



CITY COMMISSION MEETING  
 AGENDA FOR JUNE 10, 2014  
 5:30 P.M.  
 CITY HALL COMMISSION CHAMBERS  
 300 SOUTH FIFTH ST

**ROLL CALL**

**INVOCATION – Pastor Lynn Shurly - First Presbyterian Church**

**PLEDGE OF ALLEGIANCE**

**ADDITIONS/DELETIONS**

**PRESENTATIONS:**

- Duke of Paducah Presentation for William “Bill” Usher
- Paducah-McCracken County Joint Sewer Agency CPI-U Rate Adjustment – **J. HODGES**
- North 34<sup>th</sup> Street at the Intersection of Pines Road and the Railroad Crossing – **Representative from Kentucky Transportation Cabinet, Canadian National Railroad and HMB Professional Engineers Inc.**

	<b>I.</b>	<b><u>MINUTES</u></b>
	<b>II.</b>	<b><u>APPOINTMENTS</u></b>
		A. Board of Assessment Appeals
		B. Main Street Board
	<b>III.</b>	<b><u>MOTIONS</u></b>
		A. R & F Documents
	<b>IV.</b>	<b><u>MUNICIPAL ORDERS</u></b>
		A. Personnel Changes
	<b>V.</b>	<b><u>ORDINANCE – ADOPTION</u></b>
		A. Accept 2014-2015 Edward Byrne Memorial (JAG) Grant Award – <b>S. ERVIN</b>
		B. Approve MOU for Genova - <b>CITY MGR</b>
	<b>VI.</b>	<b><u>ORDINANCES – INTRODUCTION</u></b>
		A. Approve FY2015 Budget – <b>J. PERKINS</b>

		B. Authorize Payment to Precision Machine for the Repair of Pump Number 2 located at Floodwall Pump Station Number 2 at 1416 North 6th Street – R. MURPHY
	VII.	<u>CITY MANAGER REPORT</u>
	VIII.	<u>MAYOR &amp; COMMISSIONER COMMENTS</u>
	IX.	<u>PUBLIC COMMENTS</u>
	X.	<u>EXECUTIVE SESSION</u>

MAY 27, 2014

At a Called Meeting of the Board of Commissioners, held on Tuesday, May 27, 2014, at 4:00 p.m., at the Julian Carroll Convention Center in the Kennedy Room, located at 415 Park Avenue, Paducah, Kentucky, Mayor Kaler presided, and upon call of the roll by the City Clerk, the following answered to their names: Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler. (5)

**BUDGET WORKSHOP**

The City Manager held a budget workshop with the Mayor, Commissioners and directors to discuss the upcoming FY2015 budget.

**FOR MORE DETAILS OF THE ABOVE WORKSHOP ITEM, PLEASE REVIEW THE EXCERPT FROM THE CITY COMMISSION HIGHLIGHTS PREPARED BY PAM SPENCER, PUBLIC INFORMATION OFFICER.**

**MINUTES**

Commissioner Abraham offered motion, seconded by Commissioner Gault, that the Minutes for the May 13, 2014 and May 20, 2014 City Commission meetings be waived and that the Minute of said meeting prepared by the City Clerk be approved as written.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

**APPOINTMENT**

**TREE ADVISORY BOARD**

Mayor Kaler made the following appointment: "WHEREAS, subject to the approval of the Board of Commissioners, I hereby appoint Brian Thomasson as a member of the Tree Advisory Board to replace Jimmy Langston due to his retirement from Paducah Power Systems."

Commissioner Gault offered motion, seconded by Commissioner Abraham, that the Board of Commissioners approve the action of Mayor Kaler in appointing Brian Thomasson as a member of the Tree Advisory Board.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

**MOTIONS**

**R & F DOCUMENTS**

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the following documents and bids be received and filed:

**DOCUMENTS**

1. Certificate of Liability Insurance for Youngblood Excavating and Contracting, LLC
2. Deed of Conveyance for 3346 Olivet Church Road for the Olivet Church Road Improvement Project (MO# 1771)
3. Agreement for Services with Speck & Associates for consulting services (Executed by the City Manager)
4. Paducah City Hall Evaluation of Structure by Bacon Farmer Workman Engineering & Testing, Inc. (Marcum Engineering)

**BIDS FOR ENGINEERING-PUBLIC WORKS DEPARTMENT**

**NOBLE PARK LAKE BANK STABLIZATION PROJECT**

1. YEC, Inc.\*
2. Wilkins Construction Co., Inc.
3. Dale Bearden Construction, Inc.
4. Harold Coffey Construction, Inc.

\*denotes winning bid

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

**MUNICIPAL ORDERS**

**PERSONNEL ACTIONS**

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the Board of Commissioners of the City of Paducah order that the personnel changes on the attached list be approved.

(SEE MUNICIPAL ORDER BOOK)

Adopted on call of the roll, yeas. Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5).

**ORDINANCES - INTRODUCTION**

**AUTHORIZE CONTRACT FOR NOBLE PARK LAKE BANK STABILIZATION PROJECT**

Commissioner Abraham offered motion, seconded by Commissioner Gault, that the Board of Commissioners introduce an ordinance entitled, "AN ORDINANCE ACCEPTING THE METAL BASE BID AND ALTERNATE BID OF YEC, INC., FOR THE NOBLE PARK LAKE BANK STABILIZATION PROJECT, AND AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT FOR SAME." This ordinance is summarized as follows: That the City of Paducah accepts the Metal Base Bid and Alternate Bid of YEC, Inc., in the amount of \$192,414.00, for Noble Park Lake Bank Stabilization Project, and authorizes the Mayor to execute a contract for same.

