



CITY COMMISSION MEETING  
 AGENDA FOR DECEMBER 10, 2013

**5:30 P.M.**

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

ADDITIONS/DELETIONS

RECOGNITION:

Mayor:

- Christmas Ornament Contest Winners

ANNOUNCEMENT – Paducah Tennis Association– JASON COLTHARP, JANE GAMBLE & LISA LAUCK

PRESENTATIONS:

- handiCAPABLE Guide Service, Inc. – TOM BRUZAN
- PRA Reorganization – CITY MGR PEDERSON

	I.	<u>MINUTES</u>
	II.	<u>MOTIONS</u>
		A. R & F Documents
	III.	<u>MUNICIPAL ORDERS</u>
		A. Personnel Actions – C. MEDFORD
		B. Amend Position and Pay Schedule – C. MEDFORD
		C. Amend Pay Grade Schedule – C. MEDFORD
		D. KLC Safety Grant – S. CHINO
	IV.	<u>ORDINANCES – ADOPTION</u>
		A. Approve Change Order No. 1 for the Noble Park Pool Renovations Project Phase II (concession stand) – M. THOMPSON
		B. Approve Final Budget w/Amendments for FY2012-2013 – J. PERKINS/A. HERNDON
		C. Authorize Payment for Emergency Repair of Pump #5 At Floodwall Station #2 – R. MURPHY

		D. Purchase Vehicles for Police Department – <b>R. MURPHY</b>
		E. Amend ABC Ordinance to Allow Sales of Alcohol While the Polls Are Open – <b>CITY MGR</b>
	<b>V.</b>	<b><u>ORDINANCES - INTRODUCTION</u></b>
		A. Strategic Health Risk Advisor and Strategic Benefit Placement Services – <b>C. MEDFORD</b>
		B. Agreement for Services with Edumedics – <b>C. MEDFORD</b>
		C. Hotel Development Agreement – <b>S. DOOLITTLE</b>
		D. Loan to Paxton Park Municipal Golf Course – <b>CITY MANAGER</b>
	<b>VI.</b>	<b><u>CITY MANAGER REPORT</u></b>
	<b>VII.</b>	<b><u>MAYOR &amp; COMMISSIONER COMMENTS</u></b>
	<b>VIII.</b>	<b><u>PUBLIC COMMENTS</u></b>
	<b>IX.</b>	<b><u>EXECUTIVE SESSION</u></b>

DECEMBER 10, 2013

I move that the following documents be received and filed:

**DOCUMENTS**

1. Certificates of Liability Insurance
  - a. Super Crete
  - b. Lonnie Wiggins Concrete
  - c. BCD, Inc.
  - d. Associated Engineers, Inc.
2. Right of Way Bond for BCD, Inc.
3. Commissioner's Deed for 1016 South 5<sup>th</sup> Street
4. Deed with Henry and Neva Rudy for 511 North 5<sup>th</sup> Street
5. Agreements Contracts:
  - a. Interlocal Agreement for Acceptance and Administration of an Edward Byrne Justice Assistance Grant (JAG) Award - \$13,382.00 (ORD # 2013-09-2013)
  - b. Contract with Kinsey's Lawn and Landscape for grounds maintenance of approximately 130 city owned properties (ORD # 2011-03-7793)
6. Notice of Cancellation for the Board of Commissioners of the City of Paducah, Kentucky for 5:30 p.m., Tuesday, December 3, 2013

**BIDS**

**PLANNING DEPARTMENT**

1. Bid for 902 South 5<sup>th</sup> Street  
Siener Properties, LLC.

CITY OF PADUCAH  
December 10, 2013

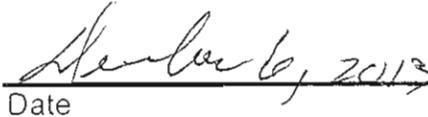
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Upon the recommendation of the City Manager, the Board of Commissioners of the City of Paducah order that the personnel changes on the attached list be approved.



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City Manager's Signature



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Date

CITY OF PADUCAH  
PERSONNEL ACTIONS  
December 10, 2013

PAYROLL ADJUSTMENTS/TRANSFERS/PROMOTIONS/TEMPORARY ASSIGNMENTS

	<u>PREVIOUS POSITION AND BASE RATE OF PAY</u>	<u>CURRENT POSITION AND BASE RATE OF PAY</u>	<u>NCS/CS</u>	<u>FLSA</u>	<u>EFFECTIVE DATE</u>
<u>FIRE SUPPRESSION</u>					
Kirkham, Timothy	Relief Driver \$14.40/Hr	Acting Fire Lieutenant \$15.61/Hr	NCS	Non-Ex	November 7, 2013
Kirkham, Timothy	Acting Fire Lieutenant \$15.61/Hr	Relief Driver \$14.40/Hr	NCS	Non-Ex	November 22, 2013
<u>FIRE PREVENTION</u>					
Brazier, Harland	Interim Code Enfor Supvsr \$20.76/Hr	Code Enforcement Officer I \$19.77/Hr	NCS	Non-Ex	December 5, 2013

# Agenda Action Form

## Paducah City Commission

Meeting Date: December 10, 2013

Short Title: Amend Position & Pay Schedule all sections

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Missi Dotson, Martin Russell, Cindy Medford, Jeff Pederson,  
Mark Thompson, Steve Ervin  
Presentation By: Cindy Medford

Background Information: The commission adopted the previous Position and Pay schedule on June 25, 2013. This action will amend the current Position & Pay Schedule with changes as follows:

- Fire and Police step increases
- This amendment also includes clean-up and audit necessary to reflect the correct, current number of vacant and filled positions.
- Change grade of the Community Development Planner from L to M
- Remove Patrol Clerk from Police Department and replace with Records Clerk I

The following positions have been vacated and are recommended for removal from Paducah Renaissance Alliance

- Remove from budget total Executive Director
- Remove from budget total Marketing Specialist
- Remove from budget total Executive Assistant

The following positions are recommended to replace the above vacated positions.

- Downtown Development Specialist in the Planning Department
- Special Events Coordinator in the Park Services Department

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name:

Finance

Account Number:

Staff Recommendation: Adopt the amended Position & Pay Schedule.

Attachments: Position & Pay Schedule

Department Head	City Clerk	 City Manager
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Section A.								
GENERAL GOVERNMENT			AUTHORIZED POSITIONS		FY 13/14			
	BUDGET	FILLED	VACANT	ADJ.	HOURS	EXEMPT	PAY	
POSITIONS	TOTAL	NON-CS	RCSS/CS	RATE	WORK	NON-EXEMPT	GRADE	
City Manager	1	1		68.37	40	E	AA	
Assistant City Manager							Z	
Assistant to the City Manager							O	
City Clerk	1		1	31.34	40	E	P	
Asst. City Clerk					40	NE	F	
Executive Assistant II	1	1		19.91	40	NE	I	
Administrative Assistant III	1	1		14.35	40	NE	D	
Public Information Officer	1	1		26.83	40	E	P	
<b>Total Budgeted/Filled for Department</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>				

Section B.								
FINANCE DEPARTMENT			AUTHORIZED POSITIONS		FY 13/14			
	BUDGET	FILLED	VACANT	ADJ.	HOURS	EXEMPT	PAY	
POSITIONS	TOTAL	NON-CS	RCSS/CS	RATE	WORK	NON-EXEMPT	GRADE	
<b>Administration</b>								
Director of Finance	1	1		58.57	40	E	Z	
Executive Assistant I	1	1		16.02	40	NE	F	
<b>Accounting/Payroll</b>								
Controller	1	1		31.58	40	E	T	
Accounts Payable Clerk	1	1		18.01	40	NE	C	
Accountant	2	1		19.81	40	E	J	
		1		18.11	40	E	J	
<b>Revenue</b>								
Revenue Manager	1	1		27.87	40	E	S	
Account Clerk	2	1		14.32	40	NE	B	
		1		12.98	40	NE	B	
Revenue Tech.	1	1		16.15	40	NE	C	
Revenue Auditor	1	1		20.91	40	E	J	
<b>Total Budgeted/Filled for Department</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>				

Note: As the Executive Assistant I position is eliminated through attrition it will be filled as a Non-Civil Service position.  
Reference Ordinance 2002-5-8519

Note: RCSS - Individuals Retain Civil Service Status

Section C.								
PADUCAH RIVERFRONT DEVELOPMENT			AUTHORIZED POSITIONS		FY 13/14			
AUTHORITY	BUDGET	FILLED	VACANT	ADJ.	HOURS	EXEMPT	PAY	
POSITIONS	TOTAL	NON-CS	RCSS/CS	RATE	WORK	NONEXEMPT	GRADE	
Executive Director	1	1		40.06	40	E	T	
<b>Total Budgeted/Filled for Department</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>				

Section D.								
INFORMATION TECHNOLOGY			AUTHORIZED POSITIONS		FY 13/14			
	BUDGET	FILLED	VACANT	ADJ.	HOURS	EXEMPT	PAY	
POSITIONS	TOTAL	NON-CS	RCSS/CS	RATE	WORK	NONEXEMPT	GRADE	
Director Information Technology	1	1		44.89	40	E	U	
Network Administrator	1	1		31.12	40	E	P	
Help Desk Technician	1	1		19.16	40	NE	H	
Network Technician					40	NE	J	
GIS Specialist	1	1		26.33	40	E	P	
GIS Planner	1	1		29.02	40	E	P	
<b>Total Budgeted/Filled for Department</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>				

Temporary class graded to Information Services Land Record Database Project.

Section E.

PLANNING DEPARTMENT		AUTHORIZED POSITIONS			FY 13/14 HOURLY WAGE		EXEMPT NONEXEMPT	PAY GRADE
POSITIONS	BUDGET TOTAL	FILLED NON-CS	RCSS/CS	VACANT	ADJ. RATE	HOURS WORK		
Director of Planning	1	1			42.09	40	E	V
Executive Assistant I	1	1			20.83	40	NE	F
Admin Asst II	1	1			17.43	40	NE	C
Planner I	1	1			23.17	40	E	L
Planner II								M
<u>Downtown Development Specialist</u>	<u>1</u>			<u>1</u>		<u>40</u>	<u>E</u>	<u>M</u>
Grants Administrator	1	1			<del>22.94</del> 24.76	40	E	L
<u>Community Development Planner</u>	<u>1</u>	<u>1</u>			25.18	40	E	LM
Section 8 Program Administrator	1	1			33.78	40	E	P
Housing Specialist	2	1			20.16	40	NE	H
		1			16.39	40	NE	H
<b>Total Budgeted/Filled for Department</b>		<b>10</b>	<b>9</b>	<b>0</b>				

Section F.

POLICE DEPARTMENT		AUTHORIZED POSITIONS			FY 13/14 HOURLY WAGE		EXEMPT NON-EXEMPT	PAY GRADE
POSITIONS	BUDGET TOTAL	FILLED NON-CS	RCSS/CS	VACANT	ADJ. RATE	HOURS WORK		
Police Chief	1	1			<del>51.44</del> 42.03	40	E	Z
Police Assistant Chief	2			1		40	E	S
Step 1					30.94			
Step 2			4		34.77			
Step 3			1		36.31			
Step 4								
Captains	6					40	E	Q
<5 years					28.77			
5 years					28.92			
9 years					29.05			
12 years			3	1	30.64			
15 years			2		30.80			
19 years			4	3	30.93			
22 years								
25 years								
Records Division Manager	1	1			20.08	40	E	K
Sergeants	9					40	NE	P
5 years					24.32			
6 years					24.41			
7 years					24.52			
9 years			4		24.61			
9 years			1		24.72			
10 years			4		24.82			
11 years			2		24.91			
12 years			3	1	25.01			
13 years			2		25.11			
14 years			2		25.20			
15 years					25.31			
16 years					25.42			
17 years					25.51			
18 years					25.60			
19 years					25.70			
20 years					25.80			
21 years					25.91			
22 years					26.02			
23 years					26.12			
24 years					26.22			
25 years					26.31			

Police Officer	60		3	40	NE	J
Police Officer - Recruit		1		19.78		
1 year		6	3	20.86		
2 years			2	20.96		
3 years			4	21.96		
4 years			3	22.01		
5 years		8	7	22.72		
6 years		3	5	22.78		
7 years			3	22.83		
8 years		6	4	23.10		
9 years		6	5	23.21		
10 years		3	5	23.30		
11 years		3	2	23.41		
12 years			5	23.50		
13 years		2	3	23.61		
14 years			2	23.71		
15 years				23.81		
16 years				23.91		
17 years			3	24.00		
18 years		4	2	24.11		
19 years				24.21		
20 years				24.32		
21 years				24.41		
22 years				24.52		
23 years		1		24.61		
24 years				24.72		
25 years				24.82		
Executive Assistant II	1	1		21.62	40	NE I
Administrative Assistant III	4	4		17.67	40	NE D
Administrative Assistant II					40	NE C
Records Clerk I	3	3		13.35	40	NE C
Investigative Assistant	1	1		17.10	40	NE G
Records Clerk II	4	4		13.66	40	NE D
Records Clerk III	1	1		15.25	40	NE E
Patrol Clerk	3	3		13.66	40	NE C
Evidence Technician II	1	1		15.63	40	NE F
Evidence Technician I	1	1		13.25	40	NE C

\* \$1.00 per hr. shift differential when they work the evening and graveyard shift

Note: Police Department Secretary-Public Information Officer is provided two hours minimum call-out pay

Total Budgeted/Filled for Police Department	87	83	0	4
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**Section G.**

FIRE DEPARTMENT POSITIONS	AUTHORIZED POSITIONS			FY 13/14 HOURLY WAGE ADJ. RATE	HOURS WORK	EXEMPT NONEXEMPT	PAY GRADE
	BUDGET TOTAL	FILLED NON-CS	VACANT RCSS/CS				
<b>Administrative Division</b>							
Fire Chief	1	1		45.63	40	E	X
Deputy Fire Chief - Fire Prevention	1	1		34.00			T
Deputy Fire Chief - Operations							T
Office Manager	4	4		20.67	40	NE	I
Executive Assistant I	1	1		19.32		NE	F
				19.24			
<b>Training Division</b>							
Battalion Chief/ Training Officer	1	1		27.80		E	N
<b>Fire Prevention Division</b>							
Battalion Chief/ Fire Marshal						E	N
Fire Marshal						E	N
Deputy Fire Marshal III							M
Deputy Fire Marshal II							L
Deputy Fire Marshal I	2	2		19.77		NE	J
Code Enforcement Supervisor							L
Code Enforcement Officer II						NE	J
Code Enforcement Officer I	3	3		19.77	40	NE	G

Code Enforcement Assistant	1	1	12.95	40	NE	C
Permit Technician						E
Permit Specialist	1	1	15.12	40	NE	C
				40	NE	F
Chief Building Inspector		1	28.72			N
Deputy Building Inspectors						
Level I				40	NE	J
Level II	1	1	21.19	40	NE	L
Level III+Plans Review	4			40	NE	M
Chief Electrical Inspector	1	1	27.42	40	NE	M
Deputy Electrical Inspectors						
Inspector Level I	1	1	21.19	40	NE	J
Inspector II+Plans Review				40	NE	L
<b>Suppression Division</b>						
Fire Assistant Chief	3			40	E	P
Step 1			19.57			
Step 2			20.26			
Step 3			20.97			
Step 4			21.70			
Step 5		1	22.46			
Step 6			23.25			
Step 7		1	24.06			
Step 8		1	24.90			
Step 9			25.78			
Captains	15	2			NE	I
<10 years			16.47			
10 years			16.49			
11 years			16.50			
12 years			16.52			
13 years			16.54			
14 years			16.57			
15 years		1	16.58			
16 years		5	16.60			
17 years			16.62			
18 years			16.63			
19 years			16.65			
20 years			16.66			
21 years		5	16.68			
22 years		1	16.70			
23 years		1	16.71			
24 years		1	16.73			
25 years		2	16.75			
26 years		2	16.76			
27 years		1	16.78			
28 years		1	16.79			
29 years			16.81			
30 years			16.83			
Lieutenants	15				NE	H
<10 years		1	15.61			
10 years		1	15.65			
11 years			15.69			
12 years			15.74			
13 years			15.77			
14 years		7	15.78			
15 years		3	15.80			
16 years		3	15.82			
17 years			15.83			
18 years			15.85			
19 years			15.86			
20 years			15.90			
21 years			15.91			
22 years			15.93			
23 years		4	15.95			
24 years		1	15.96			
25 years			15.98			

