

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

May 23, 2024

Call to Order and Roll Call

The May meeting of the Capital Projects and Bond Oversight Committee was held on May 23, 2024, at 3:00 PM in Room 131 of the Capitol Annex. Senator Rick Girdler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Rick Girdler Co-Chair; Representative Deanna Frazier Gordon Co-Chair; Senators Shelley Funke Frommeyer, and Robin L. Webb; Representatives Jason Petrie, and Walker Thomas.

Guests: Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Jennifer Fraker, Director, Government Relations, University of Kentucky; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; and, Billy Aldridge, Financial Analyst, 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 April 23, 2024 meeting. The motion was seconded by Co-Chair Frazier Gordon, and the minutes were approved without objection.

Information Items

Ms. Halloran provided information for KRS 45.812(2) School District Debt Issues - New Projects in Ballard County, Bell County, Fort Thomas Independent (Campbell County), Franklin County, Hardin County, Hart County, Hazard Independent (Perry County), Morgan County, Oldham County, Paris Independent (Bourbon County), and Russell County.

Also included was KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Method - University of Kentucky - Design-Build - Construct UKHC Cancer Treatment Center and Ambulatory Outpatient Center (Thermal

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Utility Tunnel), as well as KRS 48.111(6)(a) Notices of Advertisement for Leased Space. The leased spaces were for the Cabinet for Health and Family Services, Department for Community Based Services in Leslie County, PR-5770 and Wayne County, PR-5827 and the Justice and Public Safety Cabinet, Kentucky State Police, Barren and Warren Counties, PR-5809. There were no questions.

Action Item - Public-Private Partnership Report from the University of Kentucky

Ms. Fraker presented information on two public-private partnerships (P3) requiring action. Co-Chair Frazier Gordon moved to roll the two projects into one roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled into one.

The two P3 projects included Construct/Improve Student Housing, for which the Ground Lease will form the basis of the approval, as well as Construct Retail/Parking Facilities 1 and 2 (Cancer/Ambulatory Facility Parking - UK HealthCare), for which the Development Agreement and Facilities Lease will form the basis of the approval.

In response to a question from Representative Petrie, Ms. Baker said that the housing project has one hundred percent equity.

Representative Thomas moved to approve the two P3 projects. The motion was seconded by Senator Webb, and the projects were approved without objection by roll call vote.

Project Report from the Finance and Administration Cabinet

Ms. Tomes presented information on three new projects requiring action and six projects requiring no action. Co-Chair Frazier Gordon moved to roll the new projects into one roll call vote. The motion was seconded by Senator Funke Frommeyer, and the votes were rolled into one vote without objection.

The projects were Action Item - New Projects - General Government Cabinet, Department of Military Affairs, for 1) Bluegrass Station Warehouse Building 415 HVAC Installation; 2) Ashland Readiness Center Envelope Renovation; and, 3) Boone National Guard Center G1 Building 124 Renovation. There were no questions. Co-Chair Frazier Gordon moved to approve the projects. The motion was seconded by Representative Thomas, and the three new projects were approved without objection by roll call vote.

The six projects requiring no action were for Emergency Repair, Maintenance, or Replacement Project (Amendment) - Department of Education, Operations and Support Services, Kentucky School for the Blind Evans Hall Emergency Water Damage Restoration, as well as Pool Allocations for 1. Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions for (a) Maintenance Pool - 2020-2022 and 2022-2024, Luther Lockett Correctional Complex-HVAC Replacement in Special

Management Unit, and (b) Maintenance Pool - 2022-2024, Western Kentucky Correctional Complex - Replace Kitchen Drain Lines; 2. Cabinet for Health and Family Services, Department for Behavioral Health, Developmental and Intellectual Disabilities (General Administration and Program Support Maintenance Pool - 2022-2024), (a) Central State Hospital Building Automation System Upgrade, and (b) Western State Hospital Building Patient Safety Enhancements - Phase II; and, 3. Energy and Environment Cabinet, Department for Environmental Protection (State-Owned Dam Repair - 2022-2024), Clements Lake.

In response to a question from Representative Petrie, Ms. Tomas verified the amount for the Clements Lake project ran over one million by \$8,200.

Action Item - Lease Report from the Finance and Administration Cabinet

Ms. Brawner presented information on two lease renewals and two tenant improvement fund requests requiring action. Co-Chair Frazier Gordon moved to roll the votes into one roll call vote. The motion was seconded by Representative Petrie, and the votes were rolled into one without objection.