**ZONE CHANGE FOR 3025 OLIVET CHURCH RD**

Commissioner Gault offered motion, seconded by Commissioner Abraham, that the Board of Commissioners introduce an ordinance entitled, "AN ORDINANCE APPROVING THE FINAL REPORT OF THE PADUCAH PLANNING COMMISSION ON THE PROPOSED ZONE CHANGE FOR PROPERTY LOCATED AT 3025 OLIVET CHURCH ROAD, AND AMENDING THE PADUCAH ZONING ORDINANCE SO AS TO EFFECT SUCH REZONING." This ordinance is summarized as follows: Rezone property located at 3025 Olivet Church Road, from R-1 to Highway Business District (HBD), and amending the Paducah Zoning Ordinance to effect such rezoning.

**FINAL ANNEXATION FOR 3025 OLIVET CHURCH ROAD**

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the Board of Commissioners introduce an ordinance entitled, "AN ORDINANCE EXTENDING THE BOUNDARY OF THE CITY OF PADUCAH, KENTUCKY, BY FINALIZING THE ANNEXATION OF CERTAIN PROPERTY LYING ADJACENT TO THE CORPORATE LIMITS OF THE CITY OF PADUCAH, AND DEFINING ACCURATELY THE BOUNDARY OF SAID PROPERTY TO BE INCLUDED WITHIN THE SAID CORPORATE LIMITS." This ordinance is summarized as follows: Approving final annexation of a tract of property contiguous to the present city limits, located at 3025 Olivet Church Road, containing 4.946 acres.

**CHANGE ORDER #1 WITH A & K CONSTRUCTION FOR CONSTRUCTION OF THE TELETECH BUILDING**

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the Board of Commissioners introduce an ordinance entitled, "AN ORDINANCE AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE CHANGE ORDER NO. 1 FOR A REDUCTION IN THE TOTAL CONTRACT PRICE WITH A & K CONSTRUCTION, INC. FOR CONSTRUCTION OF THE TELETECH CALL CENTER." This ordinance is summarized as follows: The Mayor is hereby authorized to execute Change Order No. 1 for a decrease in the amount of \$41,275.00 with A & K Construction, Inc., for changes associated with the exterior drive and parking areas, causing the final contract price to be reduced to \$3,254,725.00.

**MAYOR & COMMISSIONER COMMENTS**

There were not any Mayor or Commissioner comments.

**PUBLIC COMMENTS**

There were no public comments.

Upon motion the meeting adjourned.

ADOPTED: June 10, 2014

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City Clerk

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Mayor

MAY 27, 2014

Excerpt from City Commission Highlights, prepared by Public Information Officer Pam Spencer  
Budget Workshop

City Manager Jeff Pederson opened the Budget Workshop meeting held with the Mayor and Commissioners and Directors by thanking them for their work to compile this budget proposal for Fiscal Year 2015. The first reading of the budget ordinance is set for June 10. Pederson says that even though the General Fund revenue has not returned to pre-recession growth, the City is seeing a small reversal in the negative annual trend revenue. Revenues for this upcoming fiscal year, which starts July 1, are projected at \$32.07 million, a growth of about 3.6%. Pederson says, "Revenues have exceeded budgetary projections." In the past several years, Directors have been told to keep their budgets flat. For Fiscal Year 2015, each department was allowed up to a 2% budgetary increase. Pederson also said that the City's policy of keeping 8% in operating reserves is proposed to increase to a 10% operating reserve. Pederson says, "The General Fund has improved such that the reserve policy can change. You ought to be pleased that it is possible and that the Finance Department is recommending a change from 8 to 10 percent." Also for Fiscal Year 2015, there is a reserve balance totaling nearly \$1.1 million that will be used for one-time expenditures including an upgrade to the City's software system. Finance Director Jonathan Perkins says, "This is the first time in years we've had a little bit of flexibility. The budget process has been a lot more enjoyable."

After reviewing the draft of the city manager's budget letter, the first section of the budget document, Pederson then asked each director to provide an overview of any budgetary changes, new initiatives, or program changes in their budgets. These items are highlighted in the budget narratives that precede each department and division in the budget book. This year, the budget narratives have been expanded and strengthened to include more information to improve the readability of the budget. The group also reviewed the proposed items to be funded by the Investment Fund which is funded by the ½ cent payroll tax dedicated to economic development, community development, and capital/infrastructure improvements. A lengthy discussion was held regarding the rehabilitation of the locomotive adjacent to the floodwall and the Carson Center.

**BOARDS and COMMISSIONS  
APPOINTMENTS and REAPPOINTMENTS  
FOR CITY COMMISSION CONFIRMATION**

- Appointment
- Reappointment
- Joint Appointment
- Joint Reappointment

NAME: MARY HOY

NAME OF BOARD OR COMMISSION: \_\_\_\_\_

Board of Assessment Appeals

DATE TO BE PLACED ON AGENDA: June 10, 2014

EXPIRATION OF TERM DATE: June 30, 2017

**APPOINTEE'S HOME ADDRESS:**

Street: \_\_\_\_\_

City/Zip: \_\_\_\_\_

Phone: (270) 559-1111

Email Address: maryhoy@evansville.net

Appointee's Business Name: Coldwell Banker

Address: 3927 Court Ave.

