

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

March 26, 2024

Call to Order and Roll Call

The March meeting of the Capital Projects and Bond Oversight Committee was held on March 26, 2024, at 10:00 AM in Room 171 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; and Representative Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; Kylee Palmer, Director of Program Administration, Department for Financial Services, Cabinet for Economic Development; and, Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

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

Information Items

Ma. Halloran outlined the information items as KRS 45.812(2) School District Debt Issues - New Projects; KRS 45.760(5) Postsecondary Medical Equipment Purchases - University of Kentucky; KRS 45.812(2) School District Debt Issues - New Projects for 1) Ashland Independent in Boyd County, 2) Casey County, 3) Daviess County, 4) Pineville Independent in Bell County, and 5) Scott County; KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Method - Northern Kentucky University - Construction Manager-General Contractor, Expand Herrmann Science Center; and, KRS 45A.860(3) Reports from the Auditor of Public Accounts. There were no questions.

Project Report from the Finance and Administration Cabinet - Pool Allocations

Ms. Tomes provided information on the Postsecondary Education, Kentucky State University (Asset Preservation Pool - 2022-2024) - Combs Hall Renovation, as well as the following items from the Tourism, Arts and Heritage Cabinet: 1) Kentucky State Fair Board (Property Improvements) - Kentucky Exposition Center Renovation Design; 2) Department of Parks (House Bill 26 Wastewater Treatment and Infrastructure Upgrades Pool) - Carter Caves State Resort Park Sewer Upgrades - Phase II; and, 3) Department of Fish and Wildlife Resources

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/13>

(Fees-in-Lieu-Of Stream Mitigation Projects Pool) for Possom Hollow in Butler County, Tributary to Twelvemile Creek in Campbell County, and Slabcamp Branch in Rowen County. Those six projects required no action. There were no questions.

Action Item - Lease Report from the Finance and Administration Cabinet

Ms. Brawner provided information on a New Lease - Cabinet for Health and Family Services, Department for Community Based Services - McCreary County, PR-5769, as well as Lease Renewals (Same Terms and Conditions) for the following: 1) General Government Cabinet a. Department of Agriculture - PR-4804, Franklin County, and b. Unified Prosecutorial System - PR2591, Jefferson County; 2) Education and Labor Cabinet, Department of Workforce Development - PR-5181, Fayette County; 3) Energy and Environment Cabinet, Office of the Secretary - PR-5343, Perry County; 4) Cabinet for Health and Family Services, General Administration and Program Support - PR-4882, Franklin County; 5) Cabinet for Health and Family Services, Office for Children with Special Healthcare Needs - PR-4354, Fayette County; 6) Cabinet for Health and Family Services, Department for Income Support - PR-3590, Franklin County; 7) Cabinet for Health and Family Services, Department for Community Based Services for a. PR-2829 in Montgomery County, b. PR-3282 in Franklin County, c. PR-3665 in Barren County, d. PR-3855 in Bourbon County, e. PR-4460 in Pulaski County, f. PR-4487 in Letcher County, g. PR-5373 in Warren County, h. PR-5720 in Graves County; 8) Justice and Public Safety Cabinet, a. Department of Corrections, Division of Probation and Parole - PR-5412, Daviess County, and b. Department of Public Advocacy - PR-5095, Fayette County; and, 9) Transportation Cabinet, Department of Vehicle Regulation, Division of Driver Licensing - PR-5683, Jefferson County. Also included was a Lease Modification of At Least \$50,000 (Amortization of Improvements) - General Government Cabinet, Occupational and Professional boards and Commissions, Board of Accountancy - Jefferson County, PR-5711. There were no questions.

Report from the Office of Financial Management

Ms. Williams presented information on fifteen loans and thirteen Cleaner Water Program grants, as follows: 1) Clean Water State Revolving Fund (Fund A) Program Loans, a. City of Ashland (Boyd County), A-22-005; b. City of Providence (Webster County), A23-001S; c. Adair County Water District (Adair County), A24-007; c. City of Springfield f/b/o Springfield Water and Sewer Commission (Washington County), A24-016S. 2) Infrastructure Revolving Fund (Fund B) Program Loan - Bronston Water Association (Pulaski County), B22-005 (Increase), 3) Drinking Water State Revolving Fund (Fund F) Program Loans: a. City of Providence (Webster County), F22-021; b. City of Springfield f/b/o Springfield Water and Sewer Commission (Washington County), F24-005; c. Martin County Water District (Martin County), F24-022L; d. City of Paintsville f/b/o Paintsville Utilities Commission (Johnson County), F24-026L; e. Southern Water and Sewer District (Floyd County), F24-036L; f. City of Prestonsburg f/b/o Prestonsburg City Utilities Commission (Floyd County), F24-037L; g. City of Pikeville (Pike County), F24-048L; h. Ohio County Water District (Ohio County), F24-051L;

i. City of Ashland (Boyd County), F24-056L; and, j. Mountain Water District (Pike County), F24-063L. Cleaner Water Program Grants included: a. Round One (Senate Bill 36) - Sewer (One - County Pool Reallocation); b. Round One (Senate Bill 36) - Water (Two - Supplemental Pool/Two - County Pool Reallocations); c. Round Two (House Bill 1) - Sewer (Three - County Pool Reallocations; and, d. Round Two (House Bill 1) - Water (Five - County Pool Reallocations). There were no questions.

