

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

May 19, 2025

Call to Order and Roll Call

The May meeting of the Capital Projects and Bond Oversight Committee was held on May 19, 2025, at 12:00 PM in Room 131 of the Capitol Annex. Senator Shelley Funke Frommeyer, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Shelley Funke Frommeyer Co-Chair; Representative Shawn McPherson Co-Chair; Senators Rick Girdler, Scott Madon, and Robin L. Webb; Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Chris Calvert, Vice President, Administration and Finance/Chief Financial Officer, Northern Kentucky University; Kevin Cardwell, Deputy State Budget Director, Office of State Budget Director; Wayne Cowen, Interim Director of Capital Planning and Facilities Management, Kentucky State University; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; and, Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

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

Approval of Minutes

Co-Chair McPherson moved to approve the minutes of the April 28, 2025 meeting. The motion was seconded by Representative Stalker, and the minutes were approved without objection by voice vote.

Information Items

Ms. Halloran reported the Information Items as A. School District Debt Issues - New Projects - General Obligation Bonds for 1. Bullitt County, 2. Jefferson County, and 3. Warren County; B. House Bill 6 (2024 Regular Session) Kentucky Communications Network Authority (KCNA) Capital Project Reporting; C. House Bill 1 (2022 Regular Session) Postsecondary Asset Preservation Pool Projects - Eastern Kentucky University; and, D. Previous School District Debt Issues with School Facilities Construction Commission Debt Service Participation.

Chair Funke Frommeyer requested that KCNA be added to the next meeting agenda.

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

Representative Petrie requested that KCNA provide a written statement regarding the KentuckyWired Critical Infrastructure Purchases expenditures to the committee prior to the next meeting.

Project Report from the Postsecondary Institutions

Mr. Calvert presented information for the Project Report from Postsecondary Institutions - Northern Kentucky University (NKU) - New Project - Reconstruct Outdoor Tennis Complex, for which action is required.

In response to a question from Representative Stalker, Mr. Calvert said even though the project would be one hundred percent donor funded, he is requesting authority to proceed, since it was not included in the original Capital Plan.

Chair Funke Frommeyer stated that the donor agreement had originated in 2021. Mr. Calvert explained that negotiations and planning had taken place in the meantime. The original idea was to have an indoor facility, but it may become an outdoor facility instead, and include pickleball as well as tennis.

In response to a question from Representative Petrie regarding the donor proceeds being used for construction versus operating costs, Mr. Calvert explained that operating costs should be comparable to the current operating costs. If that cost increases at all, it would not be over \$5,000 to perhaps \$10,000.

In response to a question from Representative Thomas regarding the possibility of community use, Mr. Calvert said he believes that will be possible, and the court will also be used for hosting high school tennis programs as well as for recreational use by NKU students.

There being no further questions, Senator Madon moved to approve the new NKU project. The motion was seconded by Senator Webb, and the project was approved without objection by unanimous roll call vote.

Project Report from the Finance and Administration Cabinet

Mr. Cardwell provided the Project Report from the Finance and Administration Cabinet for three Pool Allocations - Postsecondary Education, Kentucky State University, for which no action is required. The pool allocations included A. Asset Preservation Pools - 2022-2024 and 2024-2026 for 1. McCullin Hall Renovation, and 2. Walkway Improvements and Miscellaneous Repairs; as well as B. Capital Renewal and Maintenance Pool - 2008-2010 (Council on Postsecondary Education)/Roof Repair and Replacement Pool - 2020-2022/ Asset Preservation Pool - 2024-2026, Academic Services Building Roof and Windows.

In response to a question from Representative Stalker regarding whether the walkway improvements include curb cuts to transition from curb to sidewalk, Mr. Cowen replied that curb cuts do exist on campus, but some are in need of improvements, and they will meet accessibility guidelines upon completion.

Lease Report from the Finance and Administration Cabinet

Ms. Brawner provided information on two lease modifications, one of which requires action. The action item was a Lease Modification of at Least \$50,000 (Amortization of Improvements) for the General Government Cabinet, Office of the Attorney General, Franklin County, PR-5817.

Senator Madon moved to approve the action item. The motion was seconded by Representative Stalker, and the lease modification was approved without objection by unanimous roll call vote.

