

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

September 23, 2025

Call to Order and Roll Call

The September meeting of the Capital Projects and Bond Oversight Committee was held on September 23, 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; Scott Baker, Executive Director, Office of Facility Development and Efficiency, Department for Facilities and Support Services, Finance and Administration Cabinet; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development (CED); Shannon McDonald, Chief Financial and Administrative Officer, CED; and Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

LRC Staff: Katherine Halloran and Spring Emerson.

Approval of Minutes

Representative Petrie moved to approve the minutes of the August 26, 2025 meeting. The motion was seconded by Co-Chair McPherson, and the minutes were approved by voice vote without objection.

Information Items

Ms. Halloran reported the Information Items as A. KRS 45.760(5) Postsecondary Medical and Research Equipment Purchases - University of Kentucky; B. KRS 45.812(1) School District Debt Issues – New Projects for 1. Clay County, 2. East Bernstadt (Laurel County), 3. Henderson County, 4. Oldham County, and 5. Shelby County; C. KRS 56.813(2)(a)3.b. Leasehold Improvements under \$10,000; and D. House Bill 6 (2024 Regular Session) Pool Allocations - Postsecondary Education, Kentucky Community and Technical College System (Efficient Operations and Innovation Plan) for 1. Somerset Community College Replace Laurel South Campus Phase II, 2. Jefferson Community and Technical College Replace

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

Hartford Hall Phase II, and 3. Southcentral Kentucky Community and Technical College Replace Glasgow Campus.

Project Report from the Finance and Administration Cabinet

Janice Tomes, Deputy State Budget Director, Office of State Budget Director, presented an appropriation increase and two new projects requiring action and four pool allocations requiring no action. Representative Walker Thomas moved to roll the action items into one roll call vote. The motion was seconded by Senator Rick Girdler, and the action items were rolled into one vote.

The action items included 1. Appropriation Increase - Tourism, Arts, and Heritage Cabinet, Department of Fish and Wildlife Resources - Cumberland Forest Conservation Program/Ataya, and 2. New Projects - General Government, Department of Military Affairs for a. Ashland Readiness Center Window Replacement, and b. Kentucky Army National Guard Maneuver and Training Equipment Sites HVAC Fort Knox.

Co-Chair McPherson moved to approve the appropriation increase and two new projects. Senator Madon seconded the motion, and the action items were approved without objection by unanimous roll call vote.

The pool allocations which required no action included 1. Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pool - 2024-2026) - Kentucky State Penitentiary Repair/Replace HVAC System 4 Cell House; 2. Cabinet for Health and Family Services, Department for Behavioral Health, Developmental and Intellectual Disabilities (General Administration and Program Support Maintenance Pool - 2024-2026) - Oakwood-Replace Eight HVAC and Seven Hot Water Tanks; 3. Finance and Administration Cabinet, Department for Facilities and Support Services (Green Bank Revolving Loan Fund) - Green Bank Energy Savings and Performance Contract; and, 4. Tourism, Arts, and Heritage Cabinet, Department of Parks (House Bill 268 Lodge Roof Replacement and Repairs Pool) - Lake Barkley-Lodge Main Building Roof Replacement.

In response to Representative Walker Thomas, Ms. Tomes said the Kentucky State Penitentiary is the Eddyville facility.

In response to Chair Funke Frommeyer, Mr. Baker said the roof replacement project procurement, as with other projects, is a statutory advertised open procurement, low bid award process and the roofing specifications, such as years of experience, are to ensure a 20-year warranty. There is no ownership criteria.

Lease Report from the Finance and Administration Cabinet

Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support

Services, presented information on two lease modifications requiring action. Senator Madon moved to roll the two lease modifications into one roll call vote. The motion was seconded by Senator Girdler, and the votes were rolled into one without objection by voice vote.

The lease modifications included A. Amortization of Improvements and Space Increase - General Government, Auditor of Public Accounts, PR-3920, and B. Amortization of Improvements - Education and Labor Cabinet, Workers Compensation Funding Commission, PR-5904. Representative Stalker moved to approve the lease modifications. The motion was seconded by Senator Girdler and the lease modifications were approved without objection by unanimous roll call vote.

