

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

November 20, 2025

Call to Order and Roll Call

The November meeting of the Capital Projects and Bond Oversight Committee was held on November 20, 2025, at 12:00 PM in Room 149 of the Capitol Annex. Representative Shawn McPherson, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Shawn McPherson, Co-Chair; Senator Reginald L. Thomas; Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Andrea Anderson, General Counsel, Western Kentucky University; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Sandy Williams, Executive Director, Kentucky Infrastructure Authority; and Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management.

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

Information Items

Ms. Halloran presented the Information Items as A. KRS 43.050(2)(e) Lease Law Compliance Report; B. KRS 45.760(5) Postsecondary Medical Equipment Purchases - University of Kentucky; C. KRS 45.812(1) School District Debt Issues – New Projects for 1. Knox County, 2. Owensboro Independent (Daviness County); and 3. Spencer County; D. KRS 45A.077(6) Postsecondary Notice of Intent to Use Public-Private Partnership (P3) Project Delivery Method - Western Kentucky University, Housing; E. House Bill 6 (2024 Regular Session) Reporting - Kentucky Communications Network Authority Capital Projects; and, F. House Bill 1 (2022 Regular Session) and House Bill 6 (2024 Regular Session) Reporting - Postsecondary Asset Preservation Pool Allocations for 1. Eastern Kentucky University, 2. University of Louisville, and 3. Kentucky Community and Technical College System.

In response to Representative Walker Thomas, Ms. Anderson said they had received six qualified responses to the RFQ process and those were narrowed down to four for the RFP process.

In response to Representative Petrie, Ms. Anderson said she would find out who pays the real estate tax on the property and get back to the committee.

In response to Chair McPherson, Ms. Anderson said the Student Life Foundation has owned the property since 2000, and built the three structures on the property. The Foundation voted last spring to raze one of the structures, and that will occur at the end of the academic year. They are working to repair the remaining two halls with an estimated completion date in the fall of 2027. There will be a third party construction manager to oversee those repairs to the satisfaction of the Partner and the University.

Project Report from the Finance and Administration Cabinet

Janice Tomes, Deputy State Budget Director, Office of State Budget Director, presented information on a new project requiring action and a pool allocation requiring no action.

The action item was for a New Project for the Tourism, Arts and Heritage Cabinet, Department of Fish and Wildlife Resources - Mt. River Farms Property Acquisition. The pool allocation was for the Justice and Public Safety Cabinet, Department of Corrections, Adult Correctional Institutions (Maintenance Pool - 2024-2026) - Luther Lockett Correctional Complex Various Roof Replacements.

Report from the Office of Financial Management

Kentucky Infrastructure Authority -- Sandy Williams, Executive Director, Kentucky Infrastructure Authority, presented information on six loans and four Cleaner Water Program grant reallocations requiring action. They included 1. Clean Water State Revolving Fund (Fund A) Program Loans for a. Director Level Increase - Adair County Water District (Adair County), A24-007; b. Planning and Design - City of Leitchfield (Grayson County), A26-004; and, c. City of Louisa (Lawrence County), A26-011; 2. Infrastructure Revolving Fund (Fund B) Program Loan - Southeastern Water Association (Pulaski County), B26-002; 3. Drinking Water State Revolving Fund (Fund F) Program Loans for a. Increase - City of Harlan (Harlan County), F21-021, and b. City of Flatwoods (Greenup County), F26-025S; and, 4. Cleaner Water Program Grant Reallocations for a. Round One (Senate Bill 36 - 2021 Regular Session) - Water (One - Unserved Rural Pool); b. Round Two (House Bill 1 - 2022 Regular Session) - Sewer (One - County Pool); and, c. Round Two (House Bill 1 - 2022 Regular Session) - Water (Two - County Pool).

In response to Representative Petrie, Ms. Williams said KIA offers both twenty-year and thirty-year loan terms. The thirty-year terms are available for disadvantaged communities. Maintaining adequate rate fees is required in order to repay the debt for a 1.1 coverage ratio. Updated financial statements are required to be submitted annually, with smaller cities being required to submit them every other year. The financial summaries do not include depreciation.

Office of Financial Management -- Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management, presented information on one new debt issue and five

SFCC debt issues requiring action and three previous debt issues requiring no action.

The New Debt Issue was for Kentucky Economic Development Authority Revenue Bonds (CommonSpirit Health) Series 2025. The Previous Debt Issues included a. Kentucky Housing Corporation Conduit Multifamily Revenue Bonds (Campbell View Apartments Project), Series 2025A and Series 2026B; b. Kentucky Housing Corporation Housing Single Family Mortgage Revenue Bonds, 2025 Series E (Non-AMT) and 2025 Series F (Taxable); and, c. Western Kentucky University General Receipts Bonds, 2025 Series A.

In response to Chair McPherson, Mr. Starkweather said that OFM does not track multifamily unit project costs, for which the developer is responsible.

The five SFCC debt issues included School District Debt Issues with School Facilities Construction Commission Debt Service Participation for 1. New Projects in a. Allen County, b. Floyd County, c. Jackson County, and d. Murray Independent (Calloway County); as well as 2. Refunding - Whitley County.

Meeting Recessed and Reconvened

Chair McPherson called a recess at 12:37 PM until the quorum requirement was met. The meeting reconvened at 12:53 PM.

Senator Reginald Thomas moved to roll all action items into one roll call vote. The motion was seconded by Representative Petrie, and the votes were rolled into one. The action items were approved without objection by roll call vote.

Approval of Minutes

Representative Walker Thomas moved to approve the minutes of the October 21, 2025 meeting. The motion was seconded by Senator Reginald Thomas, and the minutes were approved without objection by voice vote.

Next Meeting Date

The next meeting is scheduled for Tuesday, December 16, 2025 at 3:00 PM in Room 131 of the Capitol Annex, with Representative McPherson presiding. Submissions are due on December 2, 2025.

Adjournment

There being no further business, the meeting was adjourned at 12:55 PM.