City/Zip: Paducah, KY 42001

Phone: (270) 444-6008

TO REPLACE ON BOARD: \_\_\_\_\_

Thank you

Resigned

ADDRESS: \_\_\_\_\_

Term Expired

Other (explain)

City/Zip: \_\_\_\_\_

Appointee Confirmation: Date: May 2014 By: Lindsay Parish

Board of Commission Approval: \_\_\_\_\_

Original to: Tammara S. Sanderson, City Clerk  
Cc: file

**BOARD CHAIRMAN:**

\_\_\_\_\_

**BOARDS and COMMISSIONS  
APPOINTMENTS and REAPPOINTMENTS  
FOR CITY COMMISSION CONFIRMATION**

Appointment

Reappointment

Joint Appointment    **NAME:** Zachary D. McMillan

Joint Reappointment

**NAME OF BOARD OR COMMISSION:** \_\_\_\_\_

Main Street Board

**DATE TO BE PLACED ON AGENDA:** June 10, 2014

**EXPIRATION OF TERM DATE:** June 10, 2016

**APPOINTEE'S HOME ADDRESS:**

**Street:** 135 Vine Street

**City/Zip:** Paducah, KY 42001

**Phone:** Cell: 270-559-5829

**Email Address:** zack@ml-lawfirm.com

**Appointee's Business Name:** McMurry & Livingston

**Address:** 201 Broadwav

**City/Zip:** Paducah, KY 42002 - 1700

**Phone:** 270.443.6511

**TO REPLACE ON BOARD:** \_\_\_\_\_

Thank you

Resigned

**ADDRESS:** \_\_\_\_\_

Term Expired

Other (explain)

**City/Zip:** \_\_\_\_\_

**Appointee Confirmation:** Date: May 2014 By: Steve Ervin

**Board of Commission Approval:** \_\_\_\_\_

Original to: Tammara S. Sanderson, City Clerk  
Cc: file

**BOARD CHAIRMAN:**

\_\_\_\_\_

**BOARDS and COMMISSIONS  
APPOINTMENTS and REAPPOINTMENTS  
FOR CITY COMMISSION CONFIRMATION**

Appointment

Reappointment

Joint Appointment    NAME: Landee Bryant Woodruff

Joint Reappointment

NAME OF BOARD OR COMMISSION: \_\_\_\_\_

Main Street Board

DATE TO BE PLACED ON AGENDA: June 10, 2014

EXPIRATION OF TERM DATE: June 10, 2018

**APPOINTEE'S HOME ADDRESS:**

Street: \_\_\_\_\_

City/Zip: \_\_\_\_\_

Phone: (270) 556-5044

Email Address: landee@maidenallevcinema.org

**Appointee's Business Name:** Maiden Alley Cinema

Address: 112 Maiden Alley

City/Zip: Paducah, KY 42001

Phone: (270) 442-7723

**TO REPLACE ON BOARD:** \_\_\_\_\_

Thank you

Resigned

ADDRESS: \_\_\_\_\_

Term Expired

Other (explain)

City/Zip: \_\_\_\_\_

**Appointee Confirmation:** Date: May 2014 By: Steve Ervin

**Board of Commission Approval:** \_\_\_\_\_

Original to: Tammara S. Sanderson, City Clerk

Cc: file

**BOARD CHAIRMAN:**

\_\_\_\_\_

**BOARDS and COMMISSIONS  
APPOINTMENTS and REAPPOINTMENTS  
FOR CITY COMMISSION CONFIRMATION**

Appointment

Reappointment

Joint Appointment    **NAME:** Darlene Mazzone

Joint Reappointment

**NAME OF BOARD OR COMMISSION:** \_\_\_\_\_

Main Street Board

**DATE TO BE PLACED ON AGENDA:** June 10, 2014

**EXPIRATION OF TERM DATE:** June 10, 2018

**APPOINTEE'S HOME ADDRESS:**

**Street:** 1238 High Street

**City/Zip:** Paducah, KY 42001

**Phone:** (270) 442-3338

**Email Address:** darlene@paducahlife.com

**Appointee's Business Name:** Paducah Life Magazine

**Address:** 1238 High Street

**City/Zip:** Paducah, KY 42001

**Phone:** (270) 442-3338

**TO REPLACE ON BOARD:** \_\_\_\_\_

Thank you

Resigned

**ADDRESS:** \_\_\_\_\_

Term Expired

Other (explain)

**City/Zip:** \_\_\_\_\_

**Appointee Confirmation:** Date: May 2014 By: Steve Ervin

**Board of Commission Approval:** \_\_\_\_\_

Original to: Tammara S. Sanderson, City Clerk

Cc: file

**BOARD CHAIRMAN:**

\_\_\_\_\_

**BOARDS and COMMISSIONS  
APPOINTMENTS and REAPPOINTMENTS  
FOR CITY COMMISSION CONFIRMATION**

Appointment

Reappointment

Joint Appointment    NAME: Maurie McGarvey

Joint Reappointment

NAME OF BOARD OR COMMISSION: \_\_\_\_\_

Main Street Board

DATE TO BE PLACED ON AGENDA: June 10, 2014

EXPIRATION OF TERM DATE: June 10, 2017

**APPOINTEE'S HOME ADDRESS:**

Street: 714 Harrison Street

City/Zip: Paducah, KY 42001

Phone: H: (270) 443-3618    C: (270) 579-0427

Email Address: maurie@paducahbank.com

Appointee's Business Name: Paducah Bank & Trust Company

Address: PO Box 2600

City/Zip: Paducah, KY 42002-2600

Phone: (270) 575-6623

TO REPLACE ON BOARD: \_\_\_\_\_

Thank you

Resigned

ADDRESS: \_\_\_\_\_

Term Expired

Other (explain)

City/Zip: \_\_\_\_\_

Appointee Confirmation: Date: May 2014 By: Steve Ervin

Board of Commission Approval: \_\_\_\_\_

Original to: Tammara S. Sanderson, City Clerk  
Cc: file

**BOARD CHAIRMAN:**

\_\_\_\_\_

JUNE 10, 2014

I move that the following documents be received and filed:

**DOCUMENTS**

1. Certificate of Liability Insurance:
  - a. Asphalt Paving, Inc.
  - b. AST Environmental, Inc.
  
2. Contracts/Agreements:
  - a. Reimbursement Agreement with Paducah-McCracken County Joint Sewer Agency for Olivet Church Roadway Improvement Project (ORD # 2014-05-8146)
  - b. Reimbursement Agreement with Paducah Power System for Olivet Church Roadway Improvement Project (ORD # 2014-05-8145)
  - c. Agreement with Tag Truck Center to purchase Two Diesel Dump Trucks (ORD # 2014-05-8135)
  
3. Paducah General Obligation Refunding Bond, Series 2014A: (ORD # 2014-05-8144)
  - a. Financial Advisor Engagement Contract
  - b. Engagement letter for Bond Council
  
4. Paducah Water Works Financial Highlights for April 30, 2014

CITY OF PADUCAH  
June 10, 2014

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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.

