

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

November 19, 2024

Call to Order and Roll Call

The November meeting of the Capital Projects and Bond Oversight Committee was held on November 19, 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: Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director; Mike Swatzyna, Division Director for Facilities Management, KY Department of Parks, Tourism, Arts, and Heritage Cabinet; Alan Watt, Special Assistant, Department of Corrections, Office of Adult Institutions, Capital Construction Management Branch, Justice and Public Safety Cabinet; 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; Kylee Palmer, Director of Program Administration, Department for Financial Services, Cabinet for Economic Development; and, Chelsey Couch, Executive Director, Office of Financial Management.

LRC Staff: Savannah Wiley and Spring Emerson.

Approval of Minutes

Co-Chair Girdler moved to approve the minutes of the October 15, 2024 meeting. The motion was seconded by Representative Thomas, and the minutes were approved without objection.

Information Items

Ms. Wiley presented the Information Items as KRS 45.760(5) Postsecondary Medical Equipment Purchases - University of Kentucky; School District Debt Issues - New Projects; KRS 45A.180(2) Postsecondary Notice of Intent to Use Alternative Construction Contracting Project Delivery Method - Western Kentucky University - Construction Management-At-Risk - Asset Preservation Pool - 2022-2024 & 2024-2026 (Henry Hardin Cherry Hall); KRS

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/13>

56.823(11)(a) Space Lease Modifications Under \$50,000; House Bill 6 Reporting; and, Auditor of Public Accounts Model Audit Program Checklist for Postsecondary Institutions Lease Law Compliance Reports.

Project Report from the Finance and Administration Cabinet

Mr. Cardwell provided information on a new Department of Military Affairs project requiring action and six pool allocations requiring no action. The action item was a New Project - General Government Cabinet, Department of Military Affairs, Ravenna Readiness Center Restroom Modernization. There being no questions, Senator Howell moved to approve the new project. The motion was seconded by Representative Herron, and the project was approved without objection by roll call vote.

The six pool allocations included 1. Tourism, Arts, and Heritage Cabinet, Department of Parks (Maintenance Pool 2022-2024 and 2024-2026), Central Office-Marina Upgrades-Variou Parks; 2. Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pool 2022-2024 and 2024-2026), Luther Lockett Correctional Complex Perimeter Fence Improvements; and, 3. Postsecondary Education, Kentucky State University (Asset Preservation Pool - 2022-2024 and 2024-2026), for a. Electronic Locking System, b. Mechanical and Energy Improvements, c. Bradford Hall Renovation, and, d. Chandler Hall Renovation. The pool allocations required no action.

In response to a question from Chair Frazier Gordon regarding the pool allocation for the Tourism, Arts, and Heritage Cabinet, Mr. Swatzyna replied that the increase was requested for completion of marina design to the ninety-five percent level in order to allow the preparation of bidding documents.

In response to questions from Senator Funke Frommeyer regarding the substantial increase, Mr. Swatzyna said it was due to the involvement of multiple marinas, which included Buckhorn and Rough River, along with the completion of the design for Jenny Wiley. A consultant was brought on board who has performed the initial assessments for these marinas, and in order to have the final engineer drawings completed, the increase was necessary. Once the design is completed on the three marinas, then construction can begin.

In response to a question from Senator Funke Frommeyer regarding the increase for fence improvements for Luther Lockett Correctional Complex, Mr. Watt replied that it was due to an increase in materials costs, as well as labor rates.

Lease Report from the Finance and Administration Cabinet

Ms. Brawner provided information on a new lease and a tenant improvement fund request which require action, along with a lease modification requiring no action.

The first action item was for a New Lease - Cabinet for Health and Family Services, Department for Community Based Services, Harlan County, PR-5800. In response to a question from Senator Funke Frommeyer, Ms. Brawner said the construction of additional square footage was requested due to the return of personnel after teleworking during the COVID-19 pandemic. It was a competitively bid project, and per statute there was no negotiating. Roll call vote was taken, and the request was not approved.

The next action item was the Tenant Improvement Fund Request - All Tenant Agencies, Mayo-Underwood Building, Franklin County, PR-5537. Roll call vote was taken, and the request was approved without objection.

