

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

September 23, 2021

Call to Order and Roll Call

The 9th meeting of the Capital Projects and Bond Oversight Committee was held on Thursday, September 23, 2021, at 3:30 PM, in Room 169 of the Capitol Annex. Representative Chris Freeland, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler, Co-Chair; Representative Chris Freeland, Co-Chair; Senator Robin L. Webb; and Representatives Jason Petrie and Walker Thomas.

Guests: Jeff Spoelker, Associate Athletic Director, University of Louisville; Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director; Sandy Williams, Deputy Executive Director, Kentucky Infrastructure Authority; and Ryan Barrow, Executive Director, Office of Financial Management.

LRC Staff: Shawn Bowen, Korey Sallee, and Ashton Thompson.

Approval of Minutes

A motion was made by Representative Thomas to approve the August 25, 2021, minutes, seconded by Senator Girdler, and approved by voice vote.

Information Items

Mr. Sallee referenced one information item: three local school district bond issues for Estill, Jefferson, and Kenton Counties.

Project Report from the University of Louisville

Mr. Spoelker submitted a request for an authorization increase of \$4 million for the Athletics Enhancements in New Dormitory project. This project will update graphics, branding, and other athletic enhancements in the new dormitory, scheduled to open in August 2022. The project was authorized as a line item in House Bill 192 of the 2021 Regular Session, \$2 million other funds (cash). Additional funding is needed due to an increase in materials and labor costs, as well as a change of project scope. The revised project scope is \$6 million (cash).

A motion was made by Representative Thomas to approve the appropriation increase, seconded by Senator Girdler, and approved by unanimous roll call vote.

Project Report from the Finance and Administration Cabinet

Mr. Cardwell reported a new federally-funded Information Technology System project for the Education and Workforce Development Cabinet, Kentucky Education Television, in the amount of \$11.5 million. The Next Gen Conversion project will update and replace end of life and failing equipment to bring broadcast and production equipment up to the new industry standard.

A motion was made by Representative Petrie to approve the project, seconded by Representative Thomas, and approved by unanimous roll call vote.

Mr. Cardwell reported two pool projects in excess of \$1 million dollars: the Justice and Public Safety Cabinet, Department of Criminal Justice Training, Schwendeman-Thompson HVAC and Building Systems project, \$1,535,500, funded from the Department of Criminal Justice Training 2020-2022 restricted fund maintenance pool; and the Finance and Administration Cabinet, Department for Facilities and Support Services, HVAC and Piping Phase Two project, \$2,200,000, funded from the Department for Facilities and Support Services 2020-2022 bond-funded maintenance pool.

Mr. Cardwell reported three information items that did not require committee action: two Fees-in-Lieu-of Stream Mitigation pool projects for the Tourism, Arts and Heritage Cabinet, Department of Fish and Wildlife Resources: Crow Creek project \$19,200,000; and East Fork Indian Repair project, \$1,500,000; and an amended Emergency Repair, Maintenance, or Replacement project in the amount of \$1,800,000 for the Tourism, Arts and Heritage Cabinet, Department of Parks, Fort Boonesborough Parkwide Flood Reconstruction project. The additional funding was requested by the Division of Engineering and Contract Administration as a result of increased equipment and material costs and the expanded scope of work due to damaged infrastructure.

Report from the Office of Financial Management Kentucky Infrastructure Authority Loans

Representative Thomas made a motion to roll the eight KIA loans into one roll call vote, seconded by Representative Petrie, and approved by unanimous voice vote.

Ms. Williams submitted eight KIA loans for the committee's approval: Fund A Loans-City of Elkton, Todd County (increase), 200,000; City of Hopkinsville, Christian County (increase), \$16,000,000; City of Sebree, Webster County (increase), \$1,153,164; Fund F Loans-City of Somerset, Pulaski County (increase), \$2,482,122; Cave Run Water Commission, Menifee County (increase), \$868,750; Morgan County Water District, \$3,262,000; and Letcher County Water and Sewer District, \$2,487,495 and \$4,000,000.

Representative Thomas made a motion to approve the eight KIA loans, seconded by Representative Petrie, and approved by unanimous roll call vote.

New Debt Issues

Representative Thomas made a motion to roll the two new debt issues into one roll call vote, seconded by Representative Freeland, and approved by unanimous voice vote.

Mr. Barrow reported two new debt issues: Kentucky Housing Corporation Single Revenue Refunding Bonds, Series 2021 A and B, \$59,600,000; and Northern Kentucky University General Receipts Refunding Bonds Series 2021 B, \$5,485,000.

Representative Thomas made a motion to approve the two new debt issues, seconded by Representative Petrie, and approved by unanimous roll call vote.

Previous Debt Issues

Mr. Barrow reported one previous debt issue: Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (330 Newtown Apartments), Series 2021, \$25,000,000.

School District Debt Issues with School Facilities Construction Debt Service

Representative Freeland moved to roll the five School Facilities Construction Commission (SFCC) school district debt issues into one roll call vote, and the motion was approved without objection.

Mr. Barrow reported five SFCC school district bond issues: New Project-Scott County, \$77,205,000; Refundings-Bowling Green Independent (Warren County), \$10,245,000; Lyon County, \$3,045,000; Scott County, \$17,725,000; and Webster County, \$4,635,000.

Representative Thomas made a motion to approve the SFCC school district debt issues, seconded by Representative Petrie, and approved by unanimous roll call vote.

Representative Petrie made a motion to change the October 21 meeting time to 2:00 PM, seconded by Representative Thomas, and approved without objection.

Representative Freeland announced the upcoming meeting at 2:00 PM on October 21. With there being no further business the meeting adjourned at 4:00 PM.