26 years	15.99
27 years	16.01
28 years	16.03
29 years	16.04
30 years	16.06

Firefighter	29		2	1		NE	E
Firefighter (Appointee)		4					
Firefighter (On Floor)							
6 months		4					
1 year							
2 years							
3 years		5					
4 years							
5 years		4					
6 years		1					
7 years							
8 years							
9 years							
10 years							
11 years							
12 years							
13 years							
14 years							
15 years							
16 years							
17 years							
18 years							
19 years							
20 years							

Firefighter (Relief Driver)						NE	F
5% COLA + \$0.39 + \$0.10							
1 year							
2 years							
3 years							
4 years							
5 years		3	2				
6 years		2					
7 years							
8 years		2					
9 years		6	5				
10 years		2					
11 years							
12 years							
13 years							
14 years		2	1				
15 years		1					
16 years							
17 years							
19 years							
20 years							

Total Budgeted/Filled for Department	78	73	1	4
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- Note: Firefighter (Relief Driver) is not a new position. \$0.10 is factored in the pay rate.
  - Note: A person may hold the position of Deputy Building Inspector (Level 1) for a period not to exceed two years without becoming certified.
  - Note: A person may hold the position of Deputy Electrical Inspector (Level 1) for a period not to exceed one year without becoming certified.
  - Note: Building Inspector levels are equivalent to steps. These levels are dictated by state certification.
  - Note: As inspections Civil Service positions are eliminated through attrition they will be filled as Non-Civil Service positions.
- Note: RCSS - Individuals Retain Civil Service Status**

Section H.	AUTHORIZED POSITIONS				HOURLY WAGE	ADJ.	HOURS	EXEMPT	PAY
ENGINEERING/PUBLIC WORKS DEPT.	BUDGET	FILLED	VACANT						

POSITIONS	TOTAL	NON-CS	RCSS/CS	RATE	WORK	NONEXEMPT	GRADE
City Engineer & Public Works Director	1	1		54.31	40	E	Z
Storm Water & Drainage Engineer	1	1		25.97	40	E	R
Engineering Project Manager	1	1		28.35	37.5	NE	N
EPW Operations Manager	1	1		26.57	40	E	O
Engineering Assistant III					40	E	M
Engineering Assistant II							L
Engineering Assistant I	1		1				J
Executive Assistant I	1	1		16.45	40	NE	F
Administrative Assistant III	1	1		14.24	40	NE	D
<b>Floodwall Division</b>							
EPW Floodwall Superintendent	1	1		29.81	40	E	N
Floodwall Operator	4				40	NE	F
80%				14.65			
85%				15.56			
90%				16.48			
95%				17.39			
100%			4	18.32			
<b>Street Division</b>							
EPW Street Superintendent	1	1		31.25	40	E	N
EPW Street Supervisor	2	4	1	22.15		E	L
		1		21.53		E	L
Equipment Operator	4					NE	E
80%				14.53			
85%				15.43			
90%				16.34			
95%				17.25			
100%			4	18.16			
Concrete Finisher	3		2			NE	E
80%				14.52			
85%				15.43			
90%				16.35			
95%				17.25			
100%		1	2	18.16			
Right-Of-Way Maintenance Person	10		4			NE	C
80%		1 1/2		13.74			
85%		1		14.59			
90%				15.45			
95%		2 1/2		16.31			
100%		3 1/2	3 1/2	17.17			
<b>Maintenance Division</b>							
EPW Fleet / Maintenance Superintendent	1	1		33.56	40	E	O
EPW Maintenance Supervisor	1	1		21.90		E	L
Laborer	7		2 1/2			NE	C
80%				12.79			
85%				13.59			
90%				14.39			
95%				15.18			
100%		2 3/4	3	15.98			
Traffic Technician	2					NE	E
80%				14.65			
85%				15.56			
90%				16.48			
95%				17.39			
100%			2	18.31			
Master Electrician	1	1		22.39		NE	L
Maintenance Technician	2					NE	E
80%				14.35			
85%				15.56			
90%				16.48			
95%				17.39			

100%		2	18 31		
<b>Fleet Maintenance Division</b>					
EPW Fleet Supervisor	1		22.90	E	L
Administrative Assistant III	1		18.39	40	NE D
Fleet Mechanic I					NE G
Fleet Mechanic II	4				NE i
	1		17.94		
	1		19.07		
	1		19.74		
	1		20.01		
<b>Solid Waste Division</b>					
EPW Solid Waste Superintendent	1		27.67	40	E N
EPW Solid Waste Supervisor	1		22.31		E L
EPW Compost Operations Supervisor	1		21.53		E L
Administrative Assistant III	1		16.63	40	NE D
Laborer	7				NE C
80%			12.79		
85%	4		13.59		
90%	1		14.39		
95%			15.18		
100%	4	2	15.98		
Truck Driver	10				NE C
80%			13.64		
85%			14.49		
90%			15.34		
95%	1		16.19		
100%	4	5	17.04		
Right-Of-Way Maintenance Person	3				NE C
80%			13.74		
85%			14.59		
90%			15.45		
95%			16.31		
100%	2	1	17.17		
Compost Equipment Operator	1				NE F
80%			14.86		
85%			15.79		
90%			16.72		
95%			17.65		
100%		1	18.58		

<b>Total Budgeted/Filled for Department</b>	<b>77</b>	<b>46</b>	<b>26</b>	<b>5</b>
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Note: positions are eliminated through attrition they will be filled as a Non-Civil Service positions

**Note: RCSS - Individuals Retain Civil Service Status**

Note: As the Floodwall Operators' CS positions are eliminated through attrition they will be filled as Non-Civil Service positions

Note: AFSDME employees in the classification above shall be eligible to receive "Shift Differential" of \$0.35/Hr

Note: AFSDME employees in the above classification shall be eligible to receive \$0.50/Hr as a "Work Leader"

**Section I.**

POSITION	AUTHORIZED POSITIONS			HOURS WORK	EXEMPT NON-EXEMPT	PAY GRADE	
	BUDGET TOTAL	FILLED					VACANT
		NON-CS	RCSS/CS				
Director of Parks Services	1	1		44.04	E	V	
Recreation Superintendent	1	1		22.79	E	N	
Parks Maintenance Superintendent	1	1		25.08	E	N	
Cemetery Sexton	1	1		19.58	E	F	
Special Events Coordinator	1		1		E	M	
Recreation Specialist	2				E	E	
		1		13.85			
		1		14.39			
				16.20			
Executive Assistant	1	1		18.22	NE	F	

Administrative Assistant III	1	1		14.75	NE	D
Administrative Assistant II	1	1		14.45	NE	C
<b>Maintenance Division</b>						
Supervisor	1	1		21.05	E	L
Laborer	11				NE	C
80%				12.79		
85%		4		13.59		
90%				14.39		
95%		1		15.18		
100%		6	4	15.98		
Right-Of-Way Maintenance Person	3				NE	C
80%				13.74		
85%				14.59		
90%				15.45		
95%				16.31		
100%		1	2	17.17		

<b>Total Budgeted/Filled for Department</b>	<b>25</b>	<b>18</b>	<b>6</b>	<b>1</b>
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Note: As positions are eliminated through attrition they will be filled as Non-Civil Service positions.

**Note: RCSS - Individuals Retain Civil Service Status**

Note: AFEOWE employees in the classification above shall be eligible to receive "Shift Differential" of \$0.35/Hr

Note: AFEOWE employees in the above classification shall be eligible to receive \$0.50/Hr as a "Work Leader"

**Section J.**

HUMAN RESOURCES POSITIONS	AUTHORIZED POSITIONS			HOURS WORK	EXEMPT NON-EXEMPT	PAY GRADE
	BUDGET TOTAL	FILLED NON-CS RCSS/CS	VACANT			
Director of Human Resources	1	1		40.01	E	V
Risk Manager						O
H R Generalist	2	2		17.21	E	G
<b>Total Budgeted/Filled for Department</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>		

**Section K.**

PADUCAH RENAISSANCE ALLIANCE POSITIONS	AUTHORIZED POSITIONS			HOURS WORK	EXEMPT NONEXEMPT	PAY GRADE
	BUDGET TOTAL	FILLED NON-CS RCSS/CS	VACANT			
Executive Director	1		1	40	E	T
Marketing Specialist	1		1	40	E	N
Events & Promotion Specialist				40	E	H
Executive Assistant I	1		1	40	NE	F
<b>Total Budgeted/Filled for Department</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

# Agenda Action Form

## Paducah City Commission

Meeting Date: December 10, 2013

Short Title: Amend Pay Grade Schedule

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Martin Russell, Cindy Medford, Jeff Pederson  
Presentation By: Cindy Medford

Background Information: June 25, 2013 the Commission adopted the new Pay Grade Schedule, this action makes a couple of adjustments to the document as presented in the Position and Pay Schedule amendment.

**A brief summary of changes are as follows:**

- Add Downtown Development Specialist to Pay Grade M
- Add Special Events Coordinator to Pay Grade M
- Move Community Development Planner from L to M
- Correct Planner I by moving from J to L

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name:  
Account Number:

Finance

Staff Recommendation: Adopt the amended Position & Pay Schedule

Attachments: Amended Position & Pay Schedule

Department Head	City Clerk	City Manager
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		New Hire Range		Market Range		Premium Range
Title	Pay Grade	Beginning -1st	2nd Qtr	Mid-Point	3rd Qrt	4th Premium
Firefighter (Appointee)	A	\$23,533	\$26,159	\$28,785	\$31,462	\$34,138
Account Clerk	B	\$24,644	\$27,435	\$30,224	\$32,990	\$35,754
Admin Asst I	B	\$24,644	\$27,435	\$30,224	\$32,990	\$35,754
Accounts Payable Clerk	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Admin Asst II	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Code Enforcement Assistant	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Evidence Technician I	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Laborer	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Patrol Clerks	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Permit Specialist	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Records Clerk I	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Revenue Technician	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
ROW Maintenance Person	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Solid Waste Truck Driver	C	\$25,957	\$28,847	\$31,735	\$34,705	\$37,673
Administrative Asst III	D	\$27,169	\$30,246	\$33,322	\$36,356	\$39,390
Records Clerk II	D	\$27,169	\$30,246	\$33,322	\$36,356	\$39,390
Concrete Finisher	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Equipment Operator	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Firefighter	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Maintenance Technician	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Permit Technician	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Recreation Specialist	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Records Clerk III	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Traffic Tech	E	\$28,583	\$31,786	\$34,988	\$38,199	\$41,410
Asst. City Clerk	F	\$29,997	\$33,367	\$36,738	\$40,134	\$43,531
Cemetery Sexton	F	\$29,997	\$33,367	\$36,738	\$40,134	\$43,531
Compost Equipment Operator	F	\$29,997	\$33,367	\$36,738	\$40,134	\$43,531
Evidence Tech II	F	\$29,997	\$33,367	\$36,738	\$40,134	\$43,531
Executive Asst I	F	\$29,997	\$33,367	\$36,738	\$40,134	\$43,531
Firefighter Relief Driver	F	\$29,997	\$33,367	\$36,738	\$40,134	\$43,531
Floodwall Operator	F	\$29,997	\$33,367	\$36,738	\$40,134	\$43,531
Code Enforcement Officer I	G	\$31,512	\$35,043	\$38,575	\$42,113	\$45,652
Fleet Mechanic I	G	\$31,512	\$35,043	\$38,575	\$42,113	\$45,652
HR Generalist	G	\$31,512	\$35,043	\$38,575	\$42,113	\$45,652
Investigative Asst	G	\$31,512	\$35,043	\$38,575	\$42,113	\$45,652
Fire Lieutenants	H	\$33,027	\$36,765	\$40,503	\$44,189	\$47,874
Help Desk Technician	H	\$33,027	\$36,765	\$40,503	\$44,189	\$47,874
Housing Specialist	H	\$33,027	\$36,765	\$40,503	\$44,189	\$47,874
Events & Promotions Specialist	H	\$33,027	\$36,765	\$40,503	\$44,189	\$47,874

		New Hire Range		Market Range		Premium Range
Title	Pay Grade	Beginning - 1st	2nd Qtr	Mid-Point	3rd Qrt	4th Premium
Marketing Specialist	H	\$33,027	\$36,765	\$40,503	\$44,189	\$47,874
Fire Captains	I	\$34,744	\$38,637	\$42,528	\$46,464	
Fleet Mechanic II	I	\$34,744	\$38,637	\$42,528	\$46,464	\$50,399
Executive Asst II	I	\$34,744	\$38,637	\$42,528	\$46,464	\$50,399
Office Manager	I	\$34,744	\$38,637	\$42,528	\$46,464	\$50,399
Accountant	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Deputy Building Inspector I	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Deputy Electrical Inspector I	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Code Enforcement II	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Deputy Fire Marshal I	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Engineering Asst I	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Network Technician	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Planner I	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Police Officer	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Revenue Auditor	J	\$36,461	\$40,558	\$44,655	\$48,739	\$52,823
Records Division Manager	K	\$38,279	\$42,584	\$46,887	\$51,219	\$55,550
Deputy Building Inspector II	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Deputy Electrical Inspector II + Plan	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Code Enforcement Supervisor	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Community Development Planner	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Engineer Asst II	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Fire Marshall II	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Grants Administrator	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Master Electrician	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Parks Maintenance Supervisor	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Planner II Planner I	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
EPW Supervisor -(Compost Operations, Fleet, Maintenance, Street, Solid Waste)	L	\$39,087	\$44,159	\$49,232	\$54,310	\$59,388
Chief Electrical Inspector	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Community Development Planner	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Deputy Building Inspector III/Plan Review	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Downtown Development Specialist	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Engineer Asst III	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Fire Marshall III	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Planner II	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Special Events Coordinator	M	\$41,006	\$46,350	\$51,694	\$57,005	\$62,317
Chief Building Inspector	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549

		New Hire Range		Market Range		Premium Range
Title	Pay Grade	Beginning -1st	2nd Qtr	Mid-Point	3rd Qrt	4th Premium
Battalion Chief	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
Engineer Project Manager	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
Fire Marshall	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
Parks Maintenance Superintendent	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
Recreation Superintendent	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
EPW Solid Waste Superintendent	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
EPW Street Superintendent	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
EPW Floodwall Superintendent	N	\$43,127	\$48,703	\$54,278	\$59,914	\$65,549
Assistant to the City Manager	O	\$45,248	\$51,120	\$56,992	\$62,887	\$68,781
EPW Fleet/Maintenance Superintendent	O	\$45,248	\$51,120	\$56,992	\$62,887	\$68,781
GIS Analyst	O	\$45,248	\$51,120	\$56,992	\$62,887	\$68,781
EPW Operations Manager	O	\$45,248	\$51,120	\$56,992	\$62,887	\$68,781
Risk Manager	O	\$45,248	\$51,120	\$56,992	\$62,887	\$68,781
City Clerk	P	\$47,470	\$53,656	\$59,841	\$65,978	\$72,114
GIS/Planner	P	\$47,470	\$53,656	\$59,841	\$65,978	\$72,114
Network Administrator	P	\$47,470	\$53,656	\$59,841	\$65,978	\$72,114
Public Information Officer	P	\$47,470	\$53,656	\$59,841	\$65,978	\$72,114
Section 8 Housing Admin	P	\$47,470	\$53,656	\$59,841	\$65,978	\$72,114
Police Sergeant	P	\$47,470	\$53,656	\$59,841	\$65,978	\$72,114
GIS Specialist	P	\$47,470	\$53,656	\$59,841	\$65,978	\$72,114
Police Captain	Q	\$49,894	\$56,364	\$62,834	\$69,343	\$75,851
Fire Assistant Chief	Q	\$49,894	\$56,364	\$62,834	\$69,343	\$75,851
Storm & Drain Engineer	R	\$52,318	\$59,147	\$65,976	\$72,731	\$79,487
Deputy Fire Chief - Operations	S	\$54,944	\$62,109	\$69,275	\$76,400	\$83,527
Director of Inspection	S	\$54,944	\$62,109	\$69,275	\$76,400	\$83,527
Police Assistant Chief	S	\$54,944	\$62,109	\$69,275	\$76,400	\$83,527
Revenue Manager	S	\$54,944	\$62,109	\$69,275	\$76,400	\$83,527
Controller	T	\$57,772	\$65,255	\$72,738	\$80,254	\$87,769
Deputy Fire Chief - Fire Prevention	T	\$57,772	\$65,255	\$72,738	\$80,254	\$87,769
Exec Dir Paducah Riverfront Dev Aut	T	\$57,772	\$65,255	\$72,738	\$80,254	\$87,769
Exec Director PRA	T	\$57,772	\$65,255	\$72,738	\$80,254	\$87,769
Director of IT	U	\$60,600	\$68,487	\$76,375	\$87,832	\$96,615
Director of Parks	V	\$63,630	\$71,912	\$80,194	\$92,223	\$101,415
Director of Planning	V	\$63,630	\$71,912	\$80,194	\$92,223	\$101,415
Human Resource Director	V	\$63,630	\$71,912	\$80,194	\$92,223	\$101,415

		New Hire Range		Market Range		Premium Range
Title	Pay Grade	Beginning -1st	2nd Qtr	Mid-Point	3rd Qrt	4th Premium
No Position	W	\$66,862	\$75,533	\$84,204	\$96,834	\$106,518
Fire Chief	X	\$70,195	\$79,304	\$88,413	\$101,675	\$111,843
No Position	Y	\$73,629	\$83,232	\$92,834	\$106,760	\$117,436
Assistant City Manager	Z	\$77,366	\$87,422	\$97,476	\$112,098	\$123,308
Director of Finance	Z	\$77,366	\$87,422	\$97,476	\$112,098	\$123,308
City Engineer & Public Works Director	Z	\$77,366	\$87,422	\$97,476	\$112,098	\$123,308
Police Chief	Z	\$77,366	\$87,422	\$97,476	\$112,098	\$123,308
City Manager	AA	\$104,232	\$117,766	\$131,300	\$150,995	\$166,095



MUNICIPAL ORDER NO. \_\_\_\_\_

A MUNICIPAL ORDER AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY TO OBTAIN A 2013-2014 MATCHING INSURANCE SERVICES SAFETY GRANT AWARD IN THE AMOUNT OF \$6,000 FROM THE KENTUCKY LEAGUE OF CITIES FOR THE PURCHASE OF TWO SECURITY CAMERAS  
BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The Mayor is hereby authorized to execute all documents necessary to obtain a 2013-2014 matching Insurance Services Safety Grant Award in the amount of \$6,000 from the Kentucky League of Cities for the purchase of two (2) security cameras for the Engineering-Public Works Department. Additionally, any remaining funds will be used for training costs for the Human Resources Department to attend KMESHA. Matching funds in the amount of \$6,000 will be provided from the Human Resources and Engineering-Public Works departments budget.