Ms. Smith and Ms. Palmer presented information on thirteen Economic Development Fund (EDF) Grants, as follows: 1) City of Bardstown on behalf of the Nelson County Fiscal Court; 2) City of Hodgenville on behalf of the LaRue County Fiscal Court; 3) City of Somerset on behalf of the Somerset-Pulaski Economic Development Authority; 4) City of Winchester on behalf of the Winchester-Clark County Industrial Development Authority; 5) Clinton County Fiscal Court on behalf of the Clinton County Industrial Development Authority; 6) Graves County Fiscal Court on behalf of Graves County Economic Development; 7) Green County Fiscal Court on behalf of the Green Economic Team; 8) Laurel County Fiscal Court on behalf of the London-Lauren County Economic Development Authority; 9) Logan County Fiscal Court on behalf of the Logan Industrial Development Authority; 10) Montgomery County Fiscal Court on behalf of the Mount Sterling-Montgomery County Industrial Authority; 11) Scott County Fiscal Court on behalf of the City of Georgetown; 12) Wayne County Fiscal Court on behalf of the Monticello-Wayne County Industrial Authority; and, 13) Webster County Fiscal Court on behalf of the Webster County Industrial Development Authority. There were no questions.

Mr. Starkweather presented information on four new debt issues as well as two school district debt issues with School Facilities Construction Commission (SFCC) participation. The four new debt issues included: 1) Northern Kentucky University General Receipts Refunding Bonds, 2024 Series A; 2) Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Chenoweth Wood Apartments), Series 2024; 3) State Property and Buildings Commission Revenue Bonds, Project No. 130 Series A; Revenue Refunding Bonds, Project No. 130 Series B; and Revenue Refunding Bonds, Project No. 130 Series C (Optional Tender); 4) Kentucky Asset/Liability Commission Project Notes, 2024 Federal Highway Trust Fund (GARVEEs) First Refunding Series A. The two school district issues with SFCC participation included a new project in Mercer County and refunding in Calloway County. There were no questions.

Adjournment

The next meeting is scheduled for April 23, 2024 at 3:00 PM in Room 131. There being no further business before the committee, the meeting was adjourned at 10:40 AM.

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

February 27, 2024

Call to Order and Roll Call

The February meeting of the Capital Projects and Bond Oversight Committee was held on February 27, 2024, at 4:00 PM in Room 129 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; Senators Shelley Funke Frommeyer, Jason Howell, and Robin L. Webb; Representatives Keturah Herron, Jason Petrie, and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Jennifer Linton, Director of Capital Planning and Facilities Management, Kentucky State University (KSU); Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority (KIA); Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; and, Ryan Barrow, Executive Director, Governor's Office of Financial Management.

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

Approval of Minutes

Senator Howell moved to approve the minutes of the January 30, 2024 meeting. The motion was seconded by Representative Thomas, and the minutes were approved without objection.

Information Items

Ms. Halloran outlined the Information Items as KRS 45.812(2) School District Debt Issues and House Bill 1 Postsecondary Education Asset Preservation Pool Project Revisions - Eastern Kentucky University. There were no questions.

Project Report from the Finance and Administration Cabinet

Ms. Tomes presented information on three projects requiring action and four projects requiring no action. A motion was made by Senator Howell to roll the three action items into one roll call vote. The motion was seconded by Co-Chair Girdler, and the items were rolled into one vote without objection.

The three action items included New Project (Amendment) - Education and Labor Cabinet, Kentucky Educational Television, KET Next Gen Conversion; as well as New Projects a) General Government Cabinet, Department of Military Affairs, DMA Construct Jackson Field Maintenance Shop; and, b) Postsecondary Education, Kentucky State University, Blazer Library Renovation.

In response to questions from Senator Funke Frommeyer, Ms. Linton said KSU qualifies for Title III Federal Funds that are intended for projects that strengthen the institution and increase capacities for students. The Library Renovation project amounts to \$1.7 million and is fully funded with Title III Federal Funds, and does not require any matching funds.

There being no further questions, a motion was made by Senator Howell to approve the three action items. The motion was seconded by Senator Webb, and the items were approved without objection by unanimous roll call vote.

