

# CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

## Minutes

**April 27, 2026**

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

The April meeting of the Capital Projects and Bond Oversight Committee was held on April 27, 2026, at 2:00 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 Scott Madon and Reginald L. Thomas; and Representatives Jason Petrie, Sarah Stalker, and Walker Thomas.

Guests: Dr. Timothy Caboni, President, Western Kentucky University (WKU); Mark Rawlings, Director and Public Finance Banker with Baird; Mark Franklin, Partner with Dinsmore; Jennifer Fraker, Director, Government Relations, University of Kentucky (UK); Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, UK Budget Office; Lincoln Farmer, Architect and Assistant Director of Construction, Kentucky Community and Technical College System (KCTCS); Janice Tomes, Deputy State Budget Director, Office of State Budget Director (OSBD); Joe Sanderson, Department of Military Affairs; Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet (FAC); Sandy Williams, Executive Director, Kentucky Infrastructure Authority (KIA); Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development (CED); and, Steve Starkweather, Deputy Executive Director, Debt, Office of Financial Management (OFM).

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

### **Approval of Minutes**

Co-Chair Funke Frommeyer moved to approve the minutes of the March 19, 2026 meeting. The motion was seconded by Senator Madon, and the minutes were approved without objection by voice vote.

### **Information Items**

Ms. Halloran presented the Information Items as A. KRS 26A.168(1), KRS 45.793, and KRS 45.818 Quarterly Capital Projects Status Reports; B. KRS 45.760(5) Postsecondary Medical and Research Equipment Purchases - University of Kentucky; C. KRS 45.812(1) School District Debt Issues for 1. Corbin Independent (Knox and Whitley Counties), and 2. Floyd

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

County; D. KRS 45A.180(2) Postsecondary Notices of Intent to Use Alternative Construction Contracting Project Delivery Method - University of Kentucky for 1. Construction Management-At-Risk for a. Asset Preservation Pool - 2024-2026 (Margaret I. King Library Renovation), b. Improve Academic/Administrative Space 1 (Expand Carol Martin Gatton Business and Economics Building), and, c. Improve Medical Facility 3 - King's Daughters Medical Center (Health Park); E. KRS 56.863(11) Semi-Annual Report of the Kentucky Asset/Liability Commission; F. House Bill 6 (2024 Regular Session) Reporting - Pool Allocation - Postsecondary Education Cabinet, Kentucky Community and Technical College System (KCTCS Property Acquisition Pool - 2024-2026) - Southcentral KY CTC Health Campus; and, G. Previous School District Debt Issues with School Facilities Construction Commission Debt Service Participation.

## **Project Report from the Postsecondary Institutions**

### **A. Public-Private Partnerships**

1. Western Kentucky University (WKU) - Residential Halls. Dr. Timothy Caboni, President, WKU, presented information on a public-private partnership housing contract requiring action.

In response to Co-Chair Funke Frommeyer, Dr. Caboni said there is a range of options on campus for housing rates, from \$6,000 per year to \$10,000 per year. A three percent increase per year is assumed, which is lower than what the Student Life Foundation was charging.

In response to Representative Stalker, Dr. Caboni said Hilltopper Hall will not be replaced.

In response to Chair McPherson, Dr. Caboni said there would be a fifty-year land lease with a forty-year financial arrangement. Once the debt is paid, building ownership will revert to WKU. There is also an option to prepay the debt. Mr. Franklin added that it is a forty-year bond issue, with a typical ten-year call feature.

Senator Reginald Thomas moved to approve the contract. The motion was seconded by Representative Walker Thomas, and the contract was approved without objection by roll call vote.

2. University of Kentucky (UK) - Improve Parking/Transportation Systems - UK HealthCare (Chandler Expansion Parking Structure). Jennifer Fraker, Director, Government Relations, UK, and Elizabeth Baker, Senior Director, Strategic Capital Planning and Legislative Analysis, UK Budget Office, presented information on a public-private partnership parking garage contract requiring action.