SECTION 2. This order will be in full force and effect from and after the date of its adoption.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Tammara S. Sanderson, City Clerk

Adopted by the Board of Commissioners, December 10, 2013  
Recorded by Tammara S. Sanderson, City Clerk, December 10, 2013  
\\mo\grants\kle safety grant 2013-2014

# Agenda Action Form Paducah City Commission

Meeting Date: November 26, 2013

Short Title: Noble Park Pool Concession Change Order #1

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Mark Thompson  
Presentation By: Mark Thompson

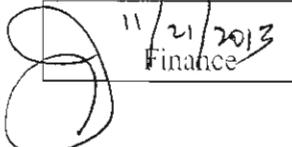
## Background Information:

The Noble Park Pool project was divided into three contracts, the main pool, the spraypad and the concession stand. This is the final change order in the concession stand contract that will allow us to close out this portion of the project.

The work delineated in the attached Change Order #1 includes the removal and rebuild of an exterior wall at the concession stand which was necessary to remove the old asbestos water heater, the removal of an extra concrete slab uncovered unexpectedly on site and additional plumbing work that was required because the separate line for hot water had never been connected in past projects. Change Order #1 revises contract with Midstates Construction of Paducah by increasing the project \$22,968.72 to a total of \$162,575.72

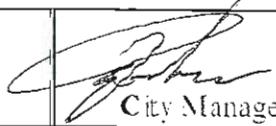
Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: Noble Park Pool Project  
Account Number: 040-8821-536-2307  
PA0095

  
11/21/2013  
Finance

Staff Recommendation: Approval

Attachments: Change Order #1

<i>MHT</i> Department Head	City Clerk	 City Manager
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# Agenda Action Form Paducah City Commission

Meeting Date: November 26, 2013

Short Title: **Final Revised 2012-2013 (FY2013) Budget Ordinance**

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Stacey Young, Audra Herndon, Jonathan Perkins  
Presentation By: Jonathan Perkins, Audra Herndon

### Background Information:

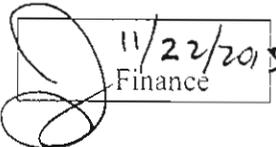
This ordinance represents the *final* revised budget ordinance for the year 2012-2013 (FY2013).

The FY2013 budget must be adjusted to reflect all adjustments made throughout the fiscal year and any adjustments required by the independent financial auditors (year-end audit adjustments). The revised budget represents year-end housekeeping & clean up following the close of the fiscal year.

The City's CAFR (audit report) discloses the City's original adopted budget, revised final budget and actual expenditures for the fiscal year audited all in one place for full disclosure to the reader.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: NA  
Account Number: NA

  
11/22/2013  
Finance

### Staff Recommendation:

Approve the final revised 2012-2013 (FY2013) Budget Ordinance

### Attachments:

FY2013 Budget Ordinance (final)

Department Head	City Clerk	 City Manager
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# Agenda Action Form

## Paducah City Commission

Meeting Date: November 26, 2013

Short Title: Authorize Payment to IME for the Repair of the Electric Motor serving Floodwall Pump Station #2

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Kenny Brannon, EPW Floodwall Superintendent  
Angela Weeks, EPW Proj Mgr

Presentation By: Rick Murphy, P.E., City Engineer-Public Works Director

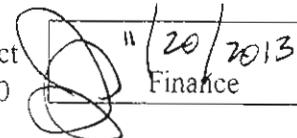
### Background Information:

On June 19, 2013, the 500 hp electric motor serving pump #5, located at Floodwall Pump Station #2, 1416 North 6th Street, become disabled, causing the entire building to become engulfed in smoke originating from the subject motor's electrical windings. Repair of the subject 500 hp electric motor was paramount to prohibit and/or reduce possible flooding within the City which would be an imminent safety threat to property and Paducah Citizens. Therefore, pursuant to Section 2-659(1) of the City of Paducah Procurement Code, an Emergency was declared by the City Manager for the immediate repair of the 500 hp electric motor pump located at Floodwall Pump Station #2 at 1416 North 6th Street. Prior to the City Manager's execution of the Emergency Declaration, the EPW Department obtained quotes from qualified vendors having the capability to make the appropriate repairs on electric motors of this size (low rpm-500 hp.) Repair of the electric motor serving Pump #5 was completed by IM&E. On November 1, 2013, the electric motor was in place and officially back on line ready for service. Now that the work is complete, approval to pay IM&E for a total amount of \$38,000.00. for the emergency work is requested

It should be noted the date of November 1, 2013 is approximately six weeks into the City's normal pumping season, fortunately river conditions have been favorable in that pumping has not been required.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: Facility Maintenance Proj Acct  
Account Number: 040-8827-536-2307 PF0070

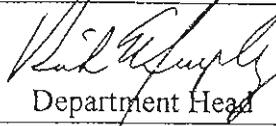
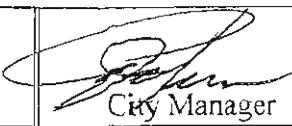
 11/20/2013  
Finance

### Staff Recommendation:

To adopt an Ordinance authorizing the Finance Director to pay Industrial Maintenance & Engineering Corp in the amount of \$38,000 for the emergency repair of the electric motor serving Pump #5 located at Floodwall Station #2. 1416 North 6th Street.

Attachments:

Emergency Declaration and copy of the Invoice

 Department Head	City Clerk	 City Manager
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# Agenda Action Form Paducah City Commission

Meeting Date: November 26, 2013

Short Title: Purchase of Four Police Vehicles from Linwood Chrysler Dodge Hyundai, LLC for use by the Police Department

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Randy Crouch, EPW Maintenance Supt.

Neal Ford, EPW Fleet Supervisor

Angela Weeks, EPW Proj Mgr

Presentation By: Rick Murphy, P.E., City Engineer-Public Works Director

### Background Information:

On Wednesday, November 13, 2013, written sealed bids were received for the purchase of four (4) new Police Vehicles to be used by the Paducah Police Department. The original bid request consisted of three (3) vehicles; however, an additional vehicle was added by addendum after one police vehicle was totaled recently. Three responsive and responsible bids were received, with Linwood Chrysler Dodge Hyundai, LLC submitting the lowest evaluated bid. Linwood submitted a unit bid price of \$28,180.40 each for four (4) 2014 Dodge Charger Police Vehicles, with a total bid amount of \$112,721.60. Additionally, Linwood agreed to allow the City to purchase up to two additional Police Vehicles in accordance with the Specifications at the unit bid price in the event the City may need to purchase additional vehicles prior to June 30, 2014 due to loss of a vehicle.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

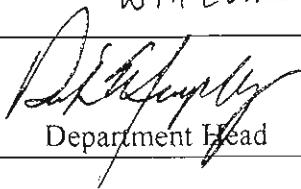
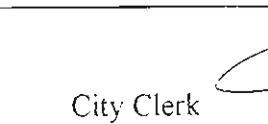
Funds Available: Account Name: Rolling Stock/Vehicles  
Fleet Lease Trust Fund\*  
Account Number: 071-0210-542-4005\*

11/22/2013  
Finance

### Staff Recommendation:

To receive and file the bids and adopt an Ordinance accepting the lowest evaluated bid of Linwood Chrysler Dodge Hyundai, LLC for four (4) new 2014 Dodge Charger Police Vehicles at a unit bid price of \$28,180.40 totaling \$112,721.60, and to authorize the possible additional purchase of up to two additional Dodge Charger Police Vehicles at the unit bid price of \$28,180.40 in the event the City may need to purchase additional vehicles prior to June 30, 2014 due to loss of a vehicle

\* - Totalled vehicle insurance proceeds of \$8,500.00 will be credited to Fleet Trust Fund. Balance of vehicles cost will come from Fleet Trust Fund reserves.

 Department Head	 City Clerk	 City Manager
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# Agenda Action Form Paducah City Commission

Meeting Date: November 26, 2013

Short Title: Allow Alcohol Sales During the Hours the Polls Are Open

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Tammara Sanderson, City Clerk

Presentation By: Jeff Pederson, City Manager

**Background Information:**

During the 2013 legislative session, the state now allows local governments to choose if they want to allow alcohol sales during the hours the polls are open for a primary, regular, school or special election.

At the November 12, 2013, meeting the City Commission requested the City's alcohol ordinance be amended to allow alcohol sales.

This amendment to the City's ordinance will no longer prohibit the sale of alcohol sales.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

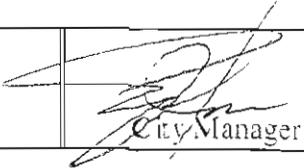
Funds Available: Account Name:  
Account Number:

Finance
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**Staff Recommendation:**

Adopt the ordinance as amended.

**Attachments:**

Department Head	City Clerk	 City Manager
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## Agenda Action Form Paducah City Commission

Meeting Date: December 17, 2013

Short Title: Strategic Health Risk Advisor and Strategic Benefit Placement Services Renewal with Peel and Holland.

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Cindy Medford  
Presentation By: Cindy Medford

### Background Information:

The City has utilized the Health Risk Advisor services of Greg Carlton through Peel & Holland since July 1999 pertaining to issues regarding the administration, renewal, claim resolution, cost containment and bidding process of the City's health insurance plan. During this time the City has received exceptional service from Greg Carlton. The City will pay Peel and Holland \$71,900 for the 2014 year's service. This fee is payable in four equal installments of \$17,975 to be billed quarterly. The fee includes the same \$65,000 advisor fee as last year, but has a couple of additional features. The city will have the use of data analytics via Acclaim health Analytics and NavMD Design 180 with customized reporting and care management integration with disease management firm chosen by the city for \$6,300. Data analytics of this nature are critical to the success of the Edumedics layer of Health Coaching we are adding for 2014 as discussed in Greg Carlton's presentation to the commission on October 22, 2013. There is also a newly added compliance dashboard for \$600 that is helpful to stay in compliance with the changing laws related to health and health information.

There will be an additional fee of \$200 per hour subject to a minimum retainer of \$5,000 for services requested by the City or the City's legal counsel for issues that arise in connection with employer and employee bargaining, legal matters, disputes, or other similar issues. The services provided by Greg Carlton will continue effective January 1, 2014.

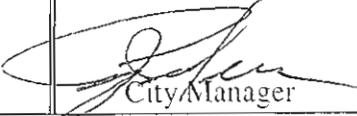
Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: Insurance Claims  
Account Number: 07302085422307

 12/6/13  
Finance

Staff Recommendation: Authorize the Mayor to execute a contract between the City of Paducah and Peel & Holland pertaining to the administration of the City's health insurance.

Attachments: Strategic Health Risk Advisor and Strategic Benefit Placement Services Agreement

Department Head	City Clerk	 City Manager
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AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A STRATEGIC HEALTH RISK ADVISOR & STRATEGIC BENEFIT PLACEMENT SERVICES CONTRACT WITH PEEL & HOLLAND FINANCIAL GROUP FOR ADMINISTRATION OF THE CITY OF PADUCAH'S HEALTH INSURANCE

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the Mayor is hereby authorized to execute a Strategic Health Risk Advisor and Strategic Benefit Placement Services contract with Peel & Holland Financial Group, in the amount of \$71,900.00, payable in four equal installments of \$17,975 each, for administration services pertaining to the administration of the City of Paducah's health insurance. An additional fee of \$200 per hour, subject to a minimum retainer of \$5,000.00, will be charged for services requested by the City or the City's legal counsel for issues that arise in connection with employer and employee bargaining, legal matters, disputes or other similar issues. This contract is for the 2014 calendar year.

SECTION 2. This expenditure shall be charged to the Insurance Claims account-07302085422307.

SECTION 3. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, December 10, 2013  
Adopted by the Board of Commissioners, December 17, 2013  
Recorded by Tammara S. Sanderson, City Clerk, December 17, 2013  
Published by The Paducah Sun, \_\_\_\_\_  
and per contract-Greg Carlton 2014

## **STRATEGIC HEALTH RISK ADVISOR & STRATEGIC BENEFIT PLACEMENT SERVICES**

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THIS CONTRACT, made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 2013, by and between Peel & Holland Financial Group, 1120 Main, P.O. Box 427, Benton, Kentucky 42025, hereinafter referred to as "ADVISOR," and City of Paducah, Kentucky hereinafter referred to as the "CLIENT,"

WITNESSETH:

WHEREAS, CLIENT desires to engaged ADVISOR to access its "Strategic Health Risk Advisor System and Strategic Insurance Placement Services System", hereinafter referred to as "SYSTEM" and ADVISOR desires to accept such engagement; and

NOW, THEREFORE, in consideration of their mutual promises, the parties hereto agree as follows:

- A. ADVISOR perform the following services on behalf of the CLIENT:
1. Review all insurance contracts and employer forms relating to health, vision, dental, and drug benefits, HRA, H.S.A. and make recommendations to the CLIENT on such contracts.
  2. Coordinate on-site enrollers or web-based enrollments and assistance with annual open enrollment for eligible employees during the period(s) contracted.
  3. Provide assistance with questions on behalf of CLIENT including but not limited to health insurance claims, eligibility, plan selection for employees.
  4. Provide consultation on issues relating to cost share, stop-loss and plan administration, and oversight in bid processes annually.
  5. Review and provide commentary on plan data such as claims administrative and reinsurance costs and comparisons of data for varying years on a quarterly basis agreed to committees and/or the City Commission, or City Manager as agreed to by CLIENT.

6. Prepare annual request for proposals (RFP) for years CLIENT requests formal bid processes. Provide oversight and coaching services in review of bids, assembly of data received by bidders and make specific recommendations to CLIENT for placement or procurement of health/drug, dental and vision insurance contracts.
7. Review preferred provider agreements and assist client in comparing and selecting preferred provider organizations (PPO).
8. Assist CLIENT with meetings and coach on benefit plan issues with employee groups as requested by CLIENT.
9. When qualified provide advice for all other areas of health, dental and drug plan operations as requested by CLIENT.
10. Provide COBRA administrative services via a separate administrative party as per a separate agreement between, U.S. Admin. LLC. and CLIENT.
11. Provide expert witness services in connection for employer and employee bargaining, legal matters, disputes, or similar issues, as requested by the employer or the employer's legal counsel.
12. Provide data analytics via Acclaim Health Analytics and NavMD Design180 with customized reporting and care management integration with disease management firms chosen independently by CLIENT.
13. Access to Compliance Dashboard, tool to help assure compliance with health plan laws.