Ms. Tomes presented information on Pool Allocations - Justice and Public Safety Cabinet a) State Police (Maintenance Pool 2022-2024), Information Services Center HVAC Replacement; b) Department of Corrections, Adult Correctional Institutions (Maintenance Pool 2022-2024), KCIW Lonnie Watson HVAC Repairs/Replacement; and, Postsecondary Education, Kentucky Community and Technical College System (Asset Preservation Pool - 2022-2024) a) Mechanical Equipment and Controls - Henderson Community College; and, b) Renovate Pineville Campus - Southeast Kentucky Community and Technical College. These four projects required no action, and there were no questions.

Lease Report from the Finance and Administration Cabinets

Ms. Brawner presented two New Leases that require action. Senator Howell moved to roll these two leases into one roll call vote. The motion was seconded by Senator Webb, and the items were rolled into one vote without objection.

The two leases included New Leases - Cabinet for Health and Family Services, Department for Community Based Services for Grant County, PR-5717, and Fleming County, PR-5768.

In response to a question from Senator Funke Frommeyer regarding the lease amounts, Ms. Brawner said both of these projects are new construction. Senator Webb commented that she is familiar with Fleming County and similar rural areas that have vacant older buildings and limited availability, where new construction would be necessary.

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

Report from the Office of Financial Management

Ms. Williams presented information for five loans and twenty-four grants. Co-Chair Girdler 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.

The items were five loans that included Clean Water State Revolving Fund (Fund A) Program Loan - City of Danville (Boyle County), A23-014; Governmental Agencies (Fund C) Program Loan - Barkley Lake Water District (Trigg County), C24-001; Drinking Water State Revolving Fund (Fund F) Program Loans for City of Cynthiana (Harrison County), F22-028 (Increase); City of Danville (Boyle County), F23-003S; and, City of Lebanon (Marion County), F24-001S.

The Cleaner Water Program Grants included a. Round One (Senate Bill 36) - Sewer (One Supplemental Pool/Two - County Pool Reallocations); b. Round One (Senate Bill 36) - Water (One - Supplemental Pool/Four - County Pool Reallocations); c. Round Two (House Bill 1) - Sewer (Two - Supplemental Pool/One - County Pool Reallocation); and, d. Round Two (House Bill 1) - Water (Seven - Supplemental Pool/Four - County Pool Reallocations).

The remaining grants included House Bill 1 Line-Item Grants for a) Sewer - Fredericks Landing Wastewater for City of Wilder; and, b) Water - Georgetown Municipal Water and Sewer Service.

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

Ms. Smith presented information on three Economic Development Fund (EDF) Grants requiring action. Senator Howell moved to roll the three items into one roll call vote. The motion was seconded by Co-Chair Girdler, and the grants were rolled into one vote.

The EDF grants included Campbell County Fiscal Court on behalf of the Campbell County Economic Progress Authority; City of Jeffersontown (Jefferson County) on behalf of Papa John's; and, Logan County Fiscal Court on behalf of the Logan Industrial Development Authority.

In response to a question from Senator Funke Frommeyer regarding when to expect results on the investment, Ms. Smith said that once approved, the disbursements can be made monthly until the full amount has been utilized. After that, notices are sent out annually, typically at the end of the fiscal year, asking for a status report of the project. It usually takes one to two years after the initial investment to locate a potential site for an economic development project.

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

Mr. Barrow presented information on three new debt issues, as well as four school district debt issues with School Facilities Construction Commission (SFCC) participation. Senator Howell moved to roll the three new debt issues into one roll call vote. The motion was seconded by Senator Funke Frommeyer, and the votes were rolled into one.

The three new debt issues included Morehead State University General Receipts Bonds, 2024 Series A and Refunding Bonds, 2024 Series B; Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Garden Place Apartments), Series 2024; and, State Property and Buildings Commission Revenue Bonds, Project No. 130 Series A and Refunding Bonds, Series B (Optional Tender). There being no questions, Senator Howell moved to approve the debt issues. The motion was seconded by Senator Webb, and the three new debt issues were approved by roll call vote.

Mr. Barrow also presented the Previous Debt Issue - Kentucky Housing Corporation Single Family Mortgage Revenue Bonds, 2024 Series A and Taxable 2024 Series B, for which no action was required. There were no questions.

Mr. Barrow presented four new School District Debt Issues with School Facilities Construction Commission (SFCC) participation. Senator Howell moved to roll the four debt issues into one roll call vote. The motion was seconded by Senator Webb, and the debt issues were rolled into one vote.

The new School District Debt Issues with SFCC participation included New Projects for Boone County, Leslie County, and Science Hill Independent (Pulaski County); as well as Refunding - Allen County. There were no questions. Senator Howell moved to approve the four SFCC debt issues. The motion was seconded by Senator Webb, and the four issues were approved without objection by unanimous roll call vote.

Next Meeting Date

The next meeting is Tuesday, March 19, upon adjournment of both chambers, in room 131 of the Capitol Annex with Co-Chair Girdler presiding. Submissions are due by March 5.

Adjournment

There being no further business before the committee, the meeting was adjourned at 4:43 PM.