



City Commission Meeting Highlights

Tuesday, January 12, 2016 at 5:30 p.m. at City Hall

JSA Sewer Rate Adjustment Approval (vote January 25 at joint meeting with Fiscal Court)

The Paducah Board of Commissioners introduced an ordinance to increase the sanitary sewer fees as recommended by the Joint Sewer Agency (JSA) Board of Directors. This ordinance will have a second reading on January 25 at a joint meeting with the McCracken County Fiscal Court. The current monthly bill for 5000 gallon usage is \$22.15. That amount is below the 2012 state average of \$33.68. The rate adjustment would increase the bill for 5000 gallon usage to \$25.75 effective March 1. The rate would increase to \$29.15 on July 1, 2017. Similar rate adjustments are proposed for 3000 gallon monthly users and others. JSA Executive Director John Hodges says over the past 10 years the agency has been able to reduce staffing levels and implement programs to keep operating costs as low as possible. JSA derives all of its income through user rates and fees for service. JSA is working to mitigate the environmental impacts of combined sanitary/storm sewer systems. It has an estimated \$102 million in sewer projects remaining to implement as part of its consent judgment and administrative order through the State Energy and Environmental Cabinet and the Environmental Protection Agency, respectively. JSA has completed \$38 million in improvement projects since 2008. The agency, which was formed in 1999, has 18,250 customers.

432 Broadway Demolition Project Updates (vote January 19)

The Paducah Board of Commissioners introduced two ordinances relating to the demolition project at 432 Broadway. The first ordinance is for change order #1 with Darnell Steel and Construction, LLC. Darnell Steel is reinforcing the steel columns under the steel beam that supports the building adjacent to 432 Broadway. The change order is to increase the contract by \$600 due to the removal of a portion of the wood platform in the front of the building that is conflicting with a steel brace location. This change order brings the contract with Darnell Steel up to \$20,350. The Board also introduced an ordinance for a \$158,725 contract with Artisan Contractors of KY, LLC for the construction of a masonry wall. This 18 by 114-foot wall will be constructed on the exterior of 430 Broadway once the structure at 432 Broadway is demolished which is expected to be by the end of February. The bid opening for this contract was held December 18. Regarding the demolition project, Mayor Gayle Kaler says, "This is not anything we wanted to do, but we approached it the right way."

In December 2015, the Department for Local Government (DLG) notified Mayor Gayle Kaler that the City will receive federal Community Development Block Grant (CDBG) funds in the amount of \$500,000 for the demolition project. A match of \$125,000 is required from the City. The City had to own the building in order to submit the grant application.

Background: In July 2015, the City of Paducah purchased the condemned building at 432 Broadway for \$1 from a limited liability company. The building's owner indicated he did not have the financial means to stabilize the building or bring it up to code. The City had been working with the building's owner since 2010 on correction measures. Also in July, the City approved a contract with Environmental Abatement, Inc. (EAI) in an amount of \$458,685 for the building's demolition. After EAI began the project, it was discovered that the existing steel column supporting 432 Broadway (O'Leary Building) also supports the adjacent building at 430 Broadway (Varney Building). Demolition was halted until an engineer could design the temporary and permanent shoring of the Varney Building. In December, the Paducah Board of Commissioners approved an ordinance for a change order with EAI to extend the contract time and account for equipment and remobilization fees, a property survey, and the cost for the study to determine the permanent shoring method. The total contract with EAI is \$479,618. The end date for the contract is February 26, 2016. Before the decision to demolish the building was made, the City worked with Sullivan Cozart out of Louisville, Kentucky to get demolition and stabilization cost estimates. Preliminary estimates to only stabilize (not rehabilitate) the building were between \$1.9 and \$2.0 million.

Contract for Solid Waste and Recycling Services (vote January 19)

The Paducah Board of Commissioners introduced an ordinance to enter into an agreement with Freedom Waste Service, LLC for a ten year contract for the transfer, transport, and disposal of municipal solid waste for the City. The contract also has two five-year renewal clauses. The City's agreement with Republic Services expired December 31, 2015. In October 2015, the City accepted proposals from companies interested in providing solid waste services for Paducah. The City received proposals from Freedom and Republic. After reviewing the proposals, the recommendation is to award the contract to Freedom at a



Pam Spencer, Public Information Officer
City of Paducah • P.O. Box 2267 • Paducah, Kentucky 42002
270/444-8669 • Office 270/443-5058 • Fax
Website: <http://paducahky.gov> Email: pspencer@paducahky.gov

comparative annual cost savings of \$200,000. The City will pay Freedom a base fee of \$34.95 per ton for solid waste and \$40 per ton for recyclable materials. Freedom will be constructing a transfer station in the Paducah area off Potter Lane which will incorporate a drop-off area for citizens to dispose of recyclables. The completion date for the transfer station as outlined in the contract is June 30, 2016. Regarding the prospect of offering curbside recycling, City Manager Jeff Pederson says, "We required the company to spatially have the capacity to handle larger volumes of recyclables should the city decide to go into curbside recycling."

Pederson commended the Engineering-Public Works Department since numerous changes had to be implemented over the past couple of weeks due to the expiration of the Republic contract. Since January 1, the City of Paducah's solid waste trucks have been hauling the City's waste to Freedom's facility in Mayfield. This will continue until the transfer station is operational. The City also has opened a temporary recycling drop-off facility across from the Public Works building.

FY2015 Audit Presentation

Finance Director Jonathan Perkins and David Hampton of Kemper CPA Group, LLP provided an overview of the City's Comprehensive Annual Financial Report (CAFR) which includes the City audit. The report is for the fiscal year that ended June 30, 2015. The audit found that the City is compliant in its financial reporting. The entire CAFR report and previous audits dating back to 2001 can be found on the City's website, www.paducahky.gov. For 24 consecutive years, the City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA).

Quick Highlights

- William Shannon reappointed to the Commissioners of Water Works.
- Ordinance introduced (vote January 19) updating Section 106-2 and 106-213 of the Code of Ordinances regarding the due date, penalty, and interest for City taxes.
- Ordinance introduced (vote January 19) for change order #1 to the contract with Bluegrass Uniforms for the purchase of self-contained breathing apparatus (SCBAs) for the Fire Department. The change order adjusts the contract to include the purchase of new technology to track personnel and improve communications. The change order increases the price per unit from \$7150 to \$7505.

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