B. For the services rendered as described in Paragraph A, Subparagraphs 1 through 10, CLIENT shall pay ADVISOR a fee of \$71,900 per annum (fee includes \$65,000 for Items 1-10, \$6,300 for item 12, and \$600 for Item #13). Services shall be billed and payable at a rate of \$17,975 per quarter and due each of the following dates: January 1, 2014, April 1, 2014, July 1, 2014, and October 1, 2014, payable within 30

days of each billing statement. Services shall continue for one calendar year from the inception date of this agreement. For services rendered as described in Paragraph A, Subparagraph 11 above, CLIENT shall pay ADVISOR a separate fee of \$200.00 per hour subject to a minimum retainer of \$5,000.00 per year should services be requested in item 11 above. Invoice for services rendered or retained under Paragraph A, Subparagraph 11, shall be billed monthly as accrued and payable no later than the 10<sup>th</sup> of the following month after the billed date. Assuming no services Paragraph A, Subparagraph 11 are requested, then no fee shall be paid under this separate section of the services. Also, due to the nature of benefits such as dental, vision, life, voluntary plans, etc. certain carriers may not waive standard commissions and if such relationship exists then these commissions shall be disclosed and commissions may be earned in addition to other fees specified within this agreement. The charging of these fees and expenses by ADVISOR for the services enumerated shall not preclude his charging and receiving a commission or fee as an agent or consultant in a separate transaction between CLIENT and ADVISOR should there be any such separate transaction.

C. CLIENT acknowledges that, with respect to providing advice and assistance placing insurance-related products, ADVISOR is acting as an insurance agent (as defined in KRS Chapter 304.9-020) and subject to provisions of KRS Chapter 304.11-020 TO 304.11-050. Further CLIENT meets the definition of "client" as denoted in KRS Chapter 304.11-020 TO 304.11-050 for health insurance.

D. CLIENT agrees that ADVISOR's sole responsibility is to provide its best advice in an objective manner in accordance with the terms of the contract. CLIENT understands and acknowledges that in many instances ADVISOR's advice will simply consist of his opinion. Although CLIENT may delegate to ADVISOR certain decisions as part of the service rendered by ADVISOR pursuant to this contract, only CLIENT, and not ADVISOR, shall be responsible for such decisions. ADVISOR's obligation to CLIENT shall be limited to providing CLIENT with his best opinion based upon his professional experience at the time such opinion is presented. CLIENT acknowledges

that ADVISOR makes no representations nor warranties concerning the quality, effectiveness, or results of his coaching services, and CLIENT assumes full risk for, and shall hold ADVISOR harmless from, all results of following or rejecting ADVISOR's advice or recommendations.

E. CLIENT shall release ADVISOR from providing any services required herein and ADVISOR shall provide a refund to CLIENT, prorated with the length of service rendered, if ADVISOR is prevented from providing the services by sickness, death, or events beyond his control, or if any outstanding bill which is due and payable by CLIENT to ADVISOR for past services is not paid in accordance with this contract.

F. Termination: CLIENT agrees that the initial term of this agreement and associated fees shall continue through December 31, 2014 and may continue into the future, as mutually agreed and by extending the agreement in writing. Afterward, either party may terminate this agreement, at any time, for any reason, provided a ninety (90) day notice is provided in writing. Fees shall continue to become due and payable throughout the length and term of the entire agreement, even if terminated, unless stipulated otherwise in section E. above.

G. This agreement has been entered into by City of Paducah, Paducah, Kentucky and Peel & Holland Financial Group.

IN TESTIMONY WHEREOF, Peel & Holland Financial Group and City of Paducah each has caused their name to be hereunto affixed on this date first written above.

Date:

\_\_\_\_\_  
Gregory W. Carlton, CLU, ChFC  
Senior VP – Health & Wellness  
Peel & Holland Financial Group

Date:

\_\_\_\_\_  
City of Paducah Kentucky

## Agenda Action Form Paducah City Commission

Meeting Date: December 17, 2013

Short Title: Edumedics, LLC Agreement for Services.

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Cindy Medford, Jon Perkins, Audra Herndon, Glen Denton, Greg Carlton

Presentation By: Cindy Medford

### Background Information:

On October 22, 2013 the commission heard a presentation from Greg Carlton, the city's Risk Advisor for Health Insurance. During that presentation, it was recommended and discussed that the city enter into a contract for services intended to improve the health and claims data associated with those adults on the city's self-insured health insurance that manage chronic conditions including:

- o Diabetes
- o Hypertension
- o Hyperlipidemia

Attached is a two year agreement that provides health coaching and care management for individuals on the city's health insurance initially targeting the above conditions.

The agreement contains a one-time fee of \$7,100, a program management fee, and a 10% share of cost savings calculated by comparison to a baseline of claims data that is to be re-calculated every 6 months.

Some direct costs are expected as well including an hourly rate of up to \$85 per hour for the health care practitioner as well as clinical laboratory services, and some durable medical equipment including blood pressure cuffs and glucose monitoring kits.

As a reminder, the health insurance renewal rates accepted from Anthem included discounts for implementing this type of strategy for 2014 that will help to offset the expense to the Health Insurance Fund.

The services provided be will be effective January 1, 2014.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: Insurance Claims  
Account Number: 07302085422307

Finance
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Staff Recommendation: Authorize the Mayor to execute a contract between the City of Paducah and Edumedics, LLC.

Attachments: Agreement for Services

Department Head	City Clerk	City Manager
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AN ORDINANCE ACCEPTING THE RATES FOR CONSULTING AND MANAGEMENT SERVICES FOR CHRONIC HEALTH CONDITIONS FOR FULL-TIME CITY EMPLOYEES COVERED BY THE CITY'S GROUP HEALTH INSURANCE PLAN WITH EDMEDICS, LLC AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the City of Paducah approves an Agreement for Services with Edumedics, LLC, for consulting and management services for chronic health conditions for full-time city employees covered by the City's Group Health Insurance Plan with Edumedics, LLC. There will be a one-time fee of \$7,100, with a program management fee, and a 10% share of cost savings calculated by comparison to a baseline of claims data that is to be re-calculated every 6 months. A copy of said Agreement is attached hereto and incorporated therein as if set out in full herein.

SECTION 2. The Mayor is hereby authorized to execute a contract with Edumedics, LLC for coverage authorized in Section 1 above. The initial term of the Agreement shall be for 2 years and shall begin on January 1, 2014 and end on December 31, 2015.

SECTION 3. This expenditure will be charged to the Insurance Claims account.

SECTION 4. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, December 10, 2013

Amended by the Board of Commissioners, December 17, 2013

Adopted by the Board of Commissioners, December 17, 2013

Recorded by Tammara S. Sanderson, City Clerk, December 17, 2013

Published by the Paducah Sun, \_\_\_\_\_

\\ord\pers\health ins-chronic care coverage 2014

DRAFT

## AGREEMENT FOR SERVICES

This Agreement for Services (the "Agreement"), effective \_\_\_\_\_ is by and between **CITY OF PADUCAH**, with its principal office at 300 South Fifth Street, Paducah, Kentucky 42002 (hereinafter "Client"), and **EDUMEDICS, LLC**, with its principal office at 201 E. Jefferson Street, Suite 301 Louisville, Kentucky 40202 (hereinafter the "Company").

WHEREAS, Company offers consulting and management services to businesses to assist in the development of innovative care management programs to encourage good health among employees and employees' dependents (the "Services");

WHEREAS, Client desires that Company provide Services to Client, in accordance with the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereto agree as follows:

### 1. SERVICES

1.1 SERVICES TO CLIENT. The Company shall provide the following Services to Client:

Consulting services to analyze and understand health care cost trends for Client; consulting services to assist in the design and implementation of care management programs to address major health care cost drivers at Client; consulting in connection with the oversight and management of such care management programs; and the provision of reports on program results.

The parties agree to provide care management programs for hypertension, diabetes and hyperlipidemia, and general health coaching services. Such programs shall be in place within sixty (60) days of target launch date, as agreed upon by mutual acceptance of both parties. Initially, target launch dates are as outlined:

- Diabetes: 1/1/14
- Hypertension: 1/1/14
- Hyperlipidemia: 1/1/14
- General Health Coaching: 1/1/14

Target effective dates may be modified and are subject to Client approval and Client cooperation. Client cooperation shall mean the communication necessary to introduce the program to all members on the health plan, ongoing promotion of the program, and designating sites at Client for program delivery.

The care management program is attached to this Agreement as Exhibit "A" and outlines the mutual understanding of the program goals and elements of the Services. Changes to Exhibit A will be at mutual consent of both parties.

Identification of eligible participants: Identification of eligible participants is derived from the health care claims provided to the Navigator Design 180 data analytics software tool using the above defined criteria. This cohort ("The Targeted Cohort") shall be refreshed 60 days prior to the program launch date. The Targeted Cohort shall be

refreshed each month to account for new members into the health plan that are eligible to participate in the program. Should a member contact Company directly and request to be considered as part of the program and the claims data does not identify the member as eligible, the member may obtain a physician's note indicating qualification and present to Company for inclusion in the care management programs. Other inclusions or exclusions to the Targeted Cohort will be at the approval of Client and Company.

Data fees associated with the identification of eligible participants are not included in this Agreement. Company is deemed a third party user, as granted by Acclaim Health Analytics, Client's Advisor ("Advisor").

1.2 BENCHMARKING. Both parties agree that the claims utilization experience for the twelve months ending December 31, 2013, after removing extraordinary claims costs that reach the high cost claim threshold as defined in their plan documents, shall be treated as the baseline year for benchmarking purposes. Such claims utilization shall reflect all eligible participants in above care programs. Such benchmark data shall be used to report upon the progress of the care management programs. Such baseline will be established on or around April 15, 2014. Baseline numbers will adjust every six months based upon current participation and use a rolling 12-month claims cost basis. For new employees where claim history is unobtainable or for enrollees who have not been with Company for at least 18 months prior to enrollment, if at least six-twelve (6-12) months of complete and accurate claim history is available, that will be prorated; if at least 6 months claim data are unavailable, the mean of the respective chronic disease group by gender will be used.

1.3 REPORTING. The Company shall report on the following:

- 1.3.1 Health care claims: Claims review to monitor the impact of the care programs to the cost outlays of the program and the Client's health plan cost, beginning with health care services rendered thirty (30) days from program launch date.
- 1.3.2 Clinical indicators of the care management programs, baseline and updated clinical indicators.
- 1.3.3 Participation in the programs.

These reports shall be presented at least quarterly, beginning the first quarter after the effective date of this Agreement. Also, during the term, the Company and Client shall meet at least quarterly to assess the status and progress of the care management programs.

## 2. TERM OF AGREEMENT

2.1 TERM. The initial term of this Agreement shall be for two years and shall begin on January 1, 2014 and end on December 31, 2015. This agreement shall be renewable upon written agreement between the parties. However, payment terms and the obligation to develop new care programs or provide additional Services are subject to the mutual agreement of both parties.

2.2 TERMINATION. In the event of a breach of this Agreement by either party, the non-breaching party may terminate this Agreement upon at least sixty (60) days prior written notice to the breaching party, which notice shall specify in detail the nature of the alleged breach; provided, however, that if the alleged breach is susceptible to cure, the breaching party shall have sixty (60) days from the date of receipt of notice of termination to cure such breach, and if such breach is cured, then the notice of termination shall be void of and of no effect. If the breach is not cured within the sixty (60) day period, then the date of termination shall be effective the day after the end of the sixty (60) day period.

2.3 COMPANION AGREEMENT. The Parties hereto have contemporaneously entered into that certain Business Associate Agreement, which they intend to perform simultaneously herewith.

### 3. PAYMENT AND INVOICING TERMS

3.1 PAYMENT FOR SERVICES. Client shall pay the Company as follows:

- Implementation Fee: A one-time fee of \$7,100, payable upon Agreement execution.
- Program management fee: A per employee per month fee of \$5.50. Program management fees include ongoing outreach engagement and operation of the disease management programs. The following program fees will be charged beginning on January 1, 2014 of this Agreement. Per employee refers to employees enrolled and currently on the health plan. Employee numbers shall be calculated monthly from Navigator MD.
- Health care costs shall be reviewed for impact of the care programs. The excess of Baseline Costs developed in Section 1.2 over and above the claims utilization experience, after removing extraordinary claims costs that reach the high cost claim threshold for Plan per participant, incurred in the review period by the targeted population shall be deemed "Saved Costs", and Company shall be paid an amount equal to 10% of Saved Costs from the targeted population. The review period each year shall be for the 12 months after the launch date of the program, and for each subsequent twelve (12) month period of the Agreement. Each review period calculation shall be completed within one hundred twenty (120) days after the end of each review period.

To the extent otherwise required, such payment of Saved Costs shall be payable to Company within 30 days following the end of the twelve month review period. This provision shall survive the natural termination of this Agreement, as defined in Section 2.1, until such time that post claims review is no longer applicable. For purposes of this Agreement, the last period of claims review shall be for January 1, 2015 – December 31, 2015.

3.2 DIRECT COSTS. Client shall reimburse Company for the costs for services performed by

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licensed health care professionals and/or providers. Company shall use commercially reasonable efforts to provide directly, or through appropriate written agreements with licensed health care professionals and/or providers, health care services for Client's employees and dependents that participate in the above-referenced care management programs. Such direct costs will include an hourly rate for the time at the designated Client sites, and any reasonable travel time and cost. Travel will be reimbursed at the then established IRS rate. Travel does not include in the McCracken county geographic area. The hourly rate is estimate to be \$75-85 per hour and shall be determined prior to the Program Launch date. Additional direct costs, such as clinical laboratory services, durable medical equipment (blood pressure cuffs, glucose monitoring kits) shall be billed on a cost plus administration allocation.

Any changes to payment for Services shall be upon mutual written agreement.

### 3.3 CONFIDENTIALITY.

(a) Company shall maintain the confidentiality of health and other personally identifiable information of Client's employees and employee dependents as provided for in the attached Business Associate Agreement.

(b) Client agrees that the pricing terms outlined in this Section 3 shall remain confidential and shall not be disclosed to a third party without the Company's written consent.

(c) Client agrees that the documentation created by Company and provided to Client in connection with the care management programs provided for hereunder are proprietary to Company and distribution and use of such materials other than by Company internally for the sole purposes of implementing and administering its care programs is prohibited.

### 3.4 INVOICING.

(a) Invoices shall be submitted monthly by the Company for payment by Client. Payment is due within fifteen (15) days from date of invoice. If Client has any valid reason for disputing any portion of an invoice, Client will so notify the Company within seven (7) calendar days of receipt of such invoice by Client, and if no such notification is given, the invoice will be deemed valid, and Client shall pay in full. The portion of the Company's invoice that is not in dispute shall be paid in accordance with the procedures set forth herein.

(b) A finance charge of 1.5% per month on the unpaid amount of an invoice, or the maximum amount allowed by law, shall be charged on past due accounts. Payments by Client will thereafter be applied first to accrued interest and then to the principal unpaid balance. Any attorney fees, court costs, or other costs incurred in the collection of delinquent accounts shall be paid by Client. If Client fails to timely pay any invoice, then the Company may suspend all Services under this Agreement until paid in full or terminate this Agreement upon written notice to Client.

3.5 TAXES. All amounts payable pursuant to this Agreement are exclusive of taxes. Accordingly, there may be added to any such amount payable by Client the monetary sum equal to any and all current and future applicable taxes, however designated, incurred as a result of or

otherwise in connection with this Agreement or the Services, including without limitation state and local privilege, excise, sales, services, withholding, and use taxes and any taxes or other amounts in lieu thereof paid or payable by Client (other than taxes based on the Company's net income). If Client does not pay such taxes, the Company may make such payments, and Client shall reimburse the Company for those payments. Client will hold the Company harmless for any payments made by Client pursuant to this Section 3.5.

#### 4. CHANGE ORDERS

Client may, with the approval of the Company; request changes in some aspect of the Services that would require additional work not provided for under this Agreement or that result in a change in a program already established under this Agreement. Such changes (a "Change Order") shall be agreed to in writing by both parties.

#### 5. STANDARD OF CARE

The Company warrants that personnel possessing competency consistent with applicable industry standards shall perform the Services. No other representation, express or implied, and no warranty or guarantee are included or intended in this Agreement, or in any report, opinion, deliverable, work product, document or otherwise. Furthermore, no guarantee is made as to the efficacy or value of any services performed or product or program developed. THIS SECTION SETS FORTH THE ONLY WARRANTIES PROVIDED BY THE COMPANY CONCERNING THE SERVICES AND RELATED PROGRAMS OR WORK PRODUCT. THIS WARRANTY IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON-INFRINGEMENT, TITLE OR OTHERWISE.