Senator Madon moved to approve the contract. The motion was seconded by Senator Reginald Thomas, and the contract was approved without objection by roll call vote.

B. New Project - Kentucky Community and Technical College System (KCTCS) - Jefferson Community and Technical College Improve and Relocate Downtown Utility Infrastructure

Lincoln Farmer, Architect and System Director for Design and Construction, Facilities Support Services, KCTCS, presented information on a new project requiring action.

Senator Reginald Thomas moved to approve the new project. The motion was seconded by Representative Stalker, and the project 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, presented information on four new projects requiring action. Co-Chair Funke Frommeyer moved to roll the four projects into one roll call vote. The motion was seconded by Senator Madon, and the four votes were rolled into one without objection.

The projects included 1. Transportation Cabinet, Department of Highways for a. KYTC D-9 Carter County Eastbound Renovation, b. Clark County Eastbound Reset Area Remodel, c. KYTC Simpson County Infrastructure Rehabilitation, and, 2. General Government, Department of Military Affairs - Appalachian Challenge Academy Drainage and Exterior Repairs.

In response to Representative Stalker, Ms. Tomes said the federal funds had been secured. Joe Sanderson, Director, Facilities Division, Department of Military Affairs, added that the federal grant was received, the funds are in place, and the contract must be awarded before June 30, 2026. Design is complete, and the project is ready to bid.

Senator Madon moved to approve the four projects. The motion was seconded by Senator Reginald Thomas, and the projects were approved without objection by roll call vote.

Ms. Tomes continued with a Pool Allocation - Justice and Public Safety Cabinet, Department of Juvenile Justice (Maintenance Pool - 2024-2026) - Warren Juvenile Detention Center- Water System and HVAC Upgrades/Repairs, which required no action.

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

Natalie Brawner, Director, Division of Real Properties, Department for Facilities and Support Services, Finance and Administration Cabinet (FAC), presented information on four lease renewals (with same terms and conditions) requiring action.

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

The lease renewals included A. Cabinet for Health and Family Services, General Administration and Program Support, Franklin County, PR-4882; B. Justice and Public Safety Cabinet, Department of Corrections, Campbell County, PR-5500, C. Transportation Cabinet, Department of Vehicle Regulation for 1. Campbell County, PR-5729, and 2. Louisville-Jefferson County Metro Government, PR-5683.

In response to Chair McPherson, Collin Garrison, Department of Corrections, said the project includes eighty-five parking spaces, but does not include utilities.

In response to Representative Walker Thomas, Ms. Brawner said the Louisville-Jefferson County Metro Government typically renews contracts annually, and the contract will be addressed again next year.

In response to Chair McPherson, Christy Walker, Division Director, Department for Vehicle Regulations, Division of Drivers Licensing, said utilities, renovation costs, and parking were also included in their lease.

Co-Chair Funke Frommeyer moved to approve the four lease renewals. The motion was seconded by Representative Stalker, and the lease renewals 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 (KIA), presented information on four sewer and water loans and six Cleaner Water Program grant reallocations requiring action, and one line-item water grant requiring no action.

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

The loans included 1. Clean Water Revolving Fund (Fund A) Program Loan - City of London (Laurel County), A26-028S; 2. Infrastructure Revolving Fund (Fund B) Program Loan - City of Jamestown (Russell County), B26-010; 3. Governmental Agencies (Fund C) Program Loan - Increase - City of Nicholasville (Jessamine County), C22-003; and, 4. Drinking Water State Revolving Fund (Fund F) Program Loan - Northern Kentucky Water District (Kenton County), F25-015L. The grant reallocations included 5.a. Round One (Senate Bill 36 - 2021

Regular Session) - Sewer (One - County Pool/One - Supplemental Pool); b. Round Two (House Bill 1 - 2022 Regular Session) - Sewer (Two - County Pool); and, c. Round Two (House Bill 1 - 2022 Regular Session) - Water (Two - County Pool).

Senator Madon moved to approve the four loans and six grant reallocations. The motion was seconded by Senator Reginald Thomas, and the loans and reallocations were approved without objection by roll call vote.

