

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

July 16, 2026

Call to Order and Roll Call

The July meeting of the Capital Projects and Bond Oversight Committee was held on July 16, 2026, at 3:00 PM ET/2:00 PM CT 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; Senator Scott Madon; Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Chris Smith, Branch Manager, Office of Support Services, Kentucky Transportation 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; and Bob Miller, Executive Director, Office of Financial Management.

LRC Staff: Katherine Halloran and Spring Emerson.

Approval of Minutes

Senator Madon moved to approve the minutes of the June 18, 2026 meeting. The motion was seconded by Co-Chair McPherson, 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 45.800(2) Notification; C. KRS 45.812(1) School District Debt Issues - New Projects for 1. Eminence Independent (Henry County), 2. Muhlenburg County, and 3. Rockcastle County; D. KRS 56.813(2)(a)3.b. Leasehold Improvements under \$10,000; E. House Bill 6 (2024 Regular Session) Reporting - Postsecondary Asset Preservation Pool Allocation - Northern Kentucky University; and, F. Previous School District Debt Issues with School Facilities Construction Commission Debt Service Participation.

Project Report from the Finance and Administration Cabinet

Janice Tomes, Deputy State Budget Director, Office of State Budget Director, presented information on 3 new projects requiring action and 2 emergency projects requiring no action. Senator Madon moved to roll the 3 action items into a single roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled without objection by voice vote. The action items included 1. Transportation Cabinet - Department of Highways for a. Whitehaven Rest Area Renovation and b. Boone County North and South Bound Rest Area Remodel and New Construction; and 2. General Government, Department of Military Affairs - BGS Building 14 Infrastructure Updates and Modernization.

In response to Chair Funke Frommeyer, Mr. Smith said the Boone County North and South Rest Areas are open, but the tourist portion of the Whitehaven Rest Area near Paducah is closed. On the northbound side of the Boone County rest area, the truck expansion is a separate project than the renovation project. As the parking areas are expanded, there will be a need for more restrooms, and the plan is to renovate the facility to accommodate those needs, which would also include upgrading the water and sewer.

Senator Madon commented that he stops in the Frankfort rest area often, and noticed it is always very clean and well kept.

Chair Funke Frommeyer expressed her appreciation for expediency.

Senator Madon moved to approve the 3 new projects. The motion was seconded by Representative Stalker, and the projects were approved without objection by roll call vote.

Deputy Director Tomes continued with the Emergency Repair, Maintenance, or Replacement Projects - Tourism, Arts and Heritage Cabinet which required no action. Those projects included 1. (Amendment) - Department of Parks - Fort Boonesborough-Flood Remediation February 2025 and 2. Kentucky Horse Park Commission - Emergency Covered Arena Flooding January 2026.

Lease Report from the Finance and Administration Cabinet

Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, presented information on 3 new leases requiring action and a lease modification requiring no action. Representative Thomas moved to roll the new leases into a single roll call vote. The motion was seconded by Representative Stalker, and the votes were rolled without objection by voice vote.

The new leases included 1. Rate Increases - Justice and Public Safety Cabinet for a. Department of Corrections, Jefferson County, PR-5586; b. Kentucky State Police, Hopkins

County, PR-5930; and, 2. Education and Labor Cabinet, Kenton County, PR-5330.

In response to Representative Thomas, Director Brawner said they attempt to negotiate longer lease terms whenever possible, but lease terms are determined by the lessor.

In response to Co-Chair McPherson, Director Brawner said the Education and Labor Cabinet project was negotiated directly with the City of Covington which resulted in a lower lease rate.

Chair Funke Frommeyer expressed her appreciation.

Representative Stalker moved to approve the new leases. The motion was seconded by Senator Madon, and the leases were approved without objection by roll call vote.

Director Brawner continued with information on B. Lease Modification Under \$50,000 (Amortization of Improvements) - Cabinet for Health and Family Services, Department for Community Based Services, Jefferson County, PR-5912, for which no action was required.

Lease Modification Under \$50,000 (Amortization of Improvements) - Cabinet for Health and Family Services, Department for Community Based Services, Jefferson County, PR-5912

Report from the Office of Financial Management

OFM - Kentucky Infrastructure Authority - Sandy Williams, Executive Director, KIA, presented information on 6 Cleaner Water Program grant reallocations and an EKSAFE Grant reallocation requiring action. Representative Thomas moved to roll the 7 items into a single roll call vote. The motion was seconded by Senator Madon, and the votes were rolled into a single vote without objection by voice vote.