#### 6. LIABILITY AND INSURANCE

6.1 Limitation. The Company's aggregate liability, including but not limited to Client's claims of contributions and indemnification related to third party claims arising out of services rendered or programs provided by the Company, and for any losses, injury or damages to persons or properties or work performed arising out of or in connection with this Agreement and for any other claim, shall be limited to the total payment received by the Company from Client for the particular service provided giving rise to the claim. Notwithstanding anything to the contrary in this Agreement, the Company shall not be liable for any special, indirect, consequential, lost profits, or punitive damages. The limitation of liability set forth herein is for any and all matters for which the Company may otherwise have liability arising out of or in connection with this Agreement, whether the claim arises in contract, tort, statute, or otherwise, and whether or not the Company was advised of the possibility of such a claim.

6.2 Remedy. Client's exclusive remedy for any claim arising out of or relating to this Agreement will be for the Company, upon receipt of written notice, either (i) to use commercially reasonable efforts to cure, at its expense, the matter that gave rise to the claim for which the Company is at fault, or (ii) return to Client the fees paid by Client to the Company for the

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particular service provided that gives rise to the claim, subject to the limitation contained in Section 6.1. Client agrees that it will not allege that this remedy fails of its essential purpose.

6.3 Insurance. At all times hereunder Client and Company will maintain a minimum of the following insuring agreements:

- CGL, occurrence based general liability insurance with a minimum of \$2,000,000;
- Standard Auto/Vehicle coverage's with a minimum of \$1,000,000 each accident;
- Statutory Workers' Compensation insurance; and
- Employment Practices Liability coverage's with a minimum of \$1,000,000 in limits, or similar coverage.

7. MISCELLANEOUS

7.1 Severability. If any provision of this Agreement or its application is invalid, illegal, or unenforceable in any respect, such provision or its application shall be enforced to the fullest extent permissible under the law, and this Agreement shall be deemed to be amended accordingly. The validity, legality, and enforceability of all other applications of the provision in question and of all other provisions and applications shall not in any way be affected or impaired.

7.2 Modification and Waiver. Waiver of breach of this Agreement by either party shall not be considered a waiver of any other subsequent breach.

7.3 Independent Contractor. The parties acknowledge and agree that Company is an independent contractor of Client.

7.4 Notices. All notices or other communications hereunder shall be in writing, and shall be deemed given when delivered to the address specified below or such other address as may be specified in a written notice in accordance with this Section.

If to the Company:

Edumedics LLC  
201 East Jefferson Street, Suite 301  
Louisville, KY 40202  
Attn: VP Operations

If to Client:

City of Paducah  
300 South Fifth Street

With Copy to:

Paducah, KY 42002

Any party may, by notice given in accordance with this Section to the other parties, designate another address or person or entity for receipt of notices hereunder.

7.5 Assignment. Neither party may assign or transfer any right or obligation under this Agreement without the written consent of the other party.

7.6 Disputes; Arbitration. The Company and Client recognize that disputes arising under this Agreement are best resolved at the working level by the parties directly involved. Both parties are encouraged to be imaginative in designing mechanisms and procedures to resolve disputes at this level. Such efforts shall include the referral of any remaining issues in dispute to higher authority within each participating party's organization for resolution. Failing resolution of conflicts at the organizational level, the Company and Client agree that any remaining conflicts arising out of or relating to this Contract shall be submitted to nonbinding mediation unless the Company and Client mutually agree otherwise. If the dispute is not resolved through non-binding mediation, then the parties shall initiate arbitration as hereinafter provided for. Any controversy, dispute or claim arising out of or related to this Agreement or breach of this Agreement shall be settled solely by confidential binding arbitration by a single arbitrator in accordance with the commercial arbitration rules of JAMS in effect at the time the arbitration commences. The award of the arbitrator shall be final and binding. No party shall be entitled to, and the arbitrator is not authorized to, award legal fees, expert witness fees, or related costs of a party.

7.7 Claims Limitations. Client shall give the Company written notice within one hundred eighty (180) days of obtaining knowledge of the occurrence of any claim or cause of action that Client believes that it has, or may seek to assert or allege, against the Company, whether such claim is based in law or equity, arising under or related to this Agreement or to the transactions contemplated hereby, or any act or omission to act by the Company with respect hereto. If Client fails to give such notice to the Company with regard to any such claim or cause of action and shall not have brought legal action for such claim or cause of action within said time period, Client shall be deemed to have waived, and shall be forever barred from bringing or asserting such claim or cause of action in any suit, action or proceeding in any court or before any governmental agency or authority or any arbitrator.

7.8 Section Headings. Title and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

7.9 Representations; Counterparts. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party, with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder. This Agreement may be executed (by original or facsimile signature) in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

7.10 Residuals. Nothing in this Agreement or elsewhere shall prohibit or limit the Company's ownership and use of ideas, concepts, know-how, methods, models, data, techniques, skill knowledge and experience that were used, developed or gained in connection with this Agreement. The Company and Client shall each have the right to use all data collected or generated under this Agreement, subject to each party's continuing obligations under the Business Associate Agreement.

7.11 Nonsolicitation of Employees. During and for one (1) year after the term of this Agreement, Client will not solicit the employment of, or employ the Company's personnel, without the Company's prior written consent.

7.12 Cooperation. Client shall cooperate with the Company in making decisions, attending meetings, being available for consultation, taking actions, executing documents, among other types of cooperation, as appropriate, to achieve the objectives of this Agreement. Client agrees that the Company's performance is dependent on Client's timely and effective cooperation with the Company. Accordingly, Client acknowledges that any delay by Client may result in the Company being released from an obligation or scheduled deadline or in Client having to pay extra fees for the Company's agreement to meet a specific obligation or deadline despite the delay.

7.13 Governing Law and Construction. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to the principles of conflicts of law. The language of this Agreement shall be deemed to be the result of negotiation among the parties and their respective counsel and shall not be construed strictly for or against any party.

7.14 Entire Agreement; Survival. This Agreement, including any Exhibits, states the entire Agreement between the parties and supersedes all previous contracts, proposals, oral or written, and all other communications between the parties respecting the subject matter hereof, and supersedes any and all prior understandings, representations, warranties, agreements or contracts (whether oral or written) between Client and the Company respecting the subject matter hereof. This Agreement may only be amended by an agreement in writing executed by the parties hereto. Sections 3, 5, 6 and 7 shall survive the expiration or termination of this Agreement for any reason.

7.15 Force Majeure. The Company and Client shall not be responsible for delays or failures (including any delay by the Company to make progress in its obligations in regard to any Services) if such delay arises out of causes beyond its control. Such causes may include, but are not restricted to, acts of God or of the public enemy, fires, floods, epidemics, riots, quarantine restrictions, strikes, freight embargoes, earthquakes, electrical outages, computer or communications failures, and severe weather, and acts or omissions of subcontractors or third parties.

7.6 Use By Third Parties. This Agreement shall not create any rights or benefits to parties other than to Client and the Company.

DRAFT

EXECUTION OF THIS AGREEMENT IS ON A SEPARATE PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

**CITY OF PADUCAH**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EDUMEDICS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**  
**Care Program Model**  
**City Of Paducah**

**Goal:**

1. Improve quality of life through better self-management and monitoring of chronic condition, including diabetes, hypertension and hyperlipidemia
2. Educate participants to standards of care for management of diabetes, hypertension and hyperlipidemia
3. Medication compliance - those with the condition will be on the correct medications, at the correct dosage
4. Meet recommended clinical targets associated with diabetes, hypertension and hyperlipidemia
5. Provide qualified health coaching to participants wishing to engage the Clinician in facilitating health improvement or reaching health goals.

**How:**

Timely screening, clinical visits, health assessments, coaching, medication therapy management (MTM), education, screenings and continuation of care recommendations. Edumedics has developed proprietary programs and protocols to facilitate the delivery of evidence based medicine to achieve the goals outlined above, including proper patient engagement, awareness and overall satisfaction.

**Eligibility:**

Members who have healthcare claims with the diagnosis of diabetes, hypertension and/or hyperlipidemia.  
Members, who wish to engage clinical coaching for the purposes of facilitating health improvement and participate in company sponsored wellness initiatives.

**Where:**

Services provided in appropriate facilities at the client site and within an acceptable proximity to residence of targeted participants.

**Whom:**

Nurse practitioners and/or appropriate nurse providers, dieticians and trained educators will deliver the care program services.

**Incentives:**

\$0 out of pocket for nurse practitioner and clinical visits  
Wellness rewards as defined by wellness plan for participation in program elements

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# Agenda Action Form

## Paducah City Commission

Meeting Date: December 10, 2013

**Short Title: REQUEST FOR LOAN FROM CITY OF PADUCAH BY  
PAXTON PARK MUNICIPAL GOLF COURSE BOARD**

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Jeff Pederson  
Presentation By: Jeff Pederson, Bill Griggs

**Background Information:** The Board of Directors of the Paxton Park Municipal Golf Course has requested a loan from the City for the purpose of making facility improvements and equipment purchases. To accommodate this, the City will make the loan from the Fleet Enterprise Fund for a period of ten years. Annual payment on the loan will be \$22,500, plus annual accrued interest at a rate that reflects the earning on City demand deposits, not to exceed 2.5%.

Loan proceeds will be utilized as follows:

Clubhouse Repair and Equipment Purchase	\$122,900
Course Upgrades	35,380
Paving	19,600
Contingency	7,525
TOTAL	 \$225,000

**Goal:**  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

**Funds Available:** Account Name: Interfund Loan from Fleet Trust  
Account Number:

Finance

**Staff Recommendation:**

Adopt an Ordinance approving a loan to The Paxton Park Municipal Golf Course Board

**Attachments:** Itemization and detail of projects  
Ordinance

Department Head	City Clerk	 City Manager
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AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A LOAN AGREEMENT BETWEEN THE CITY OF PADUCAH AND PAXTON PARK MUNICIPAL GOLF COURSE BOARD

WHEREAS, the Paxton Park Municipal Golf Course Board is charged with daily oversight, operation and maintenance of the Paxton Park Golf Course; and

WHEREAS, the Board of Directors of the Golf Course Board have requested a loan from the City for the purpose of financing facility improvements and equipment purchases; and

WHEREAS, the City would like to enter into a loan agreement for the Capital Improvement Projects and Equipment Needs presented by the Golf Course Board.

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the City of Paducah be authorized to enter into a loan agreement in the amount of \$225,000 with Paxton Park Municipal Golf Course Board for capital improvement project and equipment needs for the Paxton Park Municipal Golf Course. The City will make the loan from the Fleet Enterprise fund for a period of ten (10) years. Annual payment on the loan will be \$22,500, plus annual accrued interest at a rate that reflects the earning on City demand deposits, not to exceed 2.5%.

SECTION 2. Funding for said loan authorized in Section 1 above shall be from the Fleet Trust account.

SECTION 3. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 4. Compliance With Open Meetings Law. The City hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this City Commission, and that all deliberations of this City Commission and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 5. This Ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, December 10, 2013  
Adopted by the Board of Commissioners, December 17, 2013  
Recorded by Tammara S. Sanderson, City Clerk, December 17, 2013  
Published by *The Paducah Sun*, \_\_\_\_\_  
ord/agree-loan-paxton park

**Proposed Capital Improvement Projects and Equipment Needs  
Paxton Park Golf Course  
2014**

**Golf Course Equipment and Clubhouse Repair Needs:**

2 Back Pack Blowers for greens and tees.....	\$ 900
Sod cutter for golf course.....	\$ 2,500
Used triplex model 3150 Toro greensmowers (2) with groomers.....	\$ 29,000
(Our newest greensmower was purchased in 2005 and it was a used 2002 model. This type of equipment is used to mow greens at very low heights (1/10th of an inch) with precision and is used everyday)	
Used hydraulic ProCore fairway arifier.....	\$ 13,500
(Do not currently have one and this is important to maintaining high quality, healthy fairways now that we have good, pure turf and irrigation )	
New metal roofing for clubhouse.....	\$ 17,000
Matching metal roofing for pavilion and starter booth.....	\$ 6,500
New truck for golf course .....	\$ 18,000
(Most recent purchase was 2005 model which has 120,000 miles)	
Used Toro 5510-D fairway mowers (2) with 11 blade reels.....	\$ 35,500
(Our newest fairway mower is 30 years old with roller wheel activated cutting reels as opposed to much faster, hydraulic propelled cutting reels capable of much finer, cleaner cutting)	
<b>Estimated Total Cost of Equipment/Building Needs</b>	<b>\$ 122,900</b>

**Capital Improvement Projects:**

**Proposed Lake on #5:**

Lake excavation.....	\$10,000
Cart path rerouting (including dense grade).....	\$ 7,200 (\$6,000 for paving)
Irrigation lines rerouting, including wiring, and drain installation.....	\$3,500
Sod around lakes(400 yard perimeter X 8yards wide avg @ \$1.85/sq yd).....	\$ 6,000
Sprigs, sod for new dirt mounding around #4 green.....	\$ 4,500
Bunker renovation (enlargement and zoysia surrounds).....	\$ 700
New tees required (Sod for 800 sq yds @ \$1.85).....	\$ 1,480
Soil boring samples.....	\$ 000
Extra labor.....	\$ 2,000
<b>Estimated Total Cost of Lake Renovation #5</b>	<b>\$ 35,380</b>

**Proposed Lake on #8:**

Lake excavation and rear green mounding.....	\$10,000
Cart path rerouting (including dense grade).....	\$ 3,700(\$3,000 for paving)
Irrigation lines rerouting, including wiring.....	\$ 3,000
Sod around lake (400 yard perimeter X 12 yard average width @ \$ 1.85 sq yd).....	\$ 8,880
Sod for elevated backstop behind green(1,000 sq yds @ \$1.85/sq yd).....	\$ 1,850
Dirt containment mechanism for level green apron (65 yards)(340 railroad ties).....	\$ 1,500
Sprigs for new dirt mounding .....	\$ 3,000
New tees required (Sod for 1,200 sq yds @ \$1.85).....	\$ 2,220
Extra labor.....	\$ 2,000
Plume pampas grass vegetation on top of dirt green backdrop.....	\$ 445
Rip Rap Rock for back side of ditch bank.....	\$ 3,000
<b>Estimated Total Cost of Lake Renovation #8</b>	<b>\$ 39,595</b>

**Paving Projects:**

Regravel unpaved portion of parking lot (4" depth) .....	\$ 7,500
Paving sand/dirt pads in woods near maintenance building & gravel drive.....	\$ 7,000 (\$5,700 for 50' X50' paving)
Paving, dense grade and piping of cart path between #3 tee and #13 green.....	\$ 3,300 (\$2,600 for paving)
Paving of cart path connection between #2 fairway and #13 tee.....	\$ 1,800 (\$1,300 for paving)
<b>Estimated Total Cost of Paving/Gravel Projects</b>	<b>\$ 19,600</b>
Unexpected Costs Overrun Cushion.....	\$ 7,525
<b>Total Cost of Current Capital Improvement/Equipment Needs</b>	<b>\$ 225,000</b>

## **Agenda Action Form Paducah City Commission**

Meeting Date: 12/10/13

Short Title: AUTHORIZE THE MAYOR TO ENTER INTO A HOTEL DEVELOPMENT AGREEMENT WITH PADUCAH CONVENTION HOTEL, LLC, DAVID M. PUCKETT, TODD M. CLARK, JOHN M. CLARK, DAVID B. JONES, GLENN R. MALONE, EDDIE CORLEY, AND GARRETT FORBES MATHIEU FOR THE CONSTRUCTION OF A CONVENTION CENTER HOTEL IN DOWNTOWN PADUCAH

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Steve Doolittle  
Presentation By: Steve Doolittle

Background Information: The Development Agreement spells out the respective responsibilities between the City of Paducah and the developers proposing to build a hotel on property owned by the City of Paducah near the convention center in downtown Paducah.

In brief, the developers agree to:

1. Developer constructs an upscale brand hotel franchised by a major hotel chain with not less than 120 hotel rooms.
2. Hire the services of architects, engineers, interior designers, contractors and other consultants necessary for the development and construction of the Hotel and the Non-Hotel Improvements.
3. To fully satisfy the Investment Commitments by the Developer expending a minimum \$17.5 million.
4. Have the Hotel fully operational and open for occupancy by no later than mid- 2015.
5. Obtain funding for the Investment Commitments from a financial institution and/or other investment group(s).
6. To diligently complete and submit its application to the Kentucky Tourism Development Commission for sales tax credits issued pursuant to the Kentucky Tourism Development Act.
7. To obtain and maintain all licensing, permitting and certification requirements for the lawful construction of the Hotel and the Non-Hotel Improvements and operation of the Hotel.
8. Develop, construct, and operate the Hotel in conformity with all applicable laws and regulations.
9. Provide, at their expense, written reports reasonably satisfactory to the City of the Developer's progress in satisfying the Investment Commitments.
10. Negotiate and execute management and/or operational agreements with PMCCC to

operate the Convention Center.

