

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

April 23, 2024

Call to Order and Roll Call

The April meeting of the Capital Projects and Bond Oversight Committee was held on April 23, 2024, at 3:00 PM in Room 131 of the Capitol Annex. Representative Deanna Frazier Gordon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Deanna Frazier Gordon Co-Chair; Senator Rick Girdler Co-Chair; Representatives Keturah Herron, Jason Petrie, and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Kylee Palmer, Director of Program Administration, Department for Financial Services, Economic Development Cabinet; and, Ryan Barrow, Executive Director, Governor's Office of Financial Management.

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

Approval of Minutes

Representative Thomas moved to approve the minutes of the February 27, 2024 and March 26, 2024 meetings. The motion was seconded by Co-Chair Girdler, and the minutes were approved without objection.

Correspondence and Information Items

Ms. Halloran provided an overview of the correspondence and information items, which included KRS 26A.168(1), KRS 45.793, and KRS 45.818 Quarterly Capital Projects Status Reports; KRS 45.800(2)/KRS 45.810(3) and KRS 45.800(4)/KRS 45.810(4) Notifications; KRS 45.812(2) School District Debt Issues - New Projects, including a) Kentucky Interlocal School Transportation Association, b) LaRue County, c) McCreary County, and d) Warren County; KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Method - University of Kentucky - Construction Manager-General Contractor - Construct Agriculture Research Facility 2 (Meats & Food Development Ctr); KRS 56.863(11) Semi-Annual Report of the Kentucky Asset/Liability Commission; and, Previous School District Debt Issues with School Facilities Construction Commission Debt Service Participation.

Project Report from the Finance and Administration Cabinet

Ms. Tomes provided information on two appropriation increases requiring action and three projects requiring no action. Co-Chair Girdler moved to roll the two appropriation increases into one roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled without objection.

The appropriation increases included the General Government Cabinet, Kentucky Department of Veterans Affairs, Expansion of Lawn Crypts - Kentucky Veterans Cemetery West, and the Postsecondary Education, Kentucky Community and Technical College System, Jefferson Community and Technical College, Construct Parking Garage - Jefferson CTC. There were no questions. Representative Thomas moved to approve the two appropriation increases. The motion was seconded by Co-Chair Girdler, and the increases were approved without objection by roll call vote.

Ms. Tomes outlined three projects requiring no action as Emergency Repair, Maintenance, or Replacement Project (Amendment) - Tourism, Arts, and Heritage Cabinet, Department of Parks, General Butler - Lodge - Freeze Damage Repairs; as well as, Pool Allocations - Department of Education, Operations and Support Services - 1. State Schools HVAC Pool - 2020-2022, Kentucky School for the Blind HVAC, and, 2. Maintenance Pool - 2022-2024, Kentucky School for the Deaf Brady Hall Roof. There were no questions.

Lease Report from the Finance and Administration Cabinet

Ms. Brawner presented information on two lease renewals requiring action. Representative Herron moved to roll the two new lease renewals into one roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled without objection.

The lease renewals included the Cabinet for Health and Family Services, Department for Community Based Services for A. Pike County, PR-3626, and B. McCracken County, PR-3689. There were no questions. Co-Chair Girdler moved to approve the lease renewals. The motion was seconded by Representative Herron, and the lease renewals were approved without objection by roll call vote.

Report from the Office of Financial Management

Ms. Williams presented information from the Kentucky Infrastructure Authority (KIA) for eleven loans and twenty-one grants requiring action and one line-item grant requiring no action. Co-Chair Girdler moved to roll the action items into one roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled without objection.

The loans included the Clean Water State Revolving Fund (Fund A) Program Loan - City of Hodgenville (LaRue County), A24-122, and the Drinking Water State Revolving Fund (Fund

F) Program Loans, including a) LaRue County Water District (LaRue County), F24-006; b) City of Springfield f/b/o Springfield Water and Sewer Commission (Washington County), F24-013S; c) Grayson County Water District (Grayson County), F24-014L; d) Rowan Water Association (Rowan County), F24-019L; e) City of Danville (Boyle County), F24-027L; f) Bath County Water District (Bath County), F24-033L; g) City of Grayson f/b/o Grayson Utilities Commission (Carter County), F24-041L; h) Western Pulaski County Water District (Pulaski County), F24-042L; i) City of Owensboro f/b/o Owensboro Municipal Utilities (Davies County), F24-055L; and, j) City of Maysville (Mason County), F24-065L.

The grants included the Cleaner Water Program Grants, a) Round One (Senate Bill 36) - Sewer (One - County Pool Reallocation); b) Round One (Senate Bill 36) - Water (Two - County Pool Reallocations/One - Supplemental Pool); c) Round Two (House Bill 1) - Sewer (Three - County Pool Reallocations/Three - Supplemental Pool); and, d) Round Two (House Bill 1) - Water (Six - Supplemental Pool/Five - County Pool Reallocations). There were no questions. Representative Herron moved to approve the thirty-two KIA transactions. The motion was seconded by Representative Thomas, and the transactions were approved without objection by roll call vote.

The line-item grant included the House Bill 1 Line-Item Grant - Greenup Rt. 1 Line Upgrade - Reauthorization and Reallocation. The line-item grant required no action. There were no questions.

Ms. Palmer presented information from the Economic Development Cabinet for Action Item - Cabinet for Economic Development - Economic Development Fund Grants. Co-Chair Girdler moved to roll three votes into one roll call vote. The motion was seconded by Representative Herron, and the votes were rolled without objection.

The three Economic Development Fund (EDF) grants included 1. Breckinridge County Fiscal Court on behalf of the City of Hardinsburg; 2. City of Winchester on behalf of Washington Penn Plastic; and, 3. One East Kentucky on behalf of the City of Pikeville. There were no questions. Co-Chair Girdler moved to approve the three EDF grants. The motion was seconded by Representative Thomas, and the grants were approved without objection by roll call vote.

Mr. Barrow presented information from the Office of Financial Management on three new debt issues as well as three school district debt issues with School Facilities Construction Commission (SFCC) participation requiring action, and two prior debt issues requiring no action. Representative Thomas moved to roll the three new debt issues into one roll call vote. The motion was seconded by Representative Herron, and the votes were rolled without objection.

The new debt issues included a) Kentucky Housing Corporation Multifamily Tax-Exempt Mortgage Backed Bonds (Briarwood of Lexington Apartments), Series 2024; b) Kentucky Housing Corporation Single Family Mortgage Revenue Bonds, 2024 Series C and 2024 Series D; and, Murray State University General Receipts Bonds, 2024 Series A. There were no questions. Co-Chair Girdler moved to approve the three new debt issues. The motion was seconded by Representative Herron, and the debt issues were approved without objection by roll call vote.

Mr. Barrow continued with information on Previous Debt Issues for which no action was required. They included a) State Property and Buildings Commission Agency Fund Revenue Refunding Bonds, Project No. 129, and, b) Morehead State University General Receipts Bonds, 2024 Series A and General Receipts Refunding Bonds, 2024 Series B. There were no questions.

Mr. Barrow continued with School District Debt Issues with School Facilities Construction Commission Debt Service Participation - New Projects. Co-Chair Girdler moved to roll the three debt issues into one roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled into one.

The new projects included 1. Fleming County; 2. Marion County, and, 3. Wayne County. There were no questions. Representative Thomas moved to approve the three debt issues. The motion was seconded by Representative Herron, and the three SFCC debt issues were approved without objection by roll call vote.

Adjournment

The date of the May meeting is yet to be determined and will be announced when the decision has been made. There being no further business before the committee, the meeting was adjourned at 3:33 PM.