The grant reallocations included 1. Cleaner Water Program a. Round One (Senate Bill 36 - 2021 Regular Session - Sewer (Two - County Pool); b. Round One (Senate Bill 36 - 2021 Regular Session) - Water (One - Supplemental Pool); c. Round Two (House Bill 1 - 2022 Regular Session) - Sewer (One - County Pool); d. Round Two (House Bill 1 - 2022 Regular Session) Water (Two - County Pool); and, 2. East Kentucky State Aid Funding for Emergencies (House Bill 1 - Extraordinary Session) - Water (One).

In response to Co-Chair McPherson, Director Williams said these projects are reallocations, and there is a spending deadline of December 31, 2026, for these funds. In some cases, projects that utilities thought would move forward did not. In other cases, budget estimates were lower than anticipated, which resulted in leftover funds. Sometimes the bid estimates came in higher, and extra dollars were needed. Reallocations are used in order to keep the federal funds and use them accordingly.

In response to Representative Petrie, Director Williams said that even though the EKSAFE funding is set up for water/wastewater facilities or equipment damaged by flooding, the Olive Branch residential area water storage tank is partially funded by EKSAFE. The tank is in a high-ground residential area, which replaces the flooded region where the residents cannot return due to continuing flooding issues.

Representative Thomas moved to approve the grant reallocations. The motion was seconded by Chair Funke Frommeyer, and the grant reallocations were approved without objection by roll call vote. Chair Funke Frommeyer said even though the measure passes, further explanation is needed on the EKSAFE grant reallocation.

OFM - EDF Grants - Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development presented information on 3 Economic Development Fund Grants requiring action. Senator Madon moved to roll the votes into a single roll call vote. The motion was seconded by Representative Thomas and the votes were rolled without objection.

Representative Thomas moved to unroll the 3 votes and to vote on them separately. The motion was seconded by Co-Chair McPherson, and the votes were separated without objection.

Commissioner Palmer presented information on Item 1. Russell County Fiscal Court on behalf of the Russell County Industrial Development Authority; 2. Cumberland County Fiscal Court on behalf of the Burkesville-Cumberland County Industrial Development Authority; and 3. City of Berea (Madison County) on behalf of the Central Kentucky Business Park Authority.

In response to Representative Petrie, Commissioner Palmer said the local matches were provided through the beneficiaries.

In response to Chair Funke Frommeyer, Commissioner Palmer said information on the return on investment will be provided to the committee for the Berea project.

In response to Representative Petrie, Commissioner Palmer said the nature of the infrastructure improvements will be provided to the committee for the Berea project.

In response to Chair Funke Frommeyer, Commissioner Palmer said the Berea project is a continued effort to expand the Business Park, and more information will be provided.

Representative Thomas moved to approve the Russell County project. Co-Chair McPherson

seconded the motion, and the project was approved without objection by roll call vote.

Representative Thomas moved to approve the Cumberland County project. Co-Chair McPherson seconded the motion, and the project was approved without objection by roll call vote.

Representative Thomas moved to approve the City of Berea project. The motion was seconded by Senator Madon. This project was not approved, due to a lack of votes. The project will be addressed again next month.

Office of Financial Management - Bob Miller, Executive Director, Office of Financial Management presented information on new debt issues requiring action and a previous debt issues requiring no action. The first New Debt Issue was 1.a. Kentucky Housing Corporation Single Family Mortgage Revenue Bonds, 2026 Series E (Non-AMT) and 2026 Series F (Taxable). Representative Stalker moved to approve the new debt issue. The motion was seconded by Chair Funke Frommeyer, and the debt issue was approved without objection by roll call vote.

Director Miller continued with 1.b. University of Louisville General Receipts Refunding Bonds, Series 2026 B. Senator Madon moved to approve the new debt issue. The motion was seconded by Co-Chair McPherson, and the debt issue was approved without objection by roll call vote.

Director Miller also presented information on School District Debt Issues with School Facilities Construction Commission Debt Service Participation - New Projects, which included 1. Hancock County. Senator Madon moved to approve the debt issue. The motion was seconded by Co-Chair McPherson, and the debt issue was approved without objection by roll call vote.

Director Miller continued with SFCC Debt Issues, which also included 2. Taylor County. Representative Thomas moved to approve the debt issue. The motion was seconded by Senator Madon, and the debt issue was approved without objection by roll call vote.

Remaining Calendar Year 2026 Meeting Dates

The remaining meeting dates for calendar year 2026 are as follows:

Aug. 20 - Rep. McPherson, Chair (submissions due Aug. 6)

Sep. 17 - Sen. Funke Frommeyer, Chair (submissions due Sep. 3)

Oct. 15 - Rep. McPherson, Chair (submissions due Oct. 1)

Nov. 19 - Sen. Funke Frommeyer, Chair (submissions due Nov. 5)

Dec. 17 - Rep. McPherson, Chair (submissions due Dec. 3)

Adjournment

There being no further business, the meeting was adjourned at 4:00 PM ET/3:00 PM CT.