Cabinet for Economic Development - Kylee Palmer, Deputy Commissioner, Department for Financial Services, Cabinet for Economic Development (CED) presented information on sixteen EDF grants for the Kentucky Product Development Initiative requiring action.

Senator Reginald Thomas moved to roll the grants into one roll call vote. The motion was seconded by Representative Walker Thomas, and the votes were rolled into one without objection.

The grants included 1. 2024 Round 1 - a. City of Morgantown (Butler County) on behalf of the City of Morgantown Industrial Holding Corporation; b. Fulton County Fiscal Court on behalf of the Fulton County Industrial Development Authority; 2. 2024 Round 2 - a. Big Sandy Regional Industrial Development Authority on behalf of the Magoffin County Fiscal Court (Due Diligence); b. City of Berea (Madison County) on behalf of the Central Kentucky Business Park Authority; c. City of Cynthiana on behalf of the Cynthiana-Harrison County Economic Development Authority; d. Todd County Fiscal Court on behalf of the Todd County Industrial Foundation; e. Christian County Fiscal Court on behalf of the Hopkinsville Industrial Foundation; f. City of Somerset on behalf of the Somerset-Pulaski County Economic Development Authority; g. Washington County Fiscal Court on behalf of the Springfield-Washington County Economic Development Authority; h. Breckinridge County Fiscal Court on behalf of Breckinridge County United; i. Harlan County Fiscal Court on behalf of the Harlan County Economic Development Authority; j. One East Kentucky on behalf of the Pike County Fiscal Court; k. Russell County Fiscal Court on behalf of the Russell County Industrial Development Authority; and, 3. 2022 Round 2(b) - a. Nicholas County Fiscal Court on behalf of the Bourbon County-Nicholas County Joint Economic Development Authority; b. Big Sandy Regional Industrial Development Authority on behalf of the Magoffin County Fiscal Court (Land Acquisition); c. Ballard County Fiscal Court on behalf of the City of Wickliffe.

In response to Representative Petrie, Ms. Palmer said any leftover funds would be used for other projects, and all submitted projects will be completed as planned.

In response to Senator Reginald Thomas, Ms. Palmer said the \$28.6 million that remains has projects assigned to it.

Office of Financial Management - Steve Starkweather, Deputy Executive Director, Office of Financial Management, presented two new debt issues requiring action and two previous debt issues requiring no action. Representative Stalker moved to roll the two new debt issues into one roll call vote. The motion was seconded by Representative Walker Thomas, and the votes were rolled into one without objection.

The new debt issues included 1.a. University of Kentucky General Receipts Bonds, Taxable Series 2026 B and Tax-Exempt Series 2026 C; and b. Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Winterwood IV Rural Housing Portfolio), Series 2026.

The two previous debt issues requiring no action included 2.a. University of Louisville General Receipts Bond Anticipation Notes, 2026 Series A; and b. Murray State University General Receipts Bonds, 2026 Series A.

Mr. Starkweather continued with eleven School District Debt Issues with School Facilities Construction Commission (SFCC) Debt Service Participation requiring action. Representative Walker Thomas moved to roll the eleven debt issues into one roll call vote. The motion was seconded by Senator Madon, and the SFCC debt issues were rolled into one vote without objection.

The eleven SFCC debt issues included 1. New Projects for a. Carter County, b. Clinton County, c. Hickman County, d. Letcher County, e. Montgomery County, f. Taylor County; and 2. Refundings for a. Grayson County, b. Fayette County, c. Floyd County, d. Oldham County, and e. Shelby County.

In response to Senator Reginald Thomas, Mr. Starkweather said meetings with the rating agencies begin on May 5.

Senator Reginald Thomas moved to approve the SFCC debt issues. The motion was seconded by Representative Stalker, and the eleven SFCC debt issues were approved without objection by roll call vote.

### **Adjournment**

The next meeting is scheduled for Thursday, May 21, at 1:00 PM, in Room 131 of the Capitol Annex. There being no further business before the committee, the meeting was adjourned at 3:04 PM.