

# CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

## Minutes

**December 16, 2025**

### **Call to Order and Roll Call**

The December meeting of the Capital Projects and Bond Oversight Committee was held on December 16, 2025, at 3:00 PM in Room 131 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 Shelley Funke Frommeyer, Co-Chair; Senators Rick Girdler and Reginald L. Thomas; and, Representatives Jason Petrie and Sarah Stalker.

Guests: Dr. Bryan Makinen, Chief Campus Operations Officer, Eastern Kentucky University (EKU); Ryan Green, Senior Executive Director, Government Finance, EKU; Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, University of Kentucky; Janice Tomes, Deputy State Budget Director, Office of State Budget Director; Scott Baker, Executive Director, Division of Engineering, Department for Facilities and Support Services, Finance and Administration Cabinet; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services; Megan Wilson, Administrative Branch Manager, Cabinet for Health and Family Services; Sandy Williams, Executive Director, Kentucky Infrastructure Authority (KIA); Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management (OFM); Leslie Geoghegan, Chair, Louisville Arena Authority; and Chip Sutherland, Managing Director of Public Finance, Baird.

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

### **Approval of Minutes**

Senator Girdler moved to approve the minutes of the November 20, 2025 meeting. The motion was seconded by Co-Chair Funke Frommeyer, and the minutes were approved without objection by voice vote.

### **Information Items**

Ms. Halloran presented the Information Items as A. KRS 45.760(5) Postsecondary Medical and Research Equipment Purchases - University of Kentucky; B. KRS 45.812(1) School District Debt Issues – New Projects for 1. Allen County, 2. Barbourville Independent (Knox County, 3. Hardin County, 4. Madison County, 5. Murray Independent (Calloway County);

and, Previous School District Debt Issues with School Facilities Construction Commission (SFCC) Debt Service Participation.

### **Reports from Postsecondary Institutions**

Dr. Bryan Makinen, Chief Campus Operations Officer, EKU; and Ryan Green, Senior Executive Director, Government Finance, EKU, presented information on A. Project Report from Eastern Kentucky University - Appropriation Increase - Construct Aviation/Aerospace Instructional Facility, requiring action.

In response to Co-Chair Funke Frommeyer, Dr. Makinen said this project is for the construction of a terminal building at the Central Kentucky Regional Airport. Eastern Kentucky University (EKU) is going to be the fixed base operator or manager of the airport, creating a natural tie-in with other projects that are ongoing, which benefits the university as well as the Madison County community as a whole.

Mr. Green added that EKU will be the operator and funder of the Flight School, which is funded by public appropriations and revenues collected from students in the program. The appropriations are from resources that were applied previously, and there is no debt.

Senator Girdler moved to approve the appropriation increase. The motion was seconded by Representative Stalker, and the increase was approved without objection by roll call vote.

Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, University Budget Office, UK, presented information on B. Lease Report from the University of Kentucky - Lease-Purchase - UK St. Claire HealthCare, Rowan County, PR-8711, requiring action.

In response to Representative Petrie, Ms. Baker said the financing arrangement is per request of the Rowan County Board of Education.

In response to Chair McPherson, Ms. Baker said the straight purchase price was financed, and no interest was included.

In response to Senator Thomas, Ms. Baker said the property is located directly across the street from UK-St. Clair hospital and includes a pedway.

Senator Thomas moved to approve the lease purchase. The motion was seconded by Representative Stalker, and the purchase was approved without objection by roll call vote.

### **Project Report from the Finance and Administration Cabinet**

Janice Tomes, Deputy State Budget Director, Office of State Budget Director, provided

information on A. Appropriation Increases - Tourism, Arts, and Heritage Cabinet as 1. Department of Fish and Wildlife Resources - Ballard Wildlife Management Area "Big Pump" and 2. Department of Parks for a. Lake Barkley State Resort Park - Emergency Repairs, and b. Lake Barkley - Lodge Wing Exterior Repair.

In response to Representative Petrie, Mr. Baker said the bids for the Lake Barkley projects came in close to the available amount and having contingency funding was necessary.

Co-Chair Funke Frommeyer moved to approve the three new projects and appropriation increase. The motion was seconded by Senator Girdler, and the items were approved without objection by roll call vote.

Ms. Tomes continued with information on four Pool Allocations, requiring no action. They included B. Pool Allocations for 1. Department of Education, Operations and Support Services (State Schools HVAC Pool - 2022-2024) for a. Future Farmers of America Lower Classroom HVAD Upgrades, b. Kentucky School for the Blind McDaniel Scoggin HVAC Upgrades, and c. Kentucky School for the Deaf Brady Hall HVAC Upgrades; and, 2. Postsecondary Education, Kentucky State University (Asset Preservation Pool - 2024-2026), Shauntee Hall Renovation.