  
\_\_\_\_\_  
City Manager's Signature

  
\_\_\_\_\_  
Date

CITY OF PADUCAH  
PERSONNEL ACTIONS  
June 10, 2014

NEW HIRES - PART-TIME (P/T)/TEMPORARY/SEASONAL

<u>PARKS SERVICES</u>	<u>POSITION</u>	<u>RATE</u>	<u>NCS/CS</u>	<u>FLSA</u>	<u>EFFECTIVE DATE</u>
Coleman, Amber M.	Pool Attendant	\$7.50/Hr	NCS	Non-Ex	June 12, 2014
Jones, Victoria P.	Pool Attendant	\$7.50/Hr	NCS	Non-Ex	June 16, 2014
Meadows, Taylor B.	Pool Attendant	\$7.50/Hr	NCS	Non-Ex	June 12, 2014
Ross, Virginia	Lifeguard	\$8.00/Hr	NCS	Non-Ex	June 2, 2014
Smith, Ceriae	Pool Attendant	\$7.50/Hr	NCS	Non-Ex	June 2, 2014
Vega, Sergio	Pool Attendant	\$7.50/Hr	NCS	Non-Ex	June 2, 2014
Whelan, Savanna R.	Pool Attendant	\$7.50/Hr	NCS	Non-Ex	June 2, 2014

TERMINATIONS - PART-TIME (P/T)/TEMPORARY/SEASONAL

<u>PARKS SERVICES</u>	<u>POSITION</u>	<u>REASON</u>	<u>EFFECTIVE DATE</u>
Kaltenbach, Robert C.	Recreation Leader	Other Employment	June 2, 2014
DeNeve, John J.	Lifeguard	Other Employment	May 19, 2014
Haire, Brent K.	Lifeguard	Other Employment	May 19, 2014
Townsend, Jennifer C.	Pool Attendant	Other Employment	May 19, 2014
Winnans, Michael Ryan P	Coach	Other Employment	May 19, 2014

# Agenda Action Form Paducah City Commission

Meeting Date: June 3, 2014

**Short Title: 2014-2015 Edward Byrne Memorial (JAG) Grant InterLocal Agreement**

Ordinance     Emergency     Municipal Order     Resolution     Motion

Staff Work By: Nancy Upchurch

Presentation By: Steve Ervin

### Background Information:

The Commission authorized by Municipal Order # 1773 on May 13, 2014, to execute an online grant application to obtain a 2014-2015 Edward Byrne Memorial Grant, through the U.S. Department of Justice in the amount of \$13,117.00. This grant will be used by the Paducah Police Department for the purchase of five (5) mobile radios.

Although the City of Paducah has a sole and authorized individual allocation, it must remain in partnership with our local disparate jurisdiction which is McCracken County. It is for this reason, the City of Paducah and McCracken County must enter into an Interlocal Agreement supporting the 2014-2015 JAG application submission and the acceptance by the City of Paducah of the \$13,117.00

For the award to be considered, the Commission must authorize and direct the Mayor and/or Mayor's designee to execute all required award documents including an Interlocal Agreement with the County.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: JAG 2014-2015  
Account Number:  
Project Number:  
CFDA: 16.738

Finance
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Staff Recommendation: Approval

### Attachments:

Department Head	City Clerk	City Manager
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## ORDINANCE NO. 2014 - \_\_\_\_\_

AN ORDINANCE OF THE CITY OF PADUCAH, KENTUCKY, APPROVING A MEMORANDUM OF UNDERSTANDING AMONG G.P.E.D.C., INC., DOING BUSINESS UNDER THE ASSUMED NAME OF THE GREATER PADUCAH ECONOMIC DEVELOPMENT COUNCIL, INC., AND GENOVA PRODUCTIONS, INC., WITH RESPECT TO A PUBLIC PROJECT; AUTHORIZING THE EXECUTION OF THE MEMORANDUM OF UNDERSTANDING AND OTHER DOCUMENTS RELATED THERETO

WHEREAS, the City of Paducah, Kentucky (the "City") has previously determined, and hereby further determines, that it is a public purpose to reduce unemployment in the City, to increase the City's tax base, to foster economic development within the City and to promote the development of a skilled workforce, all to the benefit of the citizens and residents of the City; and

WHEREAS, The City and the County of McCracken, Kentucky (the "County") have further determined that it is necessary and desirable to accomplish such public purposes that the City and the County must proceed at this time to provide certain economic incentives to Genova Products, Inc., a Michigan corporation, ("Corporation") in order to induce Corporation to develop and locate an vinyl building products facility (the "Project") to a certain building located at 5400 Commerce Drive, Paducah, Kentucky (the "Property") within the boundaries of the Paducah, McCracken County, Kentucky; and

WHEREAS, the City, the County, and G.P.E.D.C., Inc., doing business under the assumed name of the Greater Paducah Economic Development Council ("GPEDC"), find it necessary and advisable to set forth in summary form the intention of the Project and the economic incentives to be provided to partially defray the costs of the Project; and

WHEREAS, in order to further the above described public purposes, it is necessary and desirable that the City now authorize the Memorandum of Understanding among GPEDC, and Corporation with respect to the Project and the economic incentives to be provided; and

