

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

April 25, 2023

Call to Order and Roll Call

The April meeting of the Capital Projects and Bond Oversight Committee was held on April 25, 2023, at 11:00 AM in Room 131 of the Capitol Annex. Representative Deanna Frazier Gordon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

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

Guests: Elizabeth Baker, Sr. Director for Strategic Capital Planning and Legislative Analysis, University of Kentucky; Chris Crumrine, Director of Government Relations, College of Agriculture, Food, and Environment, University of Kentucky; Bobbi Carlton, Lease Administration Manager, University of Louisville; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Scott Aubrey, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet; Ryan Barrow, Executive Director, Office of Financial Management; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; and, Katie Smith, Deputy Cabinet Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development.

LRC Staff: Jenny Bannister and Spring Emerson.

Approval of Minutes

Senator Funke Frommeyer moved to approve the minutes of the March 29, 2023 meeting. The motion was seconded by Senator Howell, and the minutes were approved without objection.

Information Items

Ms. Bannister outlined the information items as KRS 26A.168(1), KRS 45.793, and KRS 45.818 Quarterly Capital Projects Status Reports; KRS 45.760(5) Postsecondary Medical, Scientific, and Research Equipment Purchases - University of Kentucky; KRS 45.760 (6) Postsecondary Fund Source Revisions - University of Kentucky, Renew/Modernize Facilities (Improve Memorial Coliseum) Project; KRS 45.812(1) School District Debt Issues - New Projects; and, KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Methods - University of Kentucky.

Project Report from the Postsecondary Institutions - University of Kentucky - Emergency Replacement Project - Replace Princeton Ancillary Buildings Emergency Project

Ms. Baker provided a project report for the UK Emergency Replacement Project for Princeton Ancillary Buildings.

Action Item - Lease Report from the Postsecondary Institutions

Ms. Carlton provided information on a lease modification for the University of Louisville Elizabethtown Dental Clinic.

Ms. Baker provided a lease report from the University of Kentucky, along with information on four new leases for UK Healthcare which included Family and Community Medicine, PR-8522; Urgent Care Clinic, PR-8527; Plastic and Reconstructive Surgery Outpatient Program, PR-8529; and, General and Weight Loss Surgery Clinic, PR-8530.

Senator Webb moved to roll the individual items into one roll call vote. The motion was seconded by Senator Howell, and the items were rolled into one roll call vote without objection.

In response to questions from Senator Funke Frommeyer, Mr. Crumrine said the College of Agriculture, Food, and Environment Princeton Campus has several revenue sources, including state and federal research funds, fees for services such as soil sample testing, as well as grant dollars provided through private partners such as the Soybean Association as one example.

In response to questions from Representative Thomas regarding the plans to rebuild, Mr. Crumrine said the intention is to rebuild the main building, auditorium community spaces, and lab buildings, while taking advantage of the opportunity to find new efficiencies. They are working closely with the stakeholders in the region and keeping them updated on their progress.

Senator Howell thanked them for their hard work and expressed his appreciation for them not just building back, but building better.

Senator Webb requested that the committee be kept informed on improvements as they take shape.

Co-Chair Girdler moved to approve the leases. The motion was seconded by Representative Thomas, and the leases were approved by unanimous roll call vote.

Project Report from the Finance and Administration Cabinet

Ms. Tomes provided a project report from the Finance and Administration Cabinet, which included three New Projects (Amendments) as well as one appropriation increase.

In response to questions from Senator Funke Frommeyer and Representative Petrie regarding the Kentucky Community and Technical College System (KCTCS) Newtown Administration Building Extension project, Mr. Casebier said it was a historic building left on the property when Eastern State Hospital relocated, and is being restored using \$9.5 million in asset preservation funds. The necessary improvements are considered new construction, and therefore cannot utilize asset preservation funds, thus the need for the \$5 million in restricted funds being requested.

Representative Petrie commented that the new location of the Administration Building is necessary in order to deliver services more effectively. Senator Webb also expressed her support for the project.

Mr. Casebier said an attempt was made to find a way to do this as two separate projects, but that would ultimately result in a much greater expense.