Ms. Brawner then presented information on the Lease Modification Under \$50,000 (Amortization of Improvements) for the General Government Cabinet, Occupational and Professional Boards and Commissions, Board of Cosmetology, Franklin County, PR-5843.

Report from the Office of Financial Management

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

The action items included loans for a. Clean Water State Revolving Fund (Fund A) Program Loan (Increase) - City of Hodgenville (LaRue County), A24-122; b. Clean Water State Revolving Fund (Fund A) Program Loan - Grant County Sanitary Sewer District (Grant County), A25-029S; c. Infrastructure Revolving Fund (Fund B) Program Loan - City of Mount Sterling (Montgomery County), B25-010; and, d. Drinking Water State Revolving Fund (Fund F) Program Loans - City of Morganfield Union County), F25-005E and F25-005S.

The action items also included Cleaner Water Program Grants - Round Two (House Bill 1 - 2022 Regular Session) - County Pool Reallocations for a. Sewer (One), and b. Water (Two).

In response to a question from Representative Petrie regarding the loans to the City of Morganfield, Ms. Williams said there is a concern regarding per- and poly-fluoroalkyl substances (PFAS) and granular activated carbon is being used to remove the substances from the water.

In response to a question from Chair Funke Frommeyer regarding the reasonableness of the engineering fees, Ms. Williams said the US Rural Development agency is a federal funding source that uses an industry accepted engineering fee schedule, which will be provided to committee staff for review by the committee.

Senator Webb commented that the fee schedule is a national industry standard, and any federal contributor must comply with it. Fees are calculated in consideration of any changes made throughout the process and issues that may arise within the project, which must be factored in as well, which requires flexibility.

Representative Thomas moved to approve the action items. The motion was seconded by Senator Madon, and the loans and grants were approved without objection by unanimous roll call vote.

Ms. Williams also provided information on 3. House Joint Resolution 30 (2025 Regular Session) Kentucky Water and Wastewater Assistance for Troubled or Economically Restrained Systems (Kentucky WWATERS - Fund W) Program Line-Item Grants (Thirty-Four), which required no action.

Mr. Starkweather provided information on a new debt issue and two SFCC debt issues requiring action and five previous debt issues requiring no action, which included 1. Action Item - New Debt Issue - Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Meadows at McNeely Lake), Series 2025.

Senator Webb moved to approve the new debt issue. The motion was seconded by Co-Chair McPherson, and the new debt issue was approved without objection by unanimous roll call vote.

Mr. Starkweather continued with 2. Previous Debt Issues a. Kentucky Housing Corporation Multifamily Note (Governmental) (Cedar Grove Commons), Series 2025; b. Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Echo Trail Apartments), Series 2025; c. The Turnpike Authority of Kentucky Economic Development Road Revenue Refunding Bonds (Revitalization Projects), 2025 Series A; d. State Property and Buildings Commission Revenue Bonds, Project No. 132 Series A; and, State Property and Buildings Commission Revenue Refunding Bonds, Project No. 132 Series B.

Senator Madon moved to roll the two SFCC Debt Issues into one roll call vote. The motion was seconded by Co-Chair McPherson, and the votes were rolled into one without objection by voice vote.

Mr. Starkweather provided information on two School District Debt Issues with School

Facilities Construction Commission Debt Service Participation - New Projects - General Obligation Bonds for 1. Harlan County and 2. Kenton County.

There being no questions, Representative Thomas moved to approve the two SFCC debt issues. The motion was seconded by Senator Madon, and the debt issues were approved without objection by unanimous roll call vote.

Remaining Calendar Year 2025 Meeting Dates

The remaining meetings for 2025 will be held on Tuesdays at 1:00 PM (except December which will be at 3:00 PM) in Capitol Annex Room 131.

June 24 - Rep. McPherson, Chair - Submissions due June 10

July 29 - Sen. Funke Frommeyer, Chair - Submissions due July 15

Aug. 26 - Rep. McPherson, Chair - Submissions due Aug. 12

Sep. 23 - Sen. Funke Frommeyer, Chair - Submissions due Sep. 9

Oct. 21 - Rep. McPherson, Chair - Submissions due Oct. 7

Nov. 18 - Sen. Funke Frommeyer, Chair - Submissions due Nov. 4

Dec. 16 - Rep. McPherson, Chair - Submissions due Dec. 2

Adjournment

There being no further business before the committee, the meeting was adjourned at 12:49 PM.