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 Memorandum of Understanding among GPEDC, and Corporation (the "MOU") in substantially the form attached hereto as Exhibit A and made a part hereof. It is further determined that it is necessary and desirable and in the best interest of the City to enter into the MOU for the purposes therein specified, and the execution and delivery of the MOU is hereby authorized and approved. The Mayor of the City is hereby authorized to execute the MOU, together with such other agreements, instruments or certifications which may be necessary to accomplish the transaction contemplated by the MOU with such changes in the MOU 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 or the City Manager. 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 MOU 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:

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Tammara S. Sanderson, City Clerk

Introduced by the Board of Commissioners, June 3, 2014

Adopted by the Board of Commissioners, June 10, 2014

Recorded by Tammara S. Sanderson, City Clerk, June 10, 2014

Published by *The Paducah Sun*, \_\_\_\_\_, 2014

**EXHIBIT A**

MEMORANDUM OF UNDERSTANDING

See attachment

## MEMORANDUM OF UNDERSTANDING

This is a MEMORANDUM OF UNDERSTANDING ("MOU") between GENOVA PRODUCTS, INC., ("Company" or "Genova"), with a principal mailing address of Post Office Box 309, Davison, Michigan 48423, and G.P.E.D.C., INC., d/b/a the Greater Paducah Economic Development Council, Inc., a Kentucky not-for-profit corporation ("GPEDC"), with a principal mailing address of Post Office Box 1155, Paducah, Kentucky 40302-1155. Company and GPEDC may be referred to herein individually as a "Party", and collectively as the "Parties".

### Recitals:

**WHEREAS**, the City of Paducah, Kentucky ("City"), and County of McCracken ("County") hold fee simple title to a certain industrial building and related improvements (the "Building") situated upon a certain tract of real property at 5400 Commerce Drive in Paducah, McCracken County, Kentucky (the "Property"), for industrial development;

**WHEREAS**, Company proposes to locate, equip, and operate a manufacturing and distribution facility of vinyl building products (the "Project") within the Building and on the Property;

**WHEREAS**, the Project would have a positive impact on the entire community by stimulating the local economy, expanding the tax base, and reducing unemployment within the boundaries of Paducah, McCracken County, Kentucky;

**WHEREAS**, GPEDC leadership strongly support the location of the Project in Paducah, McCracken County, Kentucky;

**WHEREAS**, in order to induce the location, equipping, and operation of the Project by Company on the Property, GPEDC or its assigns has agreed to provide certain economic incentives to Company as provided in this MOU for purposes of defraying the costs of locating and equipping the Project on the Property;

**WHEREAS**, Company is very interested in pursuing the Project and the Parties wish to enter into this MOU to clearly set forth the framework of a subsequent agreement regarding the location and equipping of the Project and the economic incentives to be provided to partially defray the costs thereof; and

**WHEREAS**, the Parties intend to work cooperatively to move forward with the Project as set forth in this MOU.

Now, THEREFORE, Company and GPEDC agree to the following:

#### A. Commitments from Paducah.

1. GPEDC or its assigns agrees to extend a revolving loan to Company for the sole purpose of purchasing trade fixtures, equipment, and fixtures for the Project that enhances its

Plus  
↑

operations on the Property and creates additional and new job opportunities to Kentucky residents up to the aggregate amount of \$1.1 million, which loan shall be repaid with interest at the rate of 4.5% per annum amortized over a ten (10) year period. Advances up to and not to exceed \$900,000.00 from the revolving loan shall be expressly conditioned upon Company having hired and retained a minimum of 18 new full-time employees ("FTEs") at the Premises/Project Site and upon providing current financial statements. Additional advances from the revolving loan after the aforesaid initial advance of the first \$900,000.00 are expressly conditioned upon Company having hired and retained a minimum of 50 new FTEs and upon providing current financial statements. FTEs are defined as new full-time employed workers with an average hourly compensation of \$13.11 per hour, including health insurance benefits with a minimum of 50% Lessee contribution, which employed workers are subject to the City of Paducah's license fees as defined under Article IV of the Paducah Code of Ordinance, Sections 106-183 and 106-184, and who satisfy the Kentucky residency criteria under the provisions of the Kentucky Economic Development Finance Authority ("KEDFA") Direct Loan Programs. Said loan to be evidenced by a Revolving Loan Credit Agreement and secured by a security agreement wherein GPEDC or its assigns are accorded a first and superior security interest in the trade fixtures, equipment, and fixtures acquired for and used in the operation of the Project. Such documents are to contain such terms and conditions as are acceptable to GPEDC or its assigns.

2. GPEDC agrees to pay directly to City and County (a) the base rental payments commencing with the Lease Commencement Date (July 1, 2014) (defined below) and terminating on the Base Rent Commencement Date (September 1, 2015) (defined below), and (b) the equipment loan installment payments during the first year of the loan.

3. Additional Incentives: GPEDC will in good faith petition the State of Kentucky and other partners for the following:

- (i) A KEDFA 3% payroll rebate for 10 years;
- (ii) KBI tax credit (offsets state corporate income taxes by 50% of lease payments per year for 10 years.);
- (iii) KEIA (sales & use tax refund for building/construction materials & income tax abatement); and
- (iv) Kentucky Training Incentives

4. At its sole cost, GPEDC agrees to complete a Phase I environmental assessment of the Property prior to June 30, 2014, and if indicated, a Phase II environmental assessment, and agrees to indemnify Company from any environmental damages that were caused prior to the Lease Commencement Date (defined below).

5. As an incentive and an inducement to Company to locate, equip and operate the Project on the Property, GPEDC agrees not to offer cash incentives to attract the companies expressly listed below within the boundaries of McCracken County, Kentucky for a five (5) year period from the Effective Date of this MOU, provided, however, such covenant shall not apply in

the event: (i) any of the listed companies agree to pay an average salary of \$20/hour or more; (ii) a building owned by GPEDC, City, or County loses a tenant (such as Whitehall or Macco); or (iii) Company is in default of any of its obligations under this MOU, the lease, or the loan documents. The listed companies GPEDC is restricted from providing cash incentives are as follows: Charlotte, Nibco, Lasco, Mueller, Tigre, Spears, Amerimax, KP Building Products, Trex, Timbertech, Azek, Fiberon, Gossen, Klee Decking, Tarnko, and Universal Forest Products. This does not prohibit the City, County, or State from granting statutory incentives as permissible by law.