Report from the Office of Financial Management

Kentucky Infrastructure Authority

Sandy Williams, Executive Director, Kentucky Infrastructure Authority, presented information on one sewer loan and three Cleaner Water Program sewer grant reallocations requiring action and one line-item water grant reallocation requiring no action. Senator Girdler 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 by voice vote.

The action items included 1. Clean Water State Revolving Fund (Fund A) Program Loan - City of Monticello (Wayne County), A25-037S; 2. Cleaner Water Program Grant Reallocations - Sewer (County Pool) for a. Round One (Senate Bill 36 - 2021 Regular Session) - One, and b. Round Two (House Bill 1 - 2022 Regular Session) - Two.

In response to Chair Funke Frommeyer, Ms. Williams said that it is common for sewer replacement work to include sewer evaluation surveys, which may contribute to increased engineering fees.

Senator Girdler moved to approve the four action items. The motion was seconded by Representative Walker Thomas, and the action items were approved without objection by unanimous roll call vote.

Ms. Williams continued with 3. House Bill 1 (2024 Regular Session) Line-Item Water Grant, for which no action was required.

Cabinet for Economic Development - Economic Development Fund Grants

Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development, presented information on six Economic Development Fund grants

requiring action. Senator Girdler 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 by voice vote.

The grants included 1. Louisville-Jefferson County Metro Government on behalf of Vsimple; 2. Breckinridge County Fiscal Court on behalf of Breckinridge County United; 3. Northern Kentucky Port Authority on behalf of the City of Erlanger (Kenton County); 4. Todd County Fiscal Court on behalf of the Todd County Industrial Foundation; 5. Washington County Fiscal Court on behalf of the Springfield-Washington County Economic Development Authority (Lincoln Business Park); and, 6. Washington County Fiscal Court on behalf of the Springfield-Washington County Economic Development Authority (P&E Land).

Senator Girdler moved to approve the six Economic Development Fund grants. The motion was seconded by Senator Madon, and the six grants were approved without objection by unanimous roll call vote.

Office of Financial Management

Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management, presented information on one new debt issue and four School Facilities Construction Commission (SFCC) debt issues requiring action, as well as one previous debt issue requiring no action.

The new debt issue was 1. Western Kentucky University General Receipts Bonds, 2025 Series A. Co-Chair McPherson moved to approve the new debt issue. The motion was seconded by Representative Walker Thomas, and the new debt issue was approved without objection by unanimous roll call vote.

Mr. Starkweather continued with the previous debt issue 2. Kentucky Housing Corporation Conduit Multifamily Revenue Bonds (SOCAYR-Bywater WKY Portfolio), Series 2025, for which no action was required. In response to Co-Chair McPherson, Mr. Starkweather said that the developer provided the cost per unit data. Co-Chair McPherson and Chair Funke Frommeyer expressed their concern over the disparity in cost per unit between buildings.

The next action items were for four SFCC debt issues. Representative Walker Thomas moved to roll the four items into one roll call vote. The motion was seconded by Representative Stalker, and the votes were rolled into one without objection by voice vote. Mr. Starkweather presented information on four School District Debt Issues with SFCC Debt Service Participation for New Projects, which included 1. Knott County, 2. Lincoln County, 3. Wayne County, and 4. Whitley County. Senator Madon moved to approve the four debt issues. The motion was seconded by Senator Girdler, and the issues were approved without

objection by unanimous roll call vote.

Remaining Calendar Year 2025 Meeting Dates

Remaining meeting dates for 2025 are as follows:

Oct. 21 (1:00 PM) - Representative McPherson, Chair (submissions due Oct. 7)

Nov. 20 (Noon) - Senator Funke Frommeyer, Chair (submissions due Nov. 6)

Dec. 16 (3:00 PM) - Representative McPherson, Chair (submissions due Dec. 2)

Adjournment

There being no further business before the committee, the meeting was adjourned at 1:41 PM.