

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

August 29, 2024

Call to Order and Roll Call

The August meeting of the Capital Projects and Bond Oversight Committee was held on August 29, 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; Senators Shelley Funke Frommeyer and Jason Howell; Representatives Keturah Herron and Walker Thomas.

Guests: Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Chuck Ammons, Assistant Director of Facilities, Department of Military Affairs; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; Katie Smith, Deputy Secretary and Commissioner, Department for Financial Services, Cabinet for Economic Development; Kylee Palmer, Director of Program Administration, Department for Financial Services, Cabinet for Economic Development; and, Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

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

Approval of Minutes

Senator Funke Frommeyer moved to approve the minutes of the July 31, 2024 meeting. The motion was seconded by Representative Thomas, and the minutes were approved without objection.

Information Items

Ms. Halloran presented information items as follows: KRS 45.760(6) Postsecondary Fund Source Revision (No Aggregate Appropriation Increase) – Western Kentucky University, Renovate/Expand Cliff Todd Center; School District Debt Issues - New Projects, including General Obligation Bonds for Bullitt County, Covington Independent (Kenton County), Warren County, and Wolfe County; KRS 45.812(1) Revenue Bonds for Breathitt County, Knox County, and Newport Independent (Campbell County).

KRS 48.111(6)(a) Notices of Advertisement for Leased Space, which included 1. General Government Cabinet, Unified Prosecutorial System, Fayette County, PR-5853; Education and

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Labor Cabinet, Department of Workforce Development, Warren County, PR-5846; and, Justice and Public Safety Cabinet, Department of Corrections, Jefferson County, for PR-5850 and PR-5851.

KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Method - University of Kentucky - Construction Management-At-Risk - Improve UK HealthCare Facilities - UK Chandler Hospital (Various Projects); KRS 56.823(11) (a) Square Footage Lease Modification Under \$50,000; and, House Bill 1 Postsecondary Education Asset Preservation Pool Project Revisions for Eastern Kentucky University and Northern Kentucky University.

Project Report from the Finance and Administration Cabinet

Ms. Tomes presented information for Action Items 1. New Projects - General Government Cabinet, Department of Military Affairs, a. Beuchel Field Maintenance Shop Restoration; b. Cypress Creek Restoration Phase II, and c. Monticello Readiness Center Interior Restoration; and, 2. Appropriation Increase - Education and Labor Cabinet, Department of Workforce Development, Replace Unemployment Insurance System. Co-Chair Girdler moved to roll the two votes into one roll call vote. The motion was seconded by Senator Howell, and the votes were rolled into one without objection.

In response to a question from Chair Frazier Gordon regarding the Cypress Creek Restoration, Mr. Ammons said the creek is overflowing on adjacent lands used for site training, creating a negative impact on the ecosystem, and that the National Guard Bureau is providing project funding. Representative Thomas moved to approve the two action items. The motion was seconded by Senator Howell, and the two items were approved without objection by roll call vote.

Ms. Tomes presented information on the following items, for which no action was required: 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; Pool Allocations 1. Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pools - 2020-2022, 2022-2024, and 2024-2026), Kentucky State Penitentiary Shower House Renovations; 2. Tourism, Arts, and Heritage Cabinet, State Fair Board - Kentucky Exposition Center Paving Project 2024; and, 3. Tourism, Arts, and Heritage Cabinet, Department of Parks (House Joint Resolution 56) - Utility Improvements Pool, Central Office - Wastewater Collections Piping for a. East Parks and b. West Parks.

Report from the Office of Financial Management

Kentucky Infrastructure Authority (KIA) - Ms. Williams presented information on thirty-two Cleaner Water Program grants and two East Kentucky State Aid Funding for Emergencies

grant reallocations requiring action. Senator Howell moved to roll the action items into one roll call vote. The motion was seconded by Chair Frazier Gordon, and the votes were rolled into one without objection.

The action items included Cleaner Water Program Grants for a. Round One (Senate Bill 36) - Sewer (Two - Consent Decree Pool/Two - County Pool Reallocations. One - Supplemental Pool); b. Round One (Senate Bill 36) - Water (Four - County Pool Reallocations/One - Supplemental Pool/One - Unserved Rural Pool Reallocation); c. Round Two (House Bill 1) - Sewer (Three - County Pool Reallocations/Two - Supplemental Pool); and, d. Round Two (House Bill 1) - Water (Ten - Supplemental Pool/Six - County Pool Reallocations). Also included were East Kentucky State Aid Funding for Emergencies (House Bill 1-2002 Extraordinary Session) Grant Allocations for a. Sewer (One), and b. Water (One). There were no questions. Senator Howell moved to approve the thirty-four KIA transactions. The motion was seconded by Representative Thomas, and the transactions were approved without objection by roll call vote.

Economic Development Fund (EDF) Grants - Ms. Palmer presented information on two EDF grants requiring action. Senator Howell moved to roll the two votes into one roll call vote. The motion was seconded by Co-Chair Girdler, and the two votes were rolled into one without objection.

The EDF grants included 1. Rockcastle County Fiscal Court on behalf of the Rockcastle County Industrial Development Authority, and 2. Rowan County Fiscal Court on behalf of the Morehead-Rowan County Industrial Development Authority. There were no questions. Senator Howell moved to approve the two grants. The motion was seconded by Co-Chair Girdler, and the grants were approved without objection by roll call vote.

Office of Financial Management (OFM) - Mr. Starkweather presented information on the Action Item - New Debt Issue - State Property and Buildings Commission Revenue Bonds, Project No. 131 Series A. There were no questions. Senator Howell moved to approve the new debt issue. The motion was seconded by Co-Chair Girdler, and the new debt issue was approved without objection by roll call vote.

Mr. Starkweather presented information on the Previous Debt Issue - Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Briarwood of Lexington Apartments), Series 2024, for which no action was required.

Mr. Starkweather presented information on the action item for two School Facilities Construction Commission (SFCC) Debt Issues. Senator Howell moved to roll the two votes into one roll call vote. The motion was seconded by Representative Thomas, and the votes were rolled into one without objection. The items were School District Debt Issues with

SFCC Debt Service Participation - Lease Revenue Bonds - New Projects for 1. Bell County and 2. Ludlow Independent (Kenton County). There were no questions. Senator Howell moved to approve the two debt issues. The motion was seconded by Co-Chair Girdler, and the debt issues were approved without objection by roll call vote.

Next Meeting Date

The next meeting is scheduled for Thursday, September 26, 2024, at 3:00 PM in Capitol Annex Room 131.

Adjournment

There being no further business before the committee, the meeting was adjourned at 3:27 PM.