**B. Commitments of Company.** In consideration of the public incentives to be provided, Company agrees as follows:

1. Company reasonably projects and in good faith anticipates hiring and maintaining 125 new FTEs at the Property within ten (10) years of the Effective Date of this MOU with health insurance benefits. Further, Company shall provide to GPEDC, at its sole cost and expense, the following:

- (i) Written reports of the Company's progress in satisfying the foresaid employment commitments. Such progress reports shall be provided bi-annually commencing upon commencement of the lease agreement and shall be certified as accurate by Company. Upon a reasonable request by GPEDC, Company shall provide support documentation verifying the aforesaid progress reports.
- (ii) A year-end financial statement and balance sheet, in reasonable detail and with all supporting schedules and comments, duly certified by Company's certified public accountant by April 30th following each fiscal year-end of the Company.

2. To obtain and maintain all licensing, permitting and certification requirements for the lawful construction, installation, and equipping of the Project and the operation of the Project including but not limited to, all city development, zoning, building code ordinances and policies, and all other federal, state and local applicable laws and regulations (collectively, "Governmental Permits"). GPEDC will work closely with the Company to ensure these Governmental Permits are provided in a timely and expedited manner.

3. To acknowledge that the financial and other assistance it would receive, as described herein would be made possible, in part, by reason of local businesses, governmental entities, and citizens contributing to support the economic development efforts of GPEDC. Company agrees to be a good corporate citizen and become a GPEDC investor at a level of \$7,500/year, the first annual contribution to be paid upon the execution of the definitive lease agreement for the Building and the Property.

**C. Additional Commitments of the Parties.**

1. GPEDC, as agent for City and County, and Company agree to negotiate in good faith the terms of a lease agreement for the Building and the Property on or before June 30, 2014. Failure to enter into the lease agreement within this time frame shall result in the termination of

this MOU and neither Party shall have any further liabilities or obligations to the other hereunder. Company shall lease the Building and the Property for an initial term of ten (10) years with an option to renew for one (1) additional term of ten (10) years. The lease shall commence on July 1, 2014 (the "Lease Commencement Date"), with base rentals payments being paid by GPEDC from the Lease Commencement Date and terminating on the Base Rent Commencement Date (September 1, 2015). Company shall commence base rental payments on September 1, 2015 (the "Base Rent Commencement Date"). The base rental rate shall be ~~approximately~~ \$289,000 per year. Base rentals shall be paid in advance in equal monthly installments commencing on the Lease Commencement Date. Also commencing on the Lease Commencement Date and continuing during the term of the lease, Company shall timely pay, at its sole cost and expense, as additional rentals any and all other customary costs arising out of the use and occupancy of the Building and the Property, including without limitation maintenance, repair, insurance, utilities, and taxes. Any failure by GPEDC to pay the base rental payments described above shall not constitute a default by Company under the lease.

D. **Conditions to Closing.** The Parties acknowledge that Genova's execution of this MOU is contingent upon the approval by the Commonwealth of Kentucky approving the KEDFA incentives described above. The Parties acknowledge and agree that any obligations of the Parties to consummate the transactions contemplated under the terms of this MOU are expressly conditioned upon of the following:

1. Execution of a binding definitive lease agreement of the Building and the Property among City, County, and Company on or before June 30, 2014;
2. Execution and delivery by Company of all loan documents required in this MOU for the Revolving Loan Credit Agreement on or before June 30, 2014;
3. Approval of the KEDFA incentives described above by the State of Kentucky; and
4. Approval by the governing legislative bodies of GPEDC, City, and County of the terms of this MOU and the consummation of the transactions contemplated under this MOU.

In the event the condition is not satisfied or waived by the Parties hereto on or before June 30, 2014, this MOU shall terminate and thereafter neither Party shall have any further liabilities or obligations to the other hereunder.

E. **Expenses.** Except as otherwise provided herein and the definitive documentation to be entered among the Parties, City and County, each Party shall be responsible for its own attorneys' fees and other costs and expenses, anticipated or otherwise.

F. **Assignability.** GPEDC may assign any or all of its rights and obligations hereunder to the City of Paducah, McCracken County, and/or the Paducah McCracken County Industrial Development Authority.

G. **Governing Law; Counterparts; Miscellaneous.** This MOU shall be governed by and construed in accordance with the laws of the State of Kentucky, without regard to any conflict of laws principles. Venue shall be in the McCracken Circuit Court. This Agreement may be

executed in counterparts (including counterparts executed and transmitted via fax or e-mail), each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This MOU shall continue in force and effect for the same term as the lease

agreement for the use and occupancy of the Property to be entered pursuant to this MOU. If any provision of this MOU shall be held invalid under any applicable laws, such invalidity shall not affect any other provision of this MOU than can be given affect without the invalid provision, and, to this end, the provisions hereof are severable.

H. Effective Date. This MOU shall not become effective and binding until fully approved, executed, and delivered by all Parties hereto and City and County.

IN WITNESS WHEREOF, the parties hereto have set their hands.

GENOVA PRODUCTS, INC.

By: *Ronald R. Rindqvist*

Title: VICE PRESIDENT-OPERATIONS

Date: 6/3/14  
7

G.P.E.D.C., INC., DBA GREATER  
PADUCAH ECONOMIC DEVELOPMENT  
COUNCIL.

