

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

July 29, 2025

Call to Order and Roll Call

The July meeting of the Capital Projects and Bond Oversight Committee was held on July 29, 2025, at 1:00 PM in Room 131 of the Capitol Annex. Senator Shelley Funke Frommeyer, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Shelley Funke Frommeyer Co-Chair; Representative Shawn McPherson Co-Chair; Senators Rick Girdler, Scott Madon, and Reginald L. Thomas; Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Mike Hammond, Assistant Director, Department of Parks; Michael Bosse, Commissioner, Department of Criminal Justice Training; Kevin Rader, Assistant Director, Department of Criminal Justice Training; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development (CED); Shannon McDonald, Director of Personnel and Finance, CED; and, Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

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

Approval of Minutes

Representative Walker Thomas moved to approve the minutes of the June 24, 2025 meeting. The motion was seconded by Co-Chair McPherson, and the minutes were approved without objection by voice vote.

Correspondence and Information Items

Ms. Halloran presented the correspondence and information items as A. KRS 26A.168(1), KRS 45.793, and KRS 45.818 Quarterly Capital Projects Status Reports; B. KRS 45.812 School District Debt Issues - New Projects for 1. Adair County, 2. Bell County, 3. Edmonson County, and 4. Powell County; C. KRS 56.823(11)(a) Space Lease Modifications Under \$50,000; D. Postsecondary Asset Preservation Pool Projects, which included 1. House Bill 6 (2024 Regular Session) -- Kentucky Community and Technical College System, and 2. House Bill 6 (2024 Regular Session) and House Bill 1 (2022 Regular Session) for a. Eastern Kentucky

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University, and b. Murray State University; and, E. Kentucky Communications Network Authority Capital Projects.

In response to a question from Chair Funke Frommeyer regarding a Stream Mitigation Pool Project listed in the quarterly Capital Projects Status Report print dated July 16, 2025, Ms. Tomes said that was a Fees in Lieu Of (FILO) project using stream mitigation funds administered by the Department for Fish and Wildlife, for which she will check into and follow up.

Project Report from the Finance and Administration Cabinet

Ms. Tomes presented information on a new project and appropriation increase requiring action and three items requiring no action. The action items were for 1. New Project - Tourism, Arts, and Heritage Cabinet, Department of Fish and Wildlife Resources, Camp Earl Wallace Dining Hall; and 2. Appropriation Increase - General Government Cabinet, Department of Military Affairs, Construct Armory Addition - Shelbyville.

Representative Walker Thomas moved to approve the New Project. The motion was seconded by Representative Stalker, and the project was approved without objection by unanimous roll call vote.

In response to a question from Representative Petrie regarding a funding split change on the Camp Earl Wallace Dining Hall project, Ms. Tomes said there were no delays as a result of the change.

Co-Chair McPherson moved to approve the Appropriation Increase. The motion was seconded by Senator Madon, and the increase was approved without objection by unanimous roll call vote.

Ms. Tomes provided information for B. Emergency Repair, Maintenance, or Replacement Projects, which included 1. Tourism Arts and Heritage Cabinet, Department of Parks, Fort Boonesborough - Flood Remediation February 2025; and 2. Amendment - Justice and Public Safety Cabinet, Kentucky State Police, KSP Supply Branch Facility Fire July 2024; as well as C. Pool Allocation - Justice and Public Safety Cabinet, Criminal Justice Training (Maintenance Pool - 2024-2026), Weber Building HVAC Repair, for which no action was required.

In response to a question from Representative Petrie regarding the Fort Boonesborough project, Mr. Hammond said the Federal Emergency Management Agency (FEMA) provided funds to repair the flood damage. In response to a question from Chair Funke Frommeyer regarding the reason for the remediation project, Mr. Hammond said the prior electrical infrastructure upgrade projects included only resort parks which were being used for

sheltering. This project is for the campground.

In response to a question from Representative Petrie regarding geothermal well deficiencies at the Weber Building, Mr. Bosse and Mr. Rader said the space was bigger than the geothermal system could effectively service, and this project would eliminate the need for the supplemental heating system.

Lease Report from the Finance and Administration Cabinet

Ms. Brawner presented information on a Tenant Improvement Fund Request - All Occupants, Mayo-Underwood Building, Franklin County, PR-5537, which required action.

Senator Girdler moved to approve the fund request. The motion was seconded by Senator Reginald Thomas, and the request was approved without objection by unanimous roll call vote.