Report from Office of Financial Management

Kentucky Infrastructure Authority (KIA) - Ms. Williams provided a status update on 1. Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems (WWATERS) Program Scoring and Financing Recommendations.

Ms. Williams presented information on five loans and two Cleaner Water Program grant county pool reallocations requiring action, as well as seventeen line-item grants requiring no action. Senator Howell moved to roll the action items into one roll call vote. The motion was seconded by Co-Chair Girdler, and the seven action items were rolled into one vote without objection.

The action items included 2. Clean Water State Revolving Fund (Fund A) Program Loan - City of Carrollton f/b/o Carrollton Utilities (Carroll County), A25-010; 3. Infrastructure Revolving Fund (Fund B) Program Loans for a. City of Berea (Madison County), B21-001 (Increase), b. Farmdale Sanitation District (Franklin County), B25-001, c. City of Mayfield f/b/o Mayfield Electric and Water Systems (Graves County), B25-002; 4. Drinking Water State Revolving Fund (Fund F) Program Loan - City of Princeton f/b/o Princeton Water and Wastewater Commission (Caldwell County), F25-020L; and, 5. Cleaner Water Program Grants - Round Two (House Bill 1 - 2022 Regular Session) - County Pool Reallocations for a. Sewer (One) and b. Water (One). Senator Howell moved to approve the seventeen KIA transactions. The motion was seconded by Senator Funke Frommeyer, and the transactions were approved without objection by roll call vote.

Ms. Williams provided information on seventeen line-item grants requiring no action. The grants included a. House Bill 1 (2022 Regular Session) - Water (One) and b. House Bill 1 (2024 Regular Session) - Sewer (Nine) and Water (Seven).

Cabinet for Economic Development - Ms. Palmer provided information on six Economic Development Fund (EDF) grants, requiring action. Senator Howell moved to roll the six

grants into one roll call vote. The motion was seconded by Representative Herron, and the votes were rolled into one without objection. The grants included 1. Christian County Fiscal Court on behalf of the City of Hopkinsville; 2. Christian County Fiscal Court on behalf of Kitchen Food Company; 3. City of Eddyville on behalf of the Eddyville Riverport and Industrial Development Authority; 4. Floyd County Fiscal Court on behalf of the Big Sandy Area Development District; 5. Coal Fields Regional Industrial Authority on behalf of the City of Hazard; and, 6. Caldwell County Fiscal Court on behalf of the Princeton-Caldwell County Industrial Development Authority. There being no questions, Representative Thomas moved to approve the six EDF grants. The motion was seconded by Senator Howell, and the grants were approved without objection by roll call vote.

Office of Financial Management - Ms. Couch provided information on a new conduit debt issue requiring action. The item was 1. New Debt Issue - KY Housing Corporation Conduit Multifamily Housing Revenue Tax-Exempt Obligations (SOCAYR-Bywater WKY Portfolio). Senator Howell moved to approve the new conduit debt issue. The motion was seconded by Co-Chair Girdler, and the new conduit debt issue was approved without objection by roll call vote.

Ms. Couch provided information on 2. Previous Debt Issue - State Property and Buildings Commission Revenue Bonds, Project No. 131 Series A, for which no action was required.

Representative Thomas moved to roll the four school district debt issues into one roll call vote. The motion was seconded by Senator Howell, and the votes were rolled into one without objection. The action item - School District Debt Issues with School Facilities Construction Commission Debt Service Participation - New Projects included 1. General Obligation Bonds for a. Calloway County, b. Elizabethtown Independent (Hardin County), c. Grayson County; and, 2. Lease Revenue Bonds - Leslie County. There being no questions, Senator Howell moved to approve the School District Debt Issues. The motion was seconded by Representative Thomas, and the four SFCC debt issues were approved without objection by roll call vote.

Final 2024 Meeting Date

The last meeting of 2024 will be held on Thursday, December 19 at 9:00 AM in Room 131 of the Capitol Annex, with Representative Frazier Gordon presiding. Submissions are due on December 5.

Adjournment

There being no further business before the committee, the meeting was adjourned at 3:52 PM.