

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

October 21, 2025

Call to Order and Roll Call

The October meeting of the Capital Projects and Bond Oversight Committee was held on October 21, 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 and Reginald L. Thomas; and Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet; Nathan Dyer, Branch Manager, Construction and Real Properties, Department of Juvenile Justice, Justice and Public Safety Cabinet; Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development; and, Chelsey Couch, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran and Spring Emerson.

Approval of Minutes

Co-Chair McPherson moved to approve the minutes of the September 23, 2025 meeting. The motion was seconded by Representative Walker Thomas, and the minutes were approved without objection by voice vote.

Information Items

Ms. Halloran presented the Information Items as A. KRS 26A.168(1), KRS 45.793, and KRS 45.818 Quarterly Capital Projects Status Reports; B. KRS 45.760(5) Postsecondary Medical, Scientific, and Research Equipment Purchases for 1. University of Kentucky and 2. University of Louisville; C. KRS 45.760(6) Postsecondary Fund Source Revision (No Aggregate Appropriation Increase) - University of Kentucky - Facilities Renewal and Modernization (Improve Memorial Coliseum); D. KRS 45.760(9) Annual Capital Projects Reports; E. KRS 45.810(6) Annual Report of Bonds Outstanding; F. KRS 45.812(1) School District Debt Issues – New Projects for 1. Beechwood Independent (Kenton County), 2. Carlisle County, 3. Grant County, 4. Greenup County, 5. Jackson County, 6. Kenton County, and 7. Nelson County; G. KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting

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

Project Delivery Method - University of Kentucky - Construction Management-At-Risk - Improve Kroger Field 1 (Renovate Corner Suites and Elevators); H. KRS 56.863(11) Semi-Annual Report of the Kentucky Asset/Liability Commission; I. KRS 65.4931(3) Louisville Arena Authority Report; and, J. House Bill 6 (2024 Regular Session) Postsecondary Education Asset Preservation Pool Allocations for 1. University of Kentucky, and 2. Kentucky Community and Technical College System.

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 leases and a lease renewal requiring action. Senator Girdler moved to roll them into one roll call vote. The motion was seconded by Representative Walker Thomas, and the votes were rolled into one without objection.

The new leases were for 1. Cabinet for Health and Family Services, Department for Community Based Services, Jefferson/Bullitt County, PR-5912, and 2. Justice and Public Safety Cabinet, Department of Juvenile Justice (DJJ), Hardin County, PR-5886. The lease renewal (Same Terms and Conditions) was for Education and Labor Cabinet, Department of Workforce Development, PR-4435.

In response to Chair Funke Frommeyer, Ms. Brawner said the Hardin County lease has been in place since 2002, and had not been subject to a rate increase during that period. Nathan Dyer, Branch Manager, Construction and Real Properties, DJJ, said the Hardin County facility is for the day treatment program/alternative school. The only response received as a result of the Request for Proposal (RFP) for leased space was the current owner.

In response to Senator Reginald Thomas, Mr. Dyer cited Owensboro as an example and stated that few lessors respond to proposals to lease space for day treatment centers and that parameters such as public transportation accessibility further narrows the scope of available properties. Representative Walker Thomas moved to approve the leases and lease renewal. The motion was seconded by Co-Chair McPherson, and they were approved without objection by roll call vote.

Report from the Office of Financial Management

Cabinet for Economic Development - Economic Development Fund Grants

Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development presented information on seven Economic Development Fund (EDF) grants requiring action. Senator Girdler moved to roll the seven grants into one roll call vote. The motion was seconded by Representative Stalker, and the votes were rolled into one without objection.

The grants included 1. Allen County-Scottsville Industrial Development Authority on behalf of the City of Scottsville; 2. Big Sandy Area Development District on behalf of Weddington Plaza Partners (Pike County); 3. City of Owensboro on behalf of Mizcan America (Daviess County); 4. Louisville-Jefferson County Metro Government on behalf of Anthro Energy, Inc.; 5. City of Henderson on behalf of the Henderson County Economic Development Corporation; 6. City of Paducah on behalf of the Paducah-McCracken County Industrial Development Authority; and, 7. Northern Kentucky Area Development District on behalf of the City of Carrollton (Carroll County). Senator Reginald Thomas moved to approve the seven EDF grants. The motion was seconded by Co-Chair McPherson, and the grants were approved without objection by roll call vote.

Office of Financial Management

Chelsey Couch, Executive Director, Office of Financial Management (OFM), presented information on a new debt issue for Kentucky Housing Corporation Multifamily Housing Revenue Bonds (Park Hill Algonquin Acres), Series 2025A, Series 2025B, and Subordinate Series 2025C. Senator Girdler 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 roll call vote.

Chelsey Couch, Executive Director, Office of Financial Management, presented information on school district debt issues with School Facilities Construction Commission (SFCC) debt service participation, which included 1. New Projects in a. Edmonson County and b. Knox County; 2. Refundings in a. Calloway County, b. Hardin County, and c. McCracken County. Representative Walker Thomas moved to approve the SFCC debt issues. The motion was seconded by Co-Chair McPherson, and the SFCC issues were approved by roll call vote.

Remaining Calendar Year 2025 Meeting Dates

November 20 (12:00 PM) - Rep. McPherson, Chair (Submissions due Nov. 6)

December 16 (3:00 PM) - Rep. McPherson, Chair (Submissions due Dec. 2)

Adjournment

There being no further business before the committee, the meeting was adjourned at 1:40 PM.