11. That the development and construction of the Hotel is secured by proper performance and payment bonds in an amount sufficient to ensure satisfactory completion.
12. To secure, at their sole cost and expense, comprehensive commercial general liability insurance covering the development and construction of the Hotel on the Property and the Non-Hotel Improvements.
13. To relocate, at their sole cost and expense, all utility lines and facilities necessary for the development and construction of the Hotel and Non-Hotel Improvements.
14. To promptly pay when due real property taxes, personal property taxes, and any and all other governmental levies, assessments or taxes of every kind and nature whatsoever, which are assessed, levied, imposed upon, or would become due and payable out of or with respect to the Property, the Hotel, or any personal property, equipment or other facility used in the operation of the Hotel; and any charges for utilities, communications and other services rendered or used in or about the Hotel, the Property, and the Non-Hotel Improvements.
15. Contribute \$200,000 to an Occupancy Stabilization Fund.
16. Negotiate and execute definitive agreements with the City to repay the General Obligation Bonds with interest and cost of issuance.
17. Pay the City \$500,000 over 20 years.

In return, the City will agree to:

1. Transfer long-term use and occupancy of the Property (Tract I) to the Developer by sale or lease for a nominal sum and upon such other terms as are mutually agreeable among the parties.
2. Lease unto the Developer Tract II for purposes of surface parking at a nominal annual cost.
3. To reimburse the Developer for all reasonable and necessary expenses up to an amount not to exceed \$900,000.00, in connection with the development and construction of surface parking lot on Tract II, a pedestrian bridge over the floodwall linking the Hotel to the Conventions Center, a rear entrance connecting the surface parking lot on Tract II through the flood wall to the Hotel, and for kitchen improvements to the Convention Center
4. Waive permit, inspection, and building inspector fees and zoning, and platting fees.
5. To aid and/or participate in the financing necessary for the development and construction of the Hotel by the Developer as follows:
  - a. Issuance of taxable general obligation bonds to fund a portion of the costs of improvements related to the Hotel to that principal amount that can be amortized from the sales tax credits awarded to the Developer under the Kentucky Tourism Development Act. The Developer agrees to promptly apply the sales tax credits as they are collected to the payment of the lease payments.
  - b. Issuance of Industrial Revenue Bonds for a term up to twenty-five (25) years at the sole cost of the Developer in accordance with KRS Chapter 103.
6. To provide a Hotel Occupancy Stabilization Fund to the Developer and provide financial assistance to the Developer. The fund provided by City shall be \$300,000

and can only be accessed when monthly revenue falls below \$74 RevPar. The assistance shall be repaid at the end of 36 months

- 7. The City shall not offer Economic Incentives within the Downtown Market Area to any Hospitality Project for a period of two (2) years commencing with the execution of this Development Agreement.

Work remains to be done, in order for the developers to complete design work and obtain permits for construction. This includes executing a definitive agreement with the PMCCC, and to secure the requisite tax credits required to finance the bonds. We expect another four to five months will be required before construction can be initiated. Concurrently with this work the developer is completing, the City will have to undertake the process to sell General Obligation (GO) notes and approve Industrial Revenue Bonds (IRB). While, we have an absolute duty to repay the GO notes, the IRB repayment represents the bank financing. The city has no obligation to repay the IRB.

There are other government partners in this transaction. Those include the Paducah Convention and Visitors Bureau (CVB), the Paducah-McCracken Convention Center Corp.(CCC), and the Kentucky Tourism, Arts and Heritage Cabinet. The CVB will be financing \$500,000 of the eventual GO note with the use of room taxes generated by the project. The CCC is the owner of the convention center and a significantly detailed agreement for operations must be completed.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name:  
Account Number:

Finance

Staff Recommendation: Approval of the above.

Attachments:

 Department Head	 City Clerk	 City Manager
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**ORDINANCE NO. 2013 - \_\_\_\_\_**

AN ORDINANCE OF THE CITY OF PADUCAH, KENTUCKY, APPROVING HOTEL DEVELOPMENT AGREEMENT AMONG THE CITY OF PADUCAH, KENTUCKY, PADUCAH CONVENTION HOTEL, LLC, DAVID M. PUCKETT, TODD M. CLARK, JOHN M. CLARK, DAVID B. JONES, GLENN R. MALONE, EDDIE CORLEY, AND GARRETT FORBES MATHIEU, WITH RESPECT TO A PUBLIC PROJECT; AUTHORIZING THE EXECUTION OF THE HOTEL DEVELOPMENT AGREEMENT AND OTHER DOCUMENTS RELATED THERETO

WHEREAS, the City of Paducah, Kentucky (the "City") is the owner of certain real property situated along and near North 4<sup>th</sup> Street and Executive Boulevard in downtown Paducah adjacent to a publically owned convention center, generally known as the Julian Carroll and Paducah Expo Convention Center (the "Convention Center"); and

WHEREAS, the Board of Commissioners of the City of Paducah, Kentucky, have determined that it is necessary, appropriate, and in the best interest of the City to have designed, developed, constructed, operated, and managed on the City owned real property an upscale hotel to serve the Convention Center as well as the downtown business and tourism markets (the "Project"); and

WHEREAS, the Board of Commissioners of the City of Paducah, Kentucky, have reached an agreement with Paducah Convention Hotel, LLC, a Kentucky limited liability company, David M. Puckett, Todd M. Clark, John M. Clark, David B. Jones, Glenn R. Malone, Eddie Corley, and Garrett Forbes Mathieu (collectively, the "Developer") for the development and construction of an upscale hotel and related improvements, and now the City and the Developer desire enter into a binding, formal "Hotel Development Agreement" which would incorporate the final terms for the development and construction of the hotel and related improvements.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PADUCAH, KENTUCKY, AS FOLLOWS:

Section 1. Recitals and Authorization. The City hereby approves the Hotel Development Agreement among City and the Developer (the "Agreement") in substantially the form attached hereto as Exhibit A and made part hereof. It is further determined that it is necessary and desirable and in the best interest of the City to enter into the Agreement for the purposes therein specified, and the execution and delivery of the Agreement is hereby authorized and approved. The Mayor of the City is hereby authorized to execute the Agreement, together with such other agreements, instruments or certifications which may be necessary to accomplish the transaction contemplated by the Agreement with such changes in the Agreement not inconsistent with this Ordinance and not substantially adverse to the City as may be approved by the official executing the same on behalf of the City. The approval of such changes by said official, and that such are

not substantially adverse to the City, shall be conclusively evidenced by the execution of such Agreement by such official.

Section 2. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 3. Compliance With Open Meetings Laws. The City Commission hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this City Commission, and that all deliberations of this City Commission and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 4. Conflicts. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

Section 5. Effective Date. This Ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

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MAYOR

ATTEST:

City Clerk

Introduced by the Board of Commissioners, \_\_\_\_\_, 2013

Adopted by the Board of Commissioners, \_\_\_\_\_, 2013

Recorded by City Clerk, \_\_\_\_\_, 2013

Published by *The Paducah Sun*, \_\_\_\_\_, 2013

**EXHIBIT A**

THE DEVELOPMENT AGREEMENT

See attachment.

## HOTEL DEVELOPMENT AGREEMENT

**THIS HOTEL DEVELOPMENT AGREEMENT** (this "**Development Agreement** or this **Agreement**") is made and entered into as of the \_\_\_\_\_ day of December, 2013, by and between PADUCAH CONVENTION HOTEL, LLC, a Kentucky limited liability company, DAVID M. PUCKETT, TODD M. CLARK, JOHN M. CLARK, having an address of 1115 South 4<sup>th</sup> Street, Louisville, KY 40203; DAVID B. JONES, GLENN R. MALONE, having an address of c/o Senate Hospitality Group, LLC, 9005 Overlook Blvd., Suite 119, Brentwood, TN 37027; EDDIE CORLEY, having an address of 9005 Overlook Blvd., Suite 119, Brentwood, TN 37027; and GARRETT FORBES MATHIEU, having an address 9005 Overlook Blvd., Suite 119, Brentwood, TN 37027, (collectively, jointly and severally, the "**Developer**"); and CITY OF PADUCAH, a Kentucky second class city having an address of 300 South 5<sup>th</sup> Street, PO Box 2267, Paducah, KY 42002-2267 (hereinafter referred to as the "**City**").

**WHEREAS**, the City is the owner of certain real property situated along and near North 4<sup>th</sup> Street and Executive Boulevard in downtown Paducah adjacent to a publically owned convention center, generally known as the Julian Carroll and Paducah Expo Convention Center (the "**Convention Center**"); and

**WHEREAS**, the City, having previously purchased and razed a dilapidated hotel which was at one time located thereon; and

**WHEREAS**, the City, and its local government partners, namely the Paducah-McCracken County Convention Center (the "**PMCCC**") and the Paducah Riverfront Development Authority (the "**PRDA**") have determined, after conducting various planning studies, geotechnical studies, and market analyses that the presence of a new hotel adjacent to the

Convention Center will stimulate business for the Convention Center as well as the downtown business and tourism markets; and

**WHEREAS**, the City desires to have developed and constructed on this city owned real property an upscale hotel which will be located adjacent to the Convention Center; and

**WHEREAS**, the Developer desires to develop, construct, operate and manage the hotel and the Convention Center; and

**WHEREAS**, the parties hereto understand that the City's goal is the delivery of an exciting, vibrant, and professionally designed hotel that serves the Convention Center as well as the downtown business and tourism markets; and

**WHEREAS**, the parties hereto acknowledge that a great deal of preliminary work has been completed, and the parties do now desire to enter into a legally binding development agreement to facilitate the process and to assure that the parties understand their respective roles in the development and financing of the development and construction of the hotel; and

**WHEREAS**, the parties also desire to induce the City and the Developer to proceed to the next step of negotiating and executing definitive agreements with the City and PMCCC for the planning, construction, use, occupancy, operation, management of the hotel and related improvements and the Convention Center.

**NOW, THEREFORE**, in consideration of the foregoing premises, and for other valuable consideration, the legal adequacy and sufficiency of which is hereby acknowledged by all parties hereto, the City and the Developer do hereby agree as follows:

1. The City Manager has been directed and authorized by the Paducah City Commission to deliver this Development Agreement on behalf of the City as its offer to the Developer. If the Developer chooses to accept this offer it shall execute and deliver this

Development Agreement to the City on or before November 29, 2013, and simultaneously thereto the Developer shall execute and deliver to Independence Bank (the "Bank") the Commitment Letter of the Bank dated November \_\_\_\_\_, 2013, a copy of which is attached hereto as **Exhibit D**. By its signature on this Development Agreement, the Developer irrevocably accepts the terms of this Development Agreement and agrees to be bound by it. In the event, the Developer fails to timely accept this offer as required herein, this offer shall expire. This Development Agreement shall become effective upon its execution by all parties and shall expire on April 30, 2014 (the "**Term**") (unless the parties agree in writing to an extension of this date), unless the Conditions Subsequent set forth in Section 6 of this Development Agreement are satisfied, in which case this Development Agreement shall continue in force and effect for the same term as any definitive lease or other agreement for the use and occupancy of the hotel and the City's real property (as more particularly defined herein) entered into by and between the City and the Developer pursuant to this Development Agreement.

2. The City and the Developer acknowledge and agree that the Developer shall develop and construct an upscale brand hotel franchised by a major hotel chain with the specifications described in this Section 2 (the "**Hotel**"). The **Hotel** shall be not less than 120 hotel rooms for transient occupancy. The construction type shall be of a composite structural steel-concrete and have no fewer than six occupied stories. The **Hotel** will have amenities attractive to visitors including, at least, a 50 seat restaurant and full service bar. The restaurant will be open for breakfast, lunch, and dinner. It will also include a pool, fitness center, and business center and meeting spaces. The major thematic qualities of the hotel design must be approved by PRDA.

3. The City and the Developer acknowledge and agree that the Hotel shall be developed and constructed upon a certain tract of real property owned by the City located at 600 North 4<sup>th</sup> Street, Paducah, McCracken County, Kentucky, consisting of +/- 1.4 acres (the “**Property**”) and is more particularly shown as Tract I on **Exhibit A**. Tract II as shown on **Exhibit A** is a portion of 1 Executive Boulevard and is +/- 1.0 acres and will be used for surface parking only in connection with the Hotel as described in Section 5 (c). The Developer may have a non-exclusive license to use areas immediately adjacent to the Property and Tract II, portions of which may be within the City’s floodwall right-of-way, for purposes of surface sidewalks, parking, and circulation aisles. These areas may not be used for any permanent structure(s).

4. The parties acknowledge and agree that the following are the Developer’s commitments for capital improvements and/or expenditures in connection with the development of the Hotel or for such other matters as set forth below (the “**Investment Commitments**”):

a. To engage and hire on or before December 12, 2013, the services of architects, engineers, interior designers and other consults necessary to develop and deliver to the City a concept plan for the Hotel on the Property and the Non-Hotel Improvements (as defined in Section 5 (c)). This concept plan shall be provided to the City on or before January 24, 2014.

b. To engage, hire, and obtain a fully executed written agreement with a contractor for the development and construction of the Hotel and the Non-Hotel Improvements on or before March 28, 2014.

c. To fully satisfy the Investment Commitments by the Developer committing to expend under this Development Agreement and the definitive agreements contemplated herein a

minimum of \$17.5 million in the development, construction, and equipping of the Hotel on the Property and the Non-Hotel Improvements on Tract II.

d. To have the Hotel fully operational and open for occupancy by no later than June 1, 2015.

e. To execute and deliver to Independence Bank (the "Bank") simultaneously with this Development Agreement, the Commitment Letter of the Bank (Exhibit D), and to diligently complete and fully satisfy the conditions for construction/permanent financing with the Bank as set forth in the aforesaid commitment letter. The aforesaid construction/permanent financing is necessary in order to fund the Investment Commitments.

f. To diligently complete and submit its application to the Kentucky Tourism Development Commission for sales tax credits issued pursuant to the Kentucky Tourism Development Act on or before December 20, 2013, and receive written acknowledgement from the Kentucky Tourism Development Commission that the Developer has been awarded the aforesaid sales tax credits on or before April 15, 2014. Further, the Developer shall unconditionally assign the sales tax receipts to the City as security for lease payments to be made by the Developer for the improvements to be financed with the proceeds of the taxable general obligation bonds issued by the City under Section 5(e)(i) of this Agreement. The Developer agrees to promptly apply the sales tax credits as they are collected to the payment of the lease payments.

g. To obtain and maintain all licensing, permitting and certification requirements for the lawful construction of the Hotel and the Non-Hotel Improvements and operation of the Hotel, including but not limited to, all City development and zoning ordinances and policies, Army Corps of Engineers permitting, and such other federal, state and local agency licensing,

demolition, construction, permitting or certification requirements as are necessary for alcoholic beverage service, food service, construction, operation and maintenance and the overall public health (collectively, "**Governmental Permits**").

h. Develop, construct, and operate the Hotel on the Property in conformity with all applicable laws and regulations.

i. Provide, at their expense, written reports reasonably satisfactory to the City of the Developer's progress in satisfying the Investment Commitments. Such reports shall be certified as accurate by the Developer. The City reserves the right to require any reasonable verification procedures or process.

j. Provide, immediately upon execution of this Agreement, balance sheets and income statements for the past three (3) consecutive years, as well as the management-prepared financial statements for the past three (3) consecutive years (the "**Financial Statements**"), which will fairly represent the financial conditions of the Developer. The Financial Statements shall be considered confidential and shall not be disclosed to any third person or entity, unless required by law or order of a court of competent jurisdiction to disclose same.

k. Negotiate and execute definitive management and/or operational agreements with PMCCC to operate the Convention Center on or before December 20, 2013.

l. To provide evidence to the City that the development and construction of the Hotel is secured by proper performance and payment bonds in an amount sufficient to ensure satisfactory completion of the Hotel and the Non-Hotel Improvements by Developer's contractor(s).

m. To secure, at their sole cost and expense, comprehensive commercial general liability insurance covering the development and construction of the Hotel on the Property and

the Non-Hotel Improvements on Tract II in an amount agreeable to the City Manager, or his designee. Insurance shall be with a reputable insurance company, which policy shall name the City of Paducah as an additional insured. The Developer shall obtain all workers' compensation insurance required by applicable statutes. The certificates of insurance shall be presented to the City upon taking possession of the premises.

n. To relocate, at their sole cost and expense, all utility lines and facilities necessary for the development and construction of the Hotel and Non-Hotel Improvements.

o. To promptly pay when due real property taxes, personal property taxes, and any and all other governmental levies, assessments or taxes of every kind and nature whatsoever, which are assessed, levied, imposed upon, or would become due and payable out of or with respect to the Property, the Hotel, or any personal property, equipment or other facility used in the operation of the Hotel; and any charges for utilities, communications and other services rendered or used in or about the Hotel, the Property, and the Non-Hotel Improvements.

p. Negotiate and execute definitive agreements with the City as to the planning construction, use, and occupancy of the Property, Tract II, and the Hotel on or before March 14, 2014, including without limitation, the lease agreement by and between City and the Developer for the improvements to be financed with the proceeds of the taxable general obligation bonds issued by the City under Section 5(e)(i) of this Agreement.

q. Negotiate and execute a repayment agreement with the City whereby the Developer promises and agrees to repay to the City \$500,000.00 of the City's cash investment in the Hotel and Non-Hotel Improvements. The Developer agrees that the \$500,000.00 repayment shall be paid unto the City in successive monthly installments over a period equal to the term of the Industrial Revenue Bonds as set forth in Section 5(e)(ii), with the first monthly installments to be made upon the issuance of the certificate

of occupancy for the Hotel. In the event the Hotel is deemed exempt from ad valorem taxes, these repayments shall be made "in lieu of tax payments" pursuant to KRS Chapter 103.