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

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

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

HAVE SEEN AND AGREED TO:

CITY OF PADUCAH, KENTUCKY

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

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

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

MCCRACKEN COUNTY, KENTUCKY

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

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

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

# Agenda Action Form Paducah City Commission

Meeting Date: June 10, 2014

Short Title: City of Paducah, Kentucky's Fiscal Year 2014-2015 budget

Ordinance  Emergency  Municipal Order  Resolution  Motion

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

Background Information:

The FY2015 budget ordinance implements the decisions made at the Commission's May 27th budget workshop.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name:  
Account Number:

  
6/6/2014  
Finance

Staff Recommendation:

Approve the FY2015 Budget Ordinance

Attachments:

FY2015 Budget Ordinance

Department Head	City Clerk	City Manager
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ORDINANCE NO. 2014-\_\_\_\_\_

AN ORDINANCE ADOPTING THE CITY OF PADUCAH, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR JULY 1, 2014 THROUGH JUNE 30, 2015, BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE OPERATION OF CITY GOVERNMENT.

WHEREAS, an annual budget proposal has been prepared and delivered to the City Commission; and

WHEREAS, the City Commission has reviewed such proposed budget and made the necessary modifications;

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The following estimate of revenues and resources is adopted as the City of Paducah, Kentucky Revenue Budget for Fiscal Year 2014-2015:

FY2015	MUNICIPAL				
	GENERAL FUND (01)	AID PROGRAM FUND (03)	INVESTMENT FUND (04)	COBG FUND (06)	HOME FUND (08)
<u>SOURCES:</u>					
CASH FROM FUND RESERVE	112,685	151,200	271,340		
<i>REVENUES:</i>					
PROPERTY TAXES	5,993,000				
LISC. PERMITS, OTHER TAXES	23,266,750	530,000	4,775,300		
GRANTS, CONTRIBUTIONS	898,715			1,250,000	
FINES & FORFEITURES	115,725				
PROP. RENTAL & SALES	424,600				
CHARGES FOR SERVICES	645,985				
INTEREST INCOME	100,000	5,300			
RECREATION, OTHER FEES	115,200				
MISCELLANEOUS	28,000				
TOTAL REVENUES	31,537,975	588,000	4,775,300	1,250,000	
FUND TRANSFERS IN	484,500	300,000	265,750		
TOTAL SOURCES	33,185,160	1,639,200	5,312,390	1,250,000	

FY2015	GENERAL			
	ENCL. FUND (12)	COURT AWARDS FUND (13)	DEBT SERVICE FUND (30)	CIP FUND (40)
<u>SOURCES:</u>				
CASH FROM FUND RESERVE		5,250		370,000
<i>REVENUES:</i>				
PROPERTY TAXES				
LISC. PERMITS, OTHER TAXES	640,000		531,720	
GRANTS, CONTRIBUTIONS	473,860			1,791,000
FINES & FORFEITURES		20,100		
PROP. RENTAL & SALES				
CHARGES FOR SERVICES			197,040	
INTEREST INCOME	1,250	500		
RECREATION, OTHER FEES				
MISCELLANEOUS				
TOTAL REVENUES	1,115,110	21,500	778,760	1,791,000
FUND TRANSFERS IN	563,925		2,394,320	1,503,250
TOTAL SOURCES	1,679,035	21,500	3,173,080	3,664,250

FY2015	SOLID WASTE FUND (50)	CIVIC CENTER FUND (51)	RENTAL FUND (53)	RADIO FUND (54)
<u>SOURCES:</u>				
CASH FROM FUND RESERVE	507,565	10,025		
REVENUES				
PROPERTY TAXES				
LISC PERMITS				
OTHER TAXES				
GRANTS, CONTRIBUTIONS	30,000			
FINES & FORFEITURES				
PROP RENTAL & SALES	7,500	36,000	134,920	123,940
CHARGES FOR SERVICES	4,350,000			
INTEREST INCOME	17,500			3,000
RECREATION, OTHER FEES				
MISCELLANEOUS				
TOTAL REVENUES	4,405,000	36,000	134,920	126,940
FUND TRANSFERS IN		35,700		
TOTAL SOURCES	4,412,565	31,725	134,920	126,940

FY2015	FLEET SERVICE FUND (70)	FLEET TRUST FUND (71)	INSUR FUND (72)	HEALTH INS TRUST FUND (73)	AEPF PFPF PENSION FUND (76), (77), (84)
<u>SOURCES:</u>					
CASH FROM FUND RESERVE	8,090	1,002,980	100		546,235
REVENUES					
PROPERTY TAXES					
LISC PERMITS					
OTHER TAXES					
GRANTS, CONTRIBUTIONS					
FINES & FORFEITURES					
PROP RENTAL & SALES		308,720			350,000
CHARGES FOR SERVICES	347,500		965,095	3,771,700	9,515
INTEREST INCOME		12,500			225,500
RECREATION, OTHER FEES					
MISCELLANEOUS	250				
TOTAL REVENUES	347,750	321,220	965,095	3,771,700	585,115
FUND TRANSFERS IN	190,265		55,000		375,150
TOTAL SOURCES	538,015	1,324,200	1,020,495	3,771,700	1,306,510

SECTION 2 The following sums of money are hereby appropriated for Fiscal Year 2014-2015

FY2015	MUNICIPAL				
	GENERAL FUND (01)	AID PROGRAM FUND (03)	INVESTMENT FUND (04)	CDBG FUND (06)	HOME FUND (28)
<b>APPROPRIATIONS:</b>					
GENERAL GOVERNMENT	1,451,810				
FINANCE	998,985				
PRDA	153,020				
INFORMATION SYSTEMS	697,330				
PLANNING	918,180			1,250,000	
POLICE	9,557,055				
FIRE	3,025,325				
ENG/PUBLIC WORKS	3,352,550	1,639,200			
PARKS SERVICES	3,120,155				
CABLE AUTHORITY	85,580				
HUMAN RIGHTS	41,970				
ENGINEERING	1,174,785				
HUMAN RESOURCES	309,385				
INVESTMENT FUND			728,000		
DEBT SERVICE E911					
SOLID WASTE OPERATION					
FLEET MAINTENANCE					
PENSIONS					
CASH CARRY FORWARD/RESRV					
FUND TRANSFERS OUT	2,798,270		4,584,390		
<b>TOTAL APPROPRIATIONS</b>	<b>33,185,160</b>	<b>1,639,200</b>	<b>5,312,390</b>	<b>1,250,000</b>	