Report from the Office of Financial Management

Kentucky Infrastructure Authority

Ms. Williams provided information on three sewer and water loans and a cleaner water program grant reallocation, requiring action. Representative Petrie moved to roll the four action items into one roll call vote. The motion was seconded by Senator Madon, and the votes were rolled into one without objection.

The action items included 1. Loans for a. Clean Water State Revolving Fund (Fund A) Program Loan - City of Shepherdsville (Bullitt County), A25-023S, and b. Drinking Water State Revolving Fund (Fund F) Program Loans - City of Auburn (Logan County), F25-024 and F25-024L; as well as 2. Cleaner Water Program Grant County Pool Reallocation - Round Two (House Bill 1 - 2022 Regular Session) - Sewer (One).

In response to a question from Representative Petrie regarding any monies left in the cleaner water program fund, Ms. Williams said that all available funds have been awarded to specific projects. In this case, the original project came in under budget, which resulted in a balance of \$10,468 in ARPA funds. Those funds are reallocated only when it is certain they would be used before the deadline of December 31, 2026.

Senator Madon moved to approve the four action items. Co-Chair McPherson seconded the motion, and the loans and grant were approved without objection by unanimous roll call vote.

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Economic Development Fund Grants

Ms. Palmer and Ms. McDonald presented information on six Economic Development Fund (EDF) grants, requiring action. Representative Walker Thomas moved to roll the six grants into one roll call vote. The motion was seconded by Co-Chair McPherson, and the votes were rolled into one without objection.

The grants included 1. City of Danville on behalf of the Danville-Boyle County Economic Development Corporation; 2. City of Somerset on behalf of the Somerset-Pulaski Economic Development Authority; 3. Hopkins County Fiscal Court on behalf of the Madisonville-Hopkins County Economic Development Corporation; 4. Laurel County Fiscal Court on behalf of the London-Laurel County Economic Development Authority; 5. Montgomery County Fiscal Court on behalf of the Mt. Sterling-Montgomery County Industrial Authority; and, 6. Taylor County Fiscal Court on behalf of the Campbellsville-Taylor County Economic Development Authority.

Senator Girdler moved to approve the grants. The motion was seconded by Senator Reginald Thomas, and the grants were approved without objection by unanimous roll call vote.

Office of Financial Management

Mr. Starkweather presented information on a New Debt Issue - Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (SOCAYR Northern Kentucky Portfolio), Series 2025, for which action was required.

Senator Madon moved to approve the new conduit debt Issue. The motion was seconded by Representative Walker Thomas, and the issue was approved without objection by unanimous roll call vote.

Mr. Starkweather presented information on two Previous Debt Issues that required no action.

The debt issues included 2. Previous Debt Issues for a. Kentucky Housing Corporation Single Family Mortgage Revenue Bonds, 2025 Series C (Non-AMT) and 2025 Series D (Taxable); as well as, b. Kentucky Higher Education Student Loan Corporation Student Loan Revenue Bonds, 2025 Senior Series A-1 (Tax Exempt AMT Fixed Rate Bonds) and 2025 Senior Series A-2 (Taxable Fixed Rate Bonds).

Mr. Starkweather presented information on three School District Debt Issues With School Facilities Construction Commission (SFCC) Debt Service Participation - New Projects,

requiring action. Representative Walker Thomas moved to roll the three debt issues into one roll call vote. The motion was seconded by Co-Chair McPherson, and the votes were rolled into one without objection.

The School District Debt Issues with SFCC Debt Service Participation included 1. Fleming County, 2. Russell Independent (Greenup County), and 3. Washington County.

In response to a question from Senator Reginald Thomas, Mr. Starkweather said the Fleming County project was for an elementary school, the Greenup County project was for two schools, and the Washington County project was for a new high school athletic facility. Senator Girdler pointed out that the Russell Independent school is in Greenup County, rather than Russell County which is in his district. Senator Reginald Thomas moved to approve the SFCC debt issues. The motion was seconded by Senator Girdler, and the debt issues were approved by roll call vote.

Remaining Calendar Year 2025 Meeting Dates

Remaining dates will be on Tuesdays at 1:00 PM, except December which will be at 3:00 PM, in Room 131 of the Capitol Annex.

Aug. 26 - Rep. McPherson, Chair (Submissions due Aug. 12)

Sept. 23 - Sen. Funke Frommeyer, Chair (Submissions due Sept. 9)

Oct. 21 - Rep. McPherson, Chair (Submissions due Oct. 7)

November meeting TBD

Dec. 16 - Rep. McPherson, chair (Submissions due Dec. 2)

Adjournment

There being no further business before the committee, the meeting was adjourned at 1:52 PM.