

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

October 25, 2023

Call to Order and Roll Call

The October meeting of the Capital Projects and Bond Oversight Committee was held on October 25, 2023, at 3:00 PM 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: Senator Rick Girdler Co-Chair; Representative Deanna Frazier Gordon Co-Chair; Senators Shelley Funke Frommeyer, and Jason Howell; Representatives Keturah Herron, Jason Petrie, and Walker Thomas.

Guests: Ryan Barrow, Executive Director, Office of Financial Management; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Kylee Palmer, Director of Program Administration, Department for Financial Services, Cabinet for Economic Development; Sarah Butler, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development; Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; and, Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services.

LRC Staff: Katherine Halloran, Savannah Wiley, and Spring Emerson.

Approval of Minutes

Senator Howell moved to approve the minutes of the September 27, 2023 meeting. The motion was seconded by Co-Chair Girdler, and the minutes were approved without objection.

Information Items

Ms. Halloran provided an overview of information items which consisted of various reports including quarterly capital projects status reports, annual capital projects reports, annual report of outstanding debt, and the semi-annual report of the Kentucky Asset/Liability Commission. Other information items included postsecondary medical and research equipment purchases, and notice of advertisement for leased space for the Department for Community Based Services.

Report from the Office of Financial Management

Mr. Barrow presented four school district debt issues with School Facilities Construction Commission (SFCC) participation, which included Augusta Independent (Bracken County), Elizabethtown Independent (Hardin County), Lee County, and Spencer County.

Senator Howell moved to roll the four debt issues into one roll call vote. The motion was seconded by Representative Walker, and they were rolled into one vote.

There being no questions, Co-Chair Girdler moved to approve the four SFCC debt issues. The motion was seconded by Senator Howell, and the debt issues were approved by roll call vote without objection.

Ms. Williams presented information from the Kentucky Infrastructure Authority on a Fund B loan as well as thirty Cleaner Water Program grants. Senator Howell moved to roll the thirty-one items into one roll call vote. The motion was seconded by Co-Chair Girdler, and was approved by roll call vote without objection.

There being no questions, Senator Howell moved to approve the thirty-one KIA transactions. The motion was seconded by Co-Chair Girdler, and they were approved by roll call vote without objection.

Ms. Palmer provided information on two Economic Development Fund grants. Senator Howell moved to roll them into one roll call vote. The motion was seconded by Co-Chair Girdler, and the votes were rolled into one. The grants included City of Owensboro on behalf of the Greater Owensboro Economic Development Corporation and the Martin County Fiscal Court on behalf of the Martin County Economic Development Authority.

In response to a question from Senator Funke Frommeyer regarding the usage of the Owensboro property, Ms. Palmer said a new industrial park is planned.

In response to a question from Representative Petrie, Ms. Palmer said an independent evaluator had been utilized to determine the business probabilities.

There being no further questions, Senator Howell moved to approve the grants. The motion was seconded by Senator Funke Frommeyer, and the grants were approved by roll call vote without objection.

Lease Report from the Postsecondary Institutions - University of Kentucky

Ms. Baker presented information on one New Lease and one Lease Modification. Senator Howell moved to roll the two items into one roll call vote. The motion was seconded by Co-Chair Girdler, and the items were rolled into one vote.

The New Lease was for UK HealthCare's Emergency Psychiatric Assessment Treatment Health Program, Eastern State Hospital, Fayette County, PR-8561. The Lease Modification of at least \$50,000 (Amortization of Improvements) was for UK HealthCare

King's Daughters' Family Practice and Urgent Care Clinics, Lawrence County (Ohio), PR-320818.

There being no questions, Senator Howell moved to approve the two lease transactions. The motion was seconded by Co-Chair Girdler, and the items were approved by roll call vote without objection.

Project Report from the Finance and Administration Cabinet

Ms. Tomes presented seven items requiring action and five items requiring no action. Senator Howell moved to roll the seven action items into one roll call vote. The motion was seconded by Co-Chair Girdler, and the items were rolled into one vote.

The seven items were 1. Capital Construction and Equipment Purchase Contingency Account Transfer – Justice and Public Safety Cabinet, Department of Corrections, Relocation of Medical Services; 2. New Projects – Postsecondary Education, Kentucky Community and Technical College System (a) Nursing Program Renovation – Big Sandy Community and Technical College, Pikeville; (b) Mobile Healthcare Labs – Owensboro Community and Technical College; (c) Roof Replacement, Franklin Center – Southcentral Kentucky Community and Technical College; (d) Signage – Southcentral Kentucky Community and Technical College; (e) Acquire Property – Bluegrass Community and Technical College, Winchester; and, 3. New Project (Amendment) – General Government, Department of Military Affairs, DMA Wendell H. Ford Regional Training Center Cypress Creek Restoration.

In response to a question from Representative Petrie regarding the balance in contingency, Ms. Tomes said the transfer that occurred on September 27, 2023 was enough to meet the need of the projects, and the account now has a nearly zero balance.

There being no further questions, Senator Howell moved to approve the seven action items. Co-Chair Girdler seconded the motion, and the items were approved by roll call vote without objection.

The five items requiring no action included B. Emergency Repair, Maintenance, or Replacement Project (Amendment) – Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions, Green River Correctional Complex Fire Building K Power House; C. Pool Allocations 1. Finance and Administration Cabinet, Facilities and Support Services (Maintenance Pool – 2022-2022 and Historic Properties Deferred Maintenance), Berry Hill Mansion Miscellaneous Repairs; 2. Finance and Administration Cabinet, Facilities and Support Services (HVAC Replacement/Rebuild-Variou), Central Lab Chiller Replacement; 3. Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pools – 2020-2022 and 2022-2024), Blackburn Correctional Complex – New Gymnasium Building; and, 4. Postsecondary Education, Kentucky Community and Technical College System (KCTCS

Equipment Pool – 2022-2024), Projector System – Big Sandy Community and Technical College. There were no questions.

Lease Report from the Finance and Administration Cabinet

Ms. Brawner presented information on a Lease Report from the Finance and Administration Cabinet – Lease Modification Under \$50,000 (Amortization of Improvements) – Public Protection Cabinet, department of Alcoholic Beverage Control, Franklin County, PR-5611, for which no action was required. There were no questions.

Remaining Calendar Year 2023 Meeting Dates

The next meeting date is Wednesday, November 15, at 3:00 PM in Room 131 of the Capitol Annex, with Senator Girdler presiding. Submissions are due November 1.

The December meeting is scheduled for Thursday, December 14, at 3:00 PM in Room 131 of the Capitol Annex, with Representative Frazier Gordon presiding. Submissions are due December 1.

Adjournment

There being no further business before the committee, the meeting was adjourned at 3:33 PM.