (Allen County), F23-119L.

Also included were grant reallocations for Round One Cleaner Water Program County Pool Grant Reallocations (one sewer, two water); Round Two Cleaner Water Program County Pool Grant Reallocations (two sewer, three water); and, Cleaner Water Program Grants for Sewer (twenty-four - County Pool) and Water (fifty-two - County Pool).

In response to a question from Senator Funke Frommeyer regarding where the funds are allocated from, Ms. Williams said the KIA has received funds from the US Environmental Protection Agency (EPA) Capital Grants which require a twenty percent state match, coming from the General Fund.

In response to a question from Co-Chair Frazier Gordon regarding where the repaid loan funds go, Ms. Williams said those funds go back into the loan fund for reuse on future projects.

In response to questions from Representative Petrie regarding reallocations, Ms. Williams explained that local government entities are asked for their consensus on submitted projects and the amount of funding required. There are no partial reallocations made. Each project is considered on a case-by-case basis.

Senator Funke Frommeyer moved that the loans and grant allocations be approved. Senator Howell seconded the motion, and they were approved by roll call vote without objection.

### **Project Report from the Finance and Administration Cabinet**

Mr. Cardwell presented information on Action Item - New Project - Education and Labor Cabinet, Office of Unemployment Services - UI Connect Mobile Vehicle Purchase and Action Item - Appropriation Increase - Kentucky Community and Technical College System, Construct On-Site Training Center-Hardin County.

Co-Chair Frazier Gordon moved to roll these items into one roll call vote. The motion was seconded by Senator Howell, and the items were rolled into one vote without objection.

In response to questions from Representative Petrie regarding the Unemployment Insurance project, Mr. Hoskinson said the project began approximately one year ago, and is funded by an Equity Grant through August 2024.

In response to questions from Representative Petrie regarding the recent news that \$75 million was found in the KCTCS system, Mr. Cardwell said he was not aware of the recent audit. Mr. Casebier said the press report was inaccurate and their college fund balance is at normal levels.

Representative Petrie moved to approve the new project and appropriation increase. The motion was seconded by Representative Thomas, and they were approved by roll call vote.

Mr. Cardwell presented information on the Pool Allocation - Maintenance Pool - Justice and Public Safety Cabinet, Department of Corrections, Eastern Kentucky Correctional Complex Repairs and Renovations Project, requiring no action by the committee.

In response to a question from Representative Petrie regarding the Pool Allocation for the Department of Corrections, Mr. Cardwell said the project is for design only. Mr. McKinney explained that it is a design/consultation project with the Division of Engineering and Contract Administration within the Finance and Administration Cabinet and the request is for additional funding to complete the plans.

#### **Lease Report from the Finance and Administration Cabinet**

Mr. Aubrey presented information on eight Cabinet for Health and Family Services lease renewals, a Unified Prosecutorial System lease renewal, a Department of Public Advocacy lease renewal, two Department of Corrections lease renewals, and a new lease for the Transportation Cabinet in Campbell County. Representative Thomas moved to roll these votes into one roll call vote. Senator Howell seconded the motion, and the votes were rolled into one.

The projects included Lease Renewals for the Cabinet for Health and Family Services in Franklin County, PR-1621; Franklin County, PR-3282; Knott County, PR-3976; Letcher County, PR-4487; Rowan County, PR-4867; Daviess County, PR-5087; Madison County, PR-5283; and Perry County, PR-5395. Also included were Lease Renewals for the Unified Prosecutorial System in Fayette County, PR-3374; Department of Public Advocacy in Fayette County, PR-5095; Department of Corrections in Jefferson County, PR-5370, and Fayette County, PR-5445. The last item was a New Lease for the Transportation Cabinet in Campbell County, PR-5729.

In response to a question from Senator Howell regarding the space leasing process, Mr. Aubrey said generally speaking, they do not look for other spaces.

In response to a question from Senator Funke Frommeyer regarding actual usage and the possibility of interaction with other agencies, Mr. Aubrey said they do work with other agencies on leasing spaces.

In response to a question from Senator Funke Frommeyer regarding a fiduciary review of facilities, Ms. Bannister said lease space renewals should be accessible for those using those services. There are considerable costs involved with leases. Some agencies try to combine spaces as much as possible. Representative Petrie commented that we should be careful with administrative costs, as it may require a statutory mechanism to consider.

Representative Thomas moved to approve the lease renewals and the new lease. The motion was seconded by Senator Howell, and the projects were approved by roll call vote.

**Adjournment**

The next meeting date is set for April 25, 2023 at 11:00 AM, in Room 131 of the Capitol Annex.

There being no further business before the committee, the meeting was adjourned at 9:55 AM.