### **Lease Report from the Finance and Administration Cabinet**

Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, provided information on a New Lease and a Lease Modification. Senator Girdler moved to roll the two items into one roll call vote. The motion was seconded by Senator Thomas, and the votes were rolled into one without objection.

The information included A. New Lease - Cabinet for Health and Family Services, Department for Community Based Services, Wayne County, PR-5827; and, B. Lease Modification of at Least \$50,000 (Amortization of Improvements) - Transportation Cabinet, Department of Vehicle Regulation, Christian County, PR-5906.

In response to Chair McPherson, Ms. Brawner said the Christian County project is a lease modification of an existing site.

In response to Co-Chair Funke Frommeyer, Ms. Wilson said the new lease in Wayne County and the current location are both within the city limits. The new lease is not an additional facility, but rather it is meant to replace the current office.

Senator Girdler commented that property availability is limited in that area of Wayne County, which is in his district.

Representative Stalker moved to approve the two action items. The motion was seconded by Senator Girdler, and they were approved without objection by roll call vote.

### **Report from the Office of Financial Management**

Kentucky Infrastructure Authority - Sandy Williams, Executive Director, Kentucky Infrastructure Authority, presented information on seven sewer and water loans, a Cleaner Water Program water grant reallocation requiring action, as well as a line-item water grant reallocation requiring no action.

In response to Co-Chair Funke Frommeyer, Ms. Williams said the Grayson County Water District project will add approximately 3,500 users.

Co-Chair Funke Frommeyer moved to roll the eight action items into one roll call vote. The motion was seconded by Senator Thomas, and the votes were rolled into one without objection.

The action items included 1. Clean Water State Revolving Fund (Fund A) Program Loans for a. City of Hopkinsville (Christian County), A26-003S, b. Lexington-Fayette Urban County Government (Fayette County), A26-018S; 2. Infrastructure Revolving Fund (Fund B) Program Loan - City of Grayson (Carter County), B26-003; 3. Drinking Water State Revolving Fund (Fund F) Program Loans for a. Big Sandy Water District (Boyd County), F24-057L, b. North Marshall Water District (Marshall County), F26-006, c. Ohio County Water District (Ohio County), F26-013S, d. Grayson County Water District (Grayson County), F26-017S; and, 4. Cleaner Water Program County Pool Water Grant Reallocation - Round Two (House Bill 1 - 2022 Regular Session).

Co-Chair Funke Frommeyer moved to approve the eight action items. The motion was seconded by Representative Stalker, and the items were approved without objection by roll call vote.

Ms. Williams also provided information for 5. House Bill 1 (2022 Regular Session) Line-Item Water Grant Reallocation, which required no action.

Office of Financial Management - Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management, presented information on 1. New Debt Issue - University of Louisville General Receipts Bond Anticipation Notes, 2026 Series A.

Senator Girdler moved to approve the new debt issue. The motion was seconded by Representative Stalker, and the new debt issue was approved without objection by roll call vote.

Mr. Starkweather continued with information on 2. Previous Debt Issue - State Property and Buildings Commission Revenue Bonds, Project No. 133 Series A and Revenue Refunding Bonds, Project No. 133 Series B, for which no action was required.

In response to Senator Thomas and Chair McPherson, Mr. Starkweather said the state's outstanding callable bonds are closely monitored to maximize savings.

Senator Girdler moved to roll four School Facilities Construction Commission (SFCC) debt issues requiring action into one roll call vote. The motion was seconded by Co-Chair Funke Frommeyer, and the votes were rolled into one without objection.

Mr. Starkweather presented the Action Item - School District Debt Issues with SFCC Debt Service Participation - New Projects as 1. Augusta Independent (Bracken County), 2. Breckinridge County, 3. Caverna Independent (Barren and Hart Counties), and 4. Monroe County.

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

### **Louisville Arena Authority Status Report**

Leslie Geoghegan, Chair, Louisville Arena Authority, and Chip Sutherland, Managing Director of Public Finance, Baird, presented a status report on the Louisville Arena, which required no action.

The report summarized the debt structure for the KFC Yum Center, indicating that the facility had been successful in attracting major sports and entertainment events since the COVID-19 pandemic. The use of Tax Increment Financing (TIF) revenues is not sufficient to completely service the debt payments and additional revenue from the Jefferson County government and the University of Louisville are being used to supplement the payments, with the expectation that by 2034, TIF funds alone will service the debt.

Co-Chair Funke Frommeyer and Chair McPherson mentioned the need for a more detailed presentation and Ms. Geohegan and Mr. Sutherland agreed to return in January.

Senator Thomas commented that Rupp Arena in Lexington has no state debt.

### **Adjournment**

There being no further business, the meeting was adjourned at 4:28 PM.