The Lease Renewals were for 1. Same Terms and Conditions - Cabinet for Health and family Services, Department for Community Based Services, Clark County, PR-4849, and 2. Rental Rate Increase

The Tenant Improvement Fund Requests were for the Personnel Cabinet (LivingWell Health Clinics), Franklin County, for 1. Mayo-Underwood Building, PR-5537, and 2. 300 Building, PR-5411.

In response to a question from Co-Chair Frazier Gordon, Ms. Brawner said additional parking spaces had been included in the lease last year, and the rate on the existing spaces was increased.

Representative Thomas moved to approve the lease renewals and tenant improvement fund requests. The motion was seconded by Senator Webb, and the renewals and requests were approved by roll call vote without objection.

Report from the Office of Financial Management

Ms. Williams presented information on two loans and twenty-six Cleaner Water Program grants, requiring action. Co-Chair Frazier Gordon moved to roll them into one roll call vote. The motion was seconded by Senator Webb, and the votes were rolled into one without objection.

The two loans included 1. Clean Water State Revolving Fund (Fund A) Program Loan

(Increase) - Louisville and Jefferson County Metropolitan Sewer District (Jefferson County), A23-007E, and 2. Infrastructure Revolving Fund (Fund B) Program Loan - City of Somerset (Pulaski County), B27-007.

The Cleaner Water Program Grants included a. Round One (Senate Bill 36) - Sewer (Three - County Pool Reallocations/Two - Supplemental Pool); b. Round One (Senate Bill 36) - Water (Three - County Pool Reallocations/Two - Supplemental Pool); c. Round Two (House Bill 1) - Sewer (Three - County Pool Reallocations/One - Supplemental Pool; and, d. Round Two (House Bill 1) - Water (Nine - Supplemental Pool/Three - County Pool Reallocations).

There being no questions, Senator Webb moved to approve the KIA transactions. The motion was seconded by Representative Thomas, and the transactions were approved without objection by roll call vote.

Ms. Smith presented information on two Economic Development Fund grants. Co-Chair Frazier Gordon moved to roll them into one roll call vote. The motion was seconded by Senator Funke Frommeyer, and the votes were rolled into one without objection.

The grants included 1. City of Dawson Springs (Hopkins County) on behalf of West Hopkins Industries, and 2. Fulton County Fiscal Court on behalf of the Hickman-Fulton County Riverport Authority.

In response to a question from Senator Funke Frommeyer, Ms. Smith said these grants were being requested for approval for payment under Round Two of the 2022 KPDI program. Funds in that program will continue to be utilized through the end of this year.

Mr. Aldridge provided information on two debt issues requiring no action, which included 1. New Debt Issue - Turnpike Authority of Kentucky Economic Development Road Revenue Refunding Bonds (Revitalization Project) 2024 Series A, and 2. Previous Debt Issue - Northern Kentucky University General Receipts Bonds, 2024 Series A. There were no questions.

Mr. Aldridge also provided information on four School Facilities Construction Commission (SFCC) debt issues requiring action. Co-Chair Frazier Gordon moved to roll the four votes into one roll call vote. The motion was seconded by Senator Webb, and the votes were rolled into one without objection.

The action item was School District Debt Issues with School Facilities Construction Commission Debt Service Participation - New Projects, including 1. Muhlenberg County, 2. Nelson County, 3. Spencer County, and, 4. Union County. There were no questions.

Co-Chair Frazier Gordon moved to approve the four SFCC debt issues. The motion was seconded by Representative Thomas, and the debt issues were approved without objection by roll call vote.

Next Meeting Date

The meeting dates scheduled for the remainder of 2024 are set to be held in Capitol Annex Room 131, at 3:00 PM, as follows:

Thursday, June 20, with Rep. Frazier Gordon presiding (submissions due June 6)

Wednesday, July 31, with Senator Girdler presiding (submissions due July 17)

Thursday, August 29, with Rep. Frazier Gordon presiding (submissions due Aug. 15)

Thursday, September 26, with Senator Girdler presiding (submissions due Sept. 12)

Thursday, October 24, with Rep. Frazier Gordon presiding (submissions due Oct. 10)

Tuesday, November 19, with Senator Girdler presiding (submissions due Nov. 5)

Tuesday, December 17, with Rep. Frazier Gordon presiding (submissions due Dec. 3)

Adjournment

There being no further business before the committee, the meeting was adjourned at 3:44 PM.