5. The parties acknowledge and agree that the following are the City's commitments in connection with the development of the Hotel:

a. Transfer long-term use and occupancy of the Property to the Developer by sale or lease for a nominal sum and upon such other terms as are mutually agreeable among the parties. This transfer is contingent upon the Developer satisfying the Investment Commitments and the Conditions Subsequent set forth in Section 6 of this Development Agreement.

b. Lease unto the Developer Tract II, for a term concurrent with the term of the Lease specified in paragraph 5(a) above, for purposes of surface parking at a nominal annual cost and upon such other terms as are mutually agreeable among the parties. This lease is contingent upon the Developer satisfying the Investment Commitments and the Conditions Subsequent set forth in Section 6 of this Development Agreement.

c. To reimburse the Developer for all reasonable and necessary expenses up to an amount not to exceed \$900,000.00, in connection with the development and construction of (i) a +/-70 car surface parking lot on Tract II for the exclusive use by the Developer in connection with the operation with the Hotel (surface parking lot does not include landscaping, lighting or ornamental features), (ii) a pedestrian bridge with a staircase over the floodwall linking the Hotel to the Conventions Center and an elevator dedicated to serve the pedestrian bridge to and from the Hotel, and (iii) a rear entrance connecting the surface parking lot on Tract II through the flood wall to the Hotel; and, if any reimbursement is remaining after items (i) through (iii) aforesaid, then to (iv) kitchen improvements within the Convention Center as shown on Exhibit B. (These improvements shall be collectively referred to as the "**Non-Hotel Improvements**").

The City's commitment to reimburse the Developer as provided in this Section for these items of Non-Hotel Improvements shall be contingent upon the Developer satisfying the reporting and verification requirements set out in Sections 4 (i) and (j), the Conditions Subsequent set forth in Section 6 of this Development Agreement, and the Developer's negotiation and execution of a repayment agreement with the City in accordance with the terms set forth in Section 4(q) above.

d. To the extent permitted under applicable law and without compromising public health, safety and welfare, take reasonable actions (subject to the City's rules and regulations and applicable law) to facilitate the construction of the Hotel. The City may also in its discretion grant waivers that are lawfully permitted to be granted, and may waive permit, inspection, and building inspector fees and zoning, and platting fees.

e. To aid and/or participate in the financing necessary for the development and construction of the Hotel by the Developer as follows:

(i) Issuance of taxable general obligation bonds to fund a portion of the costs of improvements related to the Hotel in a maximum principal amount equal to \$4,000,000.00. Such amount, together with interest thereon (at the interest rate established for the bonds following advertised, competitive sale) to be retired from lease payments to be made by the Developer for the improvements finance with the general obligation bonds. The lease payments shall be payable by the Developer first from the sales tax credits awarded to the Developer under the Kentucky Tourism Development Act, and second from any other available funds of the Developer; provided, however, the issuance of general obligation bonds is expressly conditioned upon (1) the award of the tax credits and the Developer's unconditional assignment of the credited sales tax receipts to the City as security for lease payments to be made by the Developer for the improvements to be financed with the proceeds of the general obligation bonds and (2)

the granting of a subordinated security interest in the Property, Hotel and Tract II in favor of the City pursuant to the terms of the lease agreement, subject only to any priority security interest therein granted to the Bank in connection with construction/permanent financing to be provided by the Bank. The Developer agrees to promptly apply the sales tax credits as they are collected, together with other available funds of the Developer, to the payment of the lease payments.

(ii) Issuance of Industrial Revenue Bonds for a term up to twenty-five (25) years at the sole cost of the Developer in accordance with KRS Chapter 103. The bonds shall be limited and special revenue bonds of the City and neither the full faith or credit nor the taxing power of the City shall be pledged to the payment of such bonds.

f. To establish and administer an account with the Bank to be utilized as a Hotel Occupancy Stabilization Fund to the Developer (the "**Fund**"). The City shall agree to deposit the Fund Contribution of City (as defined herein) into the Fund upon the issuance of the certificate of occupancy for the Hotel. The Developer shall agree to deposit the Fund Contribution of Developer (as defined herein) into the Fund upon the issuance of the certificate of occupancy for the Hotel. The Fund shall provide financial assistance to the Developer, if needed, in accordance with the following provisions:

(i) Definitions. For purposes of calculating assistance provided through the Fund, capitalized terms not otherwise defined shall have the following meaning:

"**MonthlyRevPar**" means the monthly revenue per available hotel room. The MonthlyRevPar is a performance metric in the hotel industry, which is calculated by multiplying the hotel's average daily room rate ("**ADR**") by its monthly occupancy rate ("**OCC**"). For example: \$70.00 ADR x 70% OCC = \$49.00 MonthlyRevPar.

“**ADR**” means the Hotel’s average daily room rate. ADR is determined in accordance with generally accepted accounting and business practices.

“**Fund Period**” means the first sixty (60) months of the operation of the Hotel by the Developer, which shall commence upon the issuance of the certificate of occupancy for the Hotel.

“**Occupied**” shall also include those rooms where a guest may have lodged on a “no charge,” “comp,” “exchange,” “gratuity,” or similar basis.

“**Monthly Assistance**” means any payment made to the Developer from the Hotel Occupancy Stabilization Fund, as described herein.

“**Fund Contribution of City**” means the \$300,000.00 which the City agrees to deposit into the Fund account.

“**Fund Contribution of Developer**” means the \$200,000.00 which the Developer agrees to deposit into the Fund account.

(ii) Purpose. To provide financial assistance, not to exceed \$500,000.00 during the Fund Period, to the Developer in order for the Developer to meet certain debt obligations.

(iii) Monthly Financial Assistance. If, in any calendar month during the Fund Period, the Developer’s MonthlyRevPar falls below \$74.00, the Developer, upon written request to the City, may seek financial assistance from the Fund to meet certain debt obligations. The debt obligations shall be acceptable to the City in its sole discretion and shall be directly related to the operation of the Hotel. The assistance shall be an amount to bring the Developer’s MonthlyRevPar, in any given calendar month during the Fund Period, up to \$74.00, which amount shall be calculated according to a mutually agreed upon formula to be more particularly

described in the definitive agreements to be negotiated between the City and the Developer. However, the maximum aggregate amount of financial assistance which may be provided from the Fund to the Developer during the Fund Period shall not exceed \$500,000.00. Further, Monthly Financial Assistance shall be first paid out of the Fund Contribution of Developer, and then from the Fund Contribution of City.

(iv) Monthly Reporting/Payment. For each month during the Fund Period, the Developer shall provide the City a monthly report identifying: (i) the MonthlyRevPar; (ii) the ADR; and (iii) the Monthly Assistance Payments requested from the Fund. Each month's report shall be submitted to the City no later than the 20<sup>th</sup> day of the following month. Monthly Assistance Payments due to the Developer shall be paid within 10 days of submission of the monthly report to the City.

(v) Repayment of Monthly Assistance Payments. All Monthly Assistance Payments from the Fund Contribution of the City shall accrue interest, from the date paid by the City from the Fund until and including the date repaid at a rate of three percent (3%). All Monthly Assistance Payments together with interest shall be repaid by the Developer as follows:

(a) During the Fund Period, payment shall be made to the City for deposit into the Fund, if: in any month during the Fund Period, the Developer's MonthlyRevPar exceeds \$74.00. Developer shall pay to the City for deposit into the Fund the excess above the \$74.00 MonthlyRevPar up to the cumulative amount of all Monthly Assistance Payments previously advanced to the Developer plus accrued interest. Repayment by the Developer shall be applied first to any accrued unpaid interest, then to the Fund Contribution of the City, and lastly to the Fund Contribution of Developer; and

(b) Upon expiration of the Fund Period, all monies remaining in the Fund shall be disbursed to the City up to an amount equal to the Fund Contribution of City together with interest. In the event the remaining monies in the Fund are not sufficient to fully reimburse the City for the Fund Contribution of City together with interest, the Developer shall pay directly to the City the unpaid balance of the Fund Contribution of City together with interest in twelve (12) equal consecutive monthly installments beginning the month after the expiration of the Fund Period. In the event there are monies remaining in the Fund after the satisfaction in full of the Fund Contribution of City together with interest, these monies shall be paid to the Developer.

In the event the Developer fails to pay and satisfy any monthly installment within thirty (30) days following the due date, such failure shall constitute an event of default, in which event, the holder thereof shall have the right to declare the entire unpaid Monthly Assistance Payments together with accrued interest and costs of collection, including attorney's fees, if any, to be immediately due and payable, and shall have the further right to make written demand upon the Developer for full payment of same. All Monthly Assistance Payments paid from the Fund shall be evidenced by commercially reasonable loan documents and shall be secured by a secured interest or lien in the Developer's interest in the Hotel and all fixtures, furnishings, equipment, and other personal property used by the Developer at the Hotel. Commercially reasonable loan documents may include without limitation, a promissory note, mortgage, leasehold mortgage, and UCC financing statements all of which shall be executed prior to the payment of the first Monthly Assistance Payment.

g. City Covenant. As an incentive and an inducement to the Developer to develop, construct, operate and manage the Hotel and to aid in the Developer's financing of the Hotel, the

City shall not offer Economic Incentives within the Downtown Market Area to any Hospitality Project for a period of two (2) years commencing with the execution of this Development Agreement; provided, however, the Developer is not in default of any obligation under this Agreement, any mortgage encumbering the Property and/or the Hotel, any obligation to any lender providing financing to the Hotel, and any obligation to PMCCC. For the purpose of this section only, the following definitions shall apply:

- i. **Hospitality Project** – Shall mean any project, building or facility that is intended for the rent or occupancy of a suite, room, or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodation businesses. This shall not apply to an owner occupied bed and breakfast business consisting of eight (8) or fewer guest rooms, or the rental or leasing of an apartment supplied by an individual or business that regularly holds itself out as exclusively providing apartments. Apartment means a room or set of rooms, in an apartment building, fitted especially with a kitchen and usually leased as a dwelling for a minimum period of thirty (30) days or more.
- ii. **Downtown Market Area** – Shall mean an area lying between HC Mathis Drive on the north; Broad Street on the south; 28<sup>th</sup> Street on the west and the Ohio River on the east; less and except the Irvin Cobb Hotel located at 600 Broadway, all as shown on Exhibit C.
- iii. **Economic Incentive** – Shall mean a grant, provision, or transfer from the City of Paducah, or other agency of the City designed to induce or spur

economic development within the Downtown Market Area, that may consist of land transfers below fair market value, cash assistance, loans, grants, tax relief and other similar forms of financial assistance.

6. Conditions Subsequent. The obligations of the City as set forth in this Development Agreement are contingent upon the following (unless waived by the City):

a. The City's ability to obtain financing for the construction of the Non-Hotel Improvements on terms reasonably acceptable to the City.

b. The Developer's execution and delivery to Independence Bank (the "Bank") simultaneously with this Development Agreement, the Commitment Letter of the Bank (Exhibit D), and to diligently complete and fully satisfy the conditions for construction/permanent financing with the Bank as set forth in the aforesaid commitment letter.

c. The Developer providing written assurances, to the sole satisfaction of the City, that the Developer has obtained all funding for the Investment Commitments as set forth in Section 4 herein; and that the Hotel will proceed and has the potential to generate the required new public revenue to finance the repayment of the Industrial Revenue Bonds and the tax credits granted by the Kentucky Tourism Development Act.

d. The Developer's completion and submittal of its application to the Kentucky Tourism Development Commission for sales tax credits issued pursuant to the Kentucky Tourism Development Act on or before December 20, 2013.

e. Receipt by the City on or before April 15, 2014 of written acknowledgement from the Kentucky Tourism Development Commission that the Developer has been awarded the sales tax credits issued pursuant to the Kentucky Tourism Development Act.

f.. The written engagement and hiring of the services of architects, engineers, interior designers, and other consultants necessary for the design, development and planning of the Hotel and Non-Hotel Improvements on or before December 6, 2013.

g. Receipt by the City of the concept plan as set forth in Section 4(a) on or before January 24, 2014.

h. The written engagement and hiring of the services of a contractor for the development and construction of the Hotel and Non-Hotel Improvements and delivery to the City of a fully executed written construction agreement on or before March 28, 2014.

i. Definitive agreements are executed on or before March 14, 2014, by and between the Developer and the City as to the planning, construction, use, and occupancy of the Property, Tract II, and the Hotel.

j. Definitive agreement is executed on or before December 20, 2013, by and between the Developer and the PMCCC as set forth in Section 4 (k).

k.. The Developer's continued ability to pay its debts when and as due, and avoid insolvency or any form of voluntary or involuntary bankruptcy.

7. Miscellaneous Provisions. The following miscellaneous provisions shall apply:

a. Notices. All notices provided for herein will be in writing and addressed to the parties at the addresses as referenced above.

b. Other Rights and Remedies. The duties and obligations imposed by this Agreement and the rights and remedies available thereunder are in addition to and not a limitation of any duties, obligations, rights, and remedies, otherwise imposed or available by law.

c. Assignment. The Developer shall not assign this Agreement without first obtaining the written consent of the City, which consent shall not be unreasonably withheld.

Notwithstanding the foregoing, the non-binding commitments provided in this Agreement shall be commitments upon the parties hereto, their heirs, successors, and assigns.

d. Governing Law. This document shall, in all respects, be governed by the laws of the state of Kentucky. Venue shall be with the McCracken Circuit Court.

e. Entire Agreement. This Agreement expresses the complete agreement of the parties and supersedes all prior written or oral agreements or understandings between the City and the Developer with regard to the matters addressed herein. The making, execution, and delivery of this Agreement by the parties hereto have not been induced by any representations, statements, warranties or agreements other than those expressly set forth herein.

f. Amendments. This Agreement may not be modified or amended unless by writing signed by both parties hereto.

g. Time. All times referred herein shall be strictly construed, as all of such times shall be deemed of the essence. Notwithstanding the foregoing, in the event of any reasonable delay or failure of the Developer to timely perform any of its obligations hereunder within the time period referred herein due to unforeseeable causes beyond its control and without its fault or negligence (force majeure), including, but not restricted to, acts of God, acts of a public enemy, unforeseen underground conditions, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, severe shortage of materials, unusually severe weather, acts of any governmental agency, or delays caused by the failure of contractors or subcontractors to perform, each such time period directly affected by the force majeure shall be extended for the period of the force majeure delay to a date mutually agreeable to the parties.

h. Counterparts. This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

i. Binding Effect. Although the planning, construction, operation, management, use, and occupancy of the Property, the Tract II, and the Hotel shall be subject to the terms of more definitive agreements, which will encompass issues not addressed in this Development Agreement, the parties agree that the terms of this Development Agreement will be incorporated into such other definitive agreements. The parties further acknowledge and agree that this Development Agreement reflects the basic business arrangement between the parties and is intended to be binding on the Developer, its successors and assigns, and conditionally binding on the City, its successors and assigns, provided the Conditions Subsequent are timely satisfied by the Developer. However, this Development Agreement shall be binding only as to the matters set forth in this Development Agreement, and shall not bind the parties regarding any other future matters not contained within this Development Agreement.