Representative Herron moved to approve the request. The motion was seconded by Representative Thomas, and the request was approved by unanimous roll call vote.

Ms. Tomes continued with reporting items that require no action. They included a Medical Equipment Purchase - Health and Family Services Cabinet, Department for Public Health; and two Pool Allocations; Health and Family Services Cabinet, Department for Behavioral Health, Developmental Disabilities, CHFS General Administration and Program Support Maintenance Pool 2020-2022 - Repair/Replace Water Tower Project (Outwood Facility); and, Tourism, Arts, and Heritage Cabinet, State Fair Board Maintenance Pool 2022-2024 for the Freedom Hall Acoustic Project, the Gate Replacements Project (Kentucky Exposition Center), and, Freedom Hall Seating Replacement. There were no questions.

Lease Report from the Finance and Administration Cabinet

Mr. Aubrey provided information on Lease Renewals for the Finance and Administration Cabinet. Senator Howell moved to roll four lease renewals into one roll call vote. The motion was seconded by Senator Webb, and the roll was approved without objection.

The action items were a Lease Renewal (Rate Increase) - Cabinet for Health and Family Services, Bullitt County, PR-3083; Lease Renewals for Unified Prosecutorial System, Jefferson County, PR-2591; Cabinet for Health and Family Services, McCracken County, PR-3689; and, Kentucky Transportation Cabinet, Jefferson County, PR-5683.

There being no questions, Representative Thomas moved to approve the lease renewals. The motion was seconded by Senator Howell, and the renewals were approved by unanimous roll call vote.

Report from the Office of Financial Management

Ms. Williams provided information on action items for the Kentucky Infrastructure Authority (KIA), including an Infrastructure Revolving Fund (Fund A) Program Loan - City of Lebanon and Cleaner Water Program Grants.

There being no questions, Co-Chair Girdler moved to approve the loan and grants. The motion was seconded by Senator Webb, and the loan and grants were approved by unanimous roll call vote.

Ms. Smith provided information on action items for the Cabinet for Economic Development - Economic Development Fund Grants. Senator Howell moved to roll the three grants into one roll call vote. The motion was seconded by Senator Webb, and the grants were rolled into one vote without objection.

The grants are City of Richmond on behalf of the Richmond Industrial Development Corporation; Greenup County Fiscal Court on behalf of the Northeast Kentucky Industrial Authority, Inc.; and, Laurel County Fiscal Court on behalf of the London-Laurel County Economic Development Authority.

There being no questions, Senator Howell moved to approve the grants. The motion was seconded by Senator Webb, and the grants were approved by unanimous roll call vote.

Mr. Barrow provided information on the Action Item - New Kentucky Housing Corporation Conduit Debt Issue, KHC Multifamily Revenue Bonds, Series 2023 (Sheehan Landing).

There being no questions, Co-Chair Girdler moved to approve the debt issue. The motion was seconded by Representative Thomas, and the debt issue was approved by unanimous roll call vote.

Mr. Barrow provided information on Action Item - Kentucky Asset/Liability Commission Project Notes, 2023 Highway Trust Fund (GARVEEs) First Refunding Series A.

There being no questions, Representative Petrie moved to approve the debt issue. The motion was seconded by Senator Howell and the debt issue was approved by unanimous roll call vote.

Mr. Barrow presented information on Action Items - School District Debt Issues with School Facilities Construction Commission (SFCC) Debt Service Participation - New Projects. Senator Howell moved to roll the debt issues into one roll call vote. The motion was seconded by Senator Webb, and they were rolled into one vote.

The debt issues included Fort Thomas Independent, Jefferson County, Lewis County, Logan County, Oldham County, and Paintsville Independent. There being no questions, Representative Thomas moved to approve the SFCC debt issues. The motion was seconded by Representative Herron, and the debt issues were approved by unanimous roll call vote.

Next Meeting Date

The next meeting will be held on Tuesday, May 23, 2023 at 11:00 AM in Room 131 of the Capitol Annex, with Senator Girdler presiding. Submissions are due May 9, 2023.

Adjournment

There being no further business before the committee, the meeting was adjourned at 12:00 noon.