**[SIGNATURES CONTAINED ON FOLLOWING PAGES]**

IN WITNESS WHEREOF, the parties have executed this Hotel Development Agreement on the date first written above.

DEVELOPER:

PADUCAH CONVENTION HOTEL, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
DAVID M. PUCKETT

\_\_\_\_\_  
TODD M. CLARK

\_\_\_\_\_  
JOHN M. CLARK

\_\_\_\_\_  
DAVID B. JONES

\_\_\_\_\_  
GLENN R. MALONE

\_\_\_\_\_  
EDDIE CORLEY

\_\_\_\_\_  
GARRET FORBES MATHIEU

IN WITNESS WHEREOF, the parties have executed this Hotel Development Agreement  
on the date first written above.

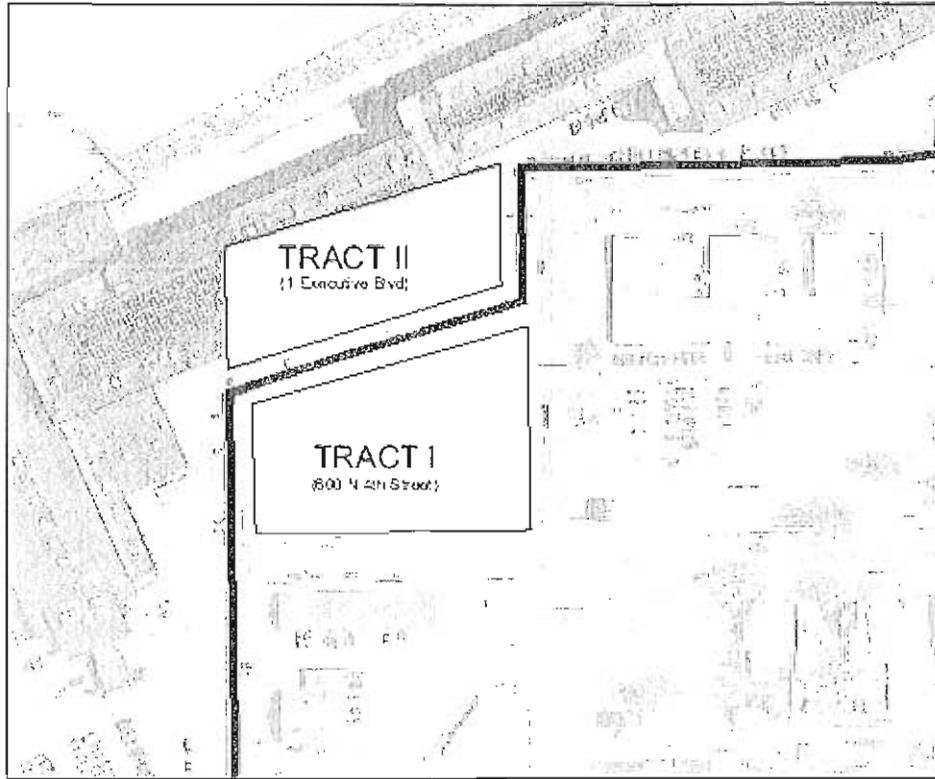
CITY:

CITY OF PADUCAH, KENTUCKY

By: \_\_\_\_\_

Title: \_\_\_\_\_

# Exhibit A

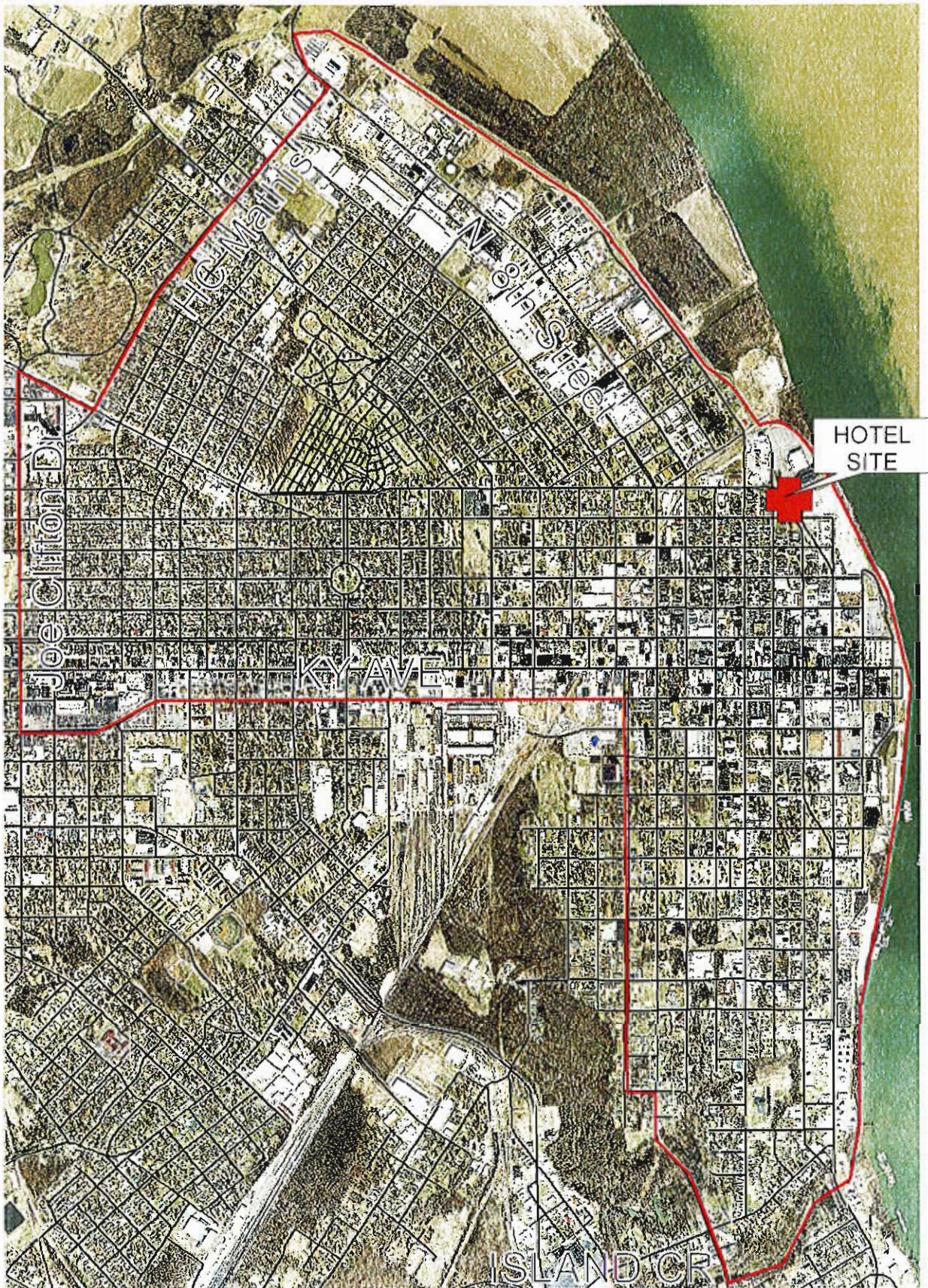


**EXHIBIT B**

Kitchen Improvements To The Julian Carroll And Paducah Expo Convention Center

See attachment.

EXHIBIT C  
Map of Downtown Market Area



# Paducah's Convention Center Hotel

## Partners

- City of Paducah
- Nashville-based Senate Hospitality (Dave Jones, CEO and Glenn Malone, CFO)
- Louisville-based developers David Puckett and Todd Clark
- Independence Bank of Paducah
- Kentucky's Tourism, Arts and Heritage Cabinet
- Paducah Riverfront Development Authority
- Paducah-McCracken County Convention Center Corporation
- Paducah Convention & Visitors Bureau

## Hotel Summary

- 121-rooms, six stories, concrete and steel construction
- 50-seat restaurant, pool, fitness center, business center, and meeting spaces
- Upscale national brand (to be named in future at brand's discretion)
- Located at 600 North 4<sup>th</sup> Street on City side of floodwall
- Connection to Julian Carroll Convention Center by bridge over floodwall
- Parking adjacent to hotel and next to Convention Center on portion of former Executive Inn site
- Developer will eventually operate Julian Carroll Convention Center and Paducah Expo Center

## Timeline

Groundbreaking will be held in first half of 2014. Construction will take approximately 12 months with a fully operational hotel in first half of 2015. The developers have selected the general contractor to be Paducah-based A&K Construction, Inc.

## Project Cost and Financial Sources

The Hotel is a \$19.2 million total project with approximately \$12.5 million in construction costs. The remaining \$6.7 million is for architectural/engineering fees, furniture/fixtures/equipment, operational supplies and equipment, marketing and pre-opening materials, working capital, and other costs including software, legal, and accounting expenses. The City of Paducah is assisting in the financing of the project:

Item	Value	Amount Repaid To City	Time to Repay City
City Owned Land	\$500,000	\$0	
City Capitalized Tax Credits	\$3,500,000	*\$3,500,000	12 Years
City Capitalized Room Tax	\$500,000	*\$500,000	12 Years
City Grant Assistance	\$900,000	\$500,000	20 Years
Developer Equity	\$3,100,000	-	-
Bank Loan	\$10,500,000	-	-
KY Enterprise Initiative Act	\$200,000	-	-
<b>TOTAL SOURCES</b>	\$19,200,000		-
<b>TOTAL REPAID TO CITY</b>		\$4,500,000	
<b>TIME TO REPAY CITY</b>			96% w/in 12 years

\*Repayment includes principal, interest and cost of issuance.

## Development Agreement

### *In developing and constructing an “upscale” hotel, the developers agree to*

- 1) Construct a 121-room hotel, 50-seat restaurant, pool, fitness center, and business center
- 2) Hire all necessary engineers, architects, designers, and a qualified contractor
- 3) Be fully operational in 2015
- 4) Obtain financing
- 5) Obtain KY Tourism Development Act (KTDA) Tax Credits
- 6) Operate convention centers
- 7) Will invest at least \$17.5 million through combination of bank loan, private equity, and tax credits

### *In return, the City of Paducah agrees to*

- 1) Lease and eventually deed the property for a nominal sum
- 2) Provide \$900,000 for site improvements including the bridge over floodwall to connect to Julian Carroll
- 3) Waive permit fees
- 4) Issue taxable General Obligation (GO) Bonds equal to \$4,000,000
- 5) Issue Industrial Revenue Bonds (IRB) (privately financed)
- 6) City agrees to not incent another hotel downtown for two years
- 7) Establish an Occupancy Stabilization Fund:
  - a) \$500,000 fund (\$300,000 from City and \$200,000 from Developer)
  - b) Available only 60 months
  - c) Can be used only if monthly RevPAR (Revenue Per Available Room) falls below \$74.
  - d) After 60 months, any outstanding amount will be repaid within one year

## Frequently Asked Questions

***Why is this hotel needed and desired?*** The publically-held Julian Carroll Convention Center and the Paducah Expo Center together are worth approximately \$20 million. Both facilities will experience a utilization increase from an adjoining hotel. Currently, the City and County are making annual operating subsidies for the convention center space. A hotel will put the local governments on a path to end the subsidies. Having an upscale, national brand hotel also will contribute to attracting more visitors to Paducah which especially will be beneficial to the downtown and LowerTown businesses. A third party feasibility study also confirmed the need for a downtown hotel.

- ***Need indicator:*** Some hotels in Paducah have more than 75 days per year when they are more than 90 percent occupied. Many of those days, the hotels are 100 percent full.
- ***Need indicator:*** Approximately 20 percent of the attendees at Carson Center events travel more than 100 miles. These folks are potential overnight guests at a downtown hotel.
- ***Need indicator:*** The Julian Carroll Convention Center and Paducah Expo Center are not performing as well as they could. They are hosting primarily local events. Events that the convention centers used to host have shifted to other cities that have an adjacent hotel or one within walking distance.

- **Everyone wins:** This hotel will not cannibalize existing demand. The ability to attract an increase in regional events will allow overflow from the new hotel to other hotels in Paducah.

**Why is this hotel more expensive than a hotel located at the I-24 Exit 4 interchange?** The construction footprint of this hotel is the main reason for the added cost which is almost twice what a two to three story hotel with a similar number of rooms would cost. This six-story hotel will be constructed of concrete and steel as compared to three to four-story hotels which can be constructed of wood.

**Why is there a need for a public-private partnership?** The construction materials used in a six-story hotel are significantly more expensive than the materials that can be used in a two to three-story hotel. However, the room rates must stay competitive since this hotel will compete with rates established by the hotels along the interstate. A public-private partnership is the answer to assist a developer in moving forward with this type of project. With 121 rooms, this hotel will be one of the largest and most expensive built in the City of Paducah.

**Why has this project taken so much time?** This hotel is a complicated project involving a combination of tax credits through the Commonwealth of Kentucky, private financing provided by the investors, a substantial bank loan, and financing and grants through the City of Paducah. The developer had to complete feasibility studies before many financial avenues could be pursued.

**How will this project affect AQS QuiltWeek?** Groundbreaking for the project is not expected to occur until after the 2014 AQS QuiltWeek. For 2014, show vendors will once again utilize the dome pavilion. For 2015, the hotel will be in its final stages of construction but may not be open for guests. Before the 2015 AQS QuiltWeek, the City will work to complete the final renovation phase of the Julian Carroll Convention Center which includes turning the old Showroom space into convention space. Once the hotel construction is underway, the City will work to sell the dome pavilion.

**How will this project impact the area?** The hotel, at stabilization, will generate an economic impact of about \$9.3 million in direct, indirect, and induced spending. It will support the equivalent of 93 full-time jobs to the city. The hotel will generate approximately \$631,000 in tax revenues annually.

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## Background

The Julian Carroll Convention Center and its partner, the Paducah Expo Center, are \$20 million publicly owned facilities situated along the banks of the Ohio River in downtown Paducah. The convention center complex is overseen by the Paducah-McCracken County Convention Center Corporation and supported as following: 1) facility rental rates; 2) a portion of the local tax on the sale of hotel rooms, commonly called the bed tax, and 3) local government subsidies. Since the closure of the former Executive Inn, the Convention Center has struggled to be in a break-even position leading to the need for annual subsidies and support from both the City of Paducah and McCracken County. We have learned by experience and from industry experts that convention centers in smaller markets similar to Paducah's work best when a hotel is attached. Show and meeting organizers simply prefer to stay at or near a city's convention center. In return, a privately run hotel adjacent to a convention center looks to aggressively market the public facility to increase its own profit margin

The City of Paducah and its downtown development agency, Paducah Riverfront Development Authority (PRDA), have long suspected a new hotel would be feasible in this market. But the recruitment of interested

hotel developers doesn't guarantee that anything will be built. PRDA sought the advice of a market analyst. A strategy, supported by the analysis, evolved that predicted 300 new hotel rooms could be supported in the downtown market. Even though the centers of the community's tourism destinations are in downtown Paducah, the market for hotel rooms currently exists five miles away at the Interstate-24 interchange. Analysis also shows that the market of rooms at the interstate perform very well.

The recruited hoteliers took the analysis to the next step; they engaged another third-party industry analyst to conduct a detailed feasibility study that is site specific to the Paducah-McCracken County Convention Centers. The study makes occupancy and revenue predictions showing positive profit-margins. The study also predicts that a new hotel at the convention center would be a big contributor to new visitor business to Paducah by expanding the convention business. It will support the hospitality industry generally and will be especially good for downtown businesses, attractions, and restaurants.

Despite a favorable analysis, it is still difficult, if not impractical to think a project can be done without the formation of public-private ventures. The proposed hotel, a 121-room, full service, upscale hotel will cost more than twice the typical interstate hotel. But it is not reasonable to believe that a private developer could spend twice the capital and charge twice the rate of the interstate hotel. In fact, the hotel will have to compete closely on price. But this hotel will cost much more due to the following factors:

- It's big. At 121 rooms it is 20% larger than most of its competitors in the market.
- The City and PRDA required an upscale product. Upscale hotels cost more due to higher-quality fixtures and amenities.
- Most of the competitor hotels are four stories or less and have been constructed with a conventional light-frame method (2x4 construction). This six-story hotel will be on a smaller footprint and extend vertically with steel and concrete.
- A pedestrian walkway over the floodwall will attach the hotel to the convention center.

To make this work, we had to get the right partners. Senate Hospitality is remarkably experienced in hotel operations and convention center operations. David Puckett and Todd Clark are experienced commercial developers who are skilled in putting together financial packages. Puckett and his partners have built four hotels in the Paducah market at Exit 4. Local partnerships including bank financing are the final pieces of this puzzle. It's a puzzle that has taken time to assemble, but the final image will be an asset to the community.