FY2015	E911 FUND (12)	COURT AWARDS FUND (13)	GENERAL DEBT SERVICE FUND (30)	CIP FUND (43)
	<b>APPROPRIATIONS:</b>			
GENERAL GOVERNMENT				675,000
FINANCE				
PRDA				250,000
INFORMATION SYSTEMS				
PLANNING				499,250
POLICE		25,750		103,000
FIRE				77,500
ENG/PUBLIC WORKS				5,944,500
PARKS SERVICES				110,000
CABLE AUTHORITY				
HUMAN RIGHTS				
ENGINEERING				
HUMAN RESOURCES				
INVESTMENT FUND				
DEBT SERVICE E911	1,633,825		3,173,080	
SOLID WASTE OPERATION				
FLEET MAINTENANCE				
PENSIONS				
CASH CARRY FORWARD/RESRV	210			
FUND TRANSFERS OUT				
<b>TOTAL APPROPRIATIONS</b>	<b>1,634,035</b>	<b>25,750</b>	<b>3,173,080</b>	<b>7,564,250</b>

FY2015	SOLID WASTE FUND (\$)	CIVIC CENTER FUND (\$)	RENTAL FUND (\$)	RADIO FUND (\$)
<b>APPROPRIATIONS:</b>				
GENERAL GOVERNMENT				
FINANCE				5,060
PRDA				
INFORMATION SYSTEMS				
PLANNING				
POLICE				
FIRE				
ENG. PUBLIC WORKS			84,920	
PARKS SERVICES		3,725		
CABLE AUTHORITY				
HUMAN RIGHTS				
ENGINEERING				
HUMAN RESOURCES				
INVESTMENT FUND				
DEBT SERVICE (9)				
SOLID WASTE OPERATION	4,572,565			
FLEET MAINTENANCE				
PENSIONS				
CASH CARRY FORWRD RESRV				51,860
FUND TRANSFERS OUT	240,000		50,000	
<b>TOTAL APPROPRIATIONS</b>	<b>4,812,565</b>	<b>31,725</b>	<b>134,920</b>	<b>128,940</b>

FY2015	FLEET SERVICE FUND (\$)	FLEET TRUST FUND (\$)	INSUR FUND (\$)	HEALTH INS TRUST FUND (\$)	AEPF/PFPF PENSION FUND (\$)
<b>APPROPRIATIONS:</b>					
GENERAL GOVERNMENT					
FINANCE		1,824,200			10,300
PRDA					
INFORMATION SYSTEMS					
PLANNING					
POLICE					
FIRE					
ENG. PUBLIC WORKS					
PARKS SERVICES					
CABLE AUTHORITY					
HUMAN RIGHTS					
ENGINEERING					
HUMAN RESOURCES			1,020,495	3,771,710	
INVESTMENT FUND					
DEBT SERVICE (9)					
SOLID WASTE OPERATION					
FLEET MAINTENANCE	545,905				
PENSIONS					496,000
CASH CARRY FORWRD RESRV					
FUND TRANSFERS OUT					
<b>TOTAL APPROPRIATIONS</b>	<b>545,905</b>	<b>1,824,200</b>	<b>1,020,495</b>	<b>3,771,710</b>	<b>1,996,300</b>

**SECTION 3.** The City Manager and Finance Director will produce a budget document which reflects the funding priorities set by the City Commission during their budget workshops and which will be used to interpret the above appropriations on the City's website.

**SECTION 4.** The City does hereby adopt the following financial management policies:

A. The General Fund's minimum undesignated cash balance shall be 10% of the General Fund's budgeted expenditures. The Investment Fund's minimum undesignated cash balance shall be 10% of the Investment Fund's budgeted expenditures. The Solid Waste Fund's minimum unreserved cash balance shall be 10% of the Solid Waste's budgeted operating expenses. The Debt Service Fund's designated fund balance shall be sufficient to fully fund all outstanding debt including principal and interest, but not less than \$243,000.

B. The City Manager is authorized to transfer budgeted amounts between funds, departmental budget and items, projects and between divisions of departments and between departments as shown in Section 2.

C. Funds designated as Commission contingencies shall be obligated upon approval by the City Commission in municipal order.

D. Funds designated as Administrative contingency shall be obligated at the discretion of the City Manager; however, the Commission shall be notified 10 calendar days prior to approval of expenditure. If any individual member of the Board of Commissioners requests Commission review of a proposed expenditure, the City Manager must bring expenditure before the Commission for approval by municipal order.

E. City Manager shall assure that recurring revenues and resources are greater than or equal to recurring expenditures.

F. The City Manager has the authority to enact a budget add-on program or to transfer funds to or from any departmental line item to his finance or expense accounts.

G. As new vehicles are purchased the City will fully fund the Fleet Trust Fund in order to replace rolling stock owned by the General Fund as it achieves obsolescence. The Fleet Trust Fund shall be funded with monthly lease charges assigned to rolling stock as determined by the Finance Director or his designee. Additionally, General Fund transfers shall be made to offset the cost of initial rolling stock acquisition costs. All rolling stock is owned by the City's Fleet Trust Fund.

H. The City will maintain a self-insurance fund called Health Insurance Trust Fund through the use of user fees as set by administrative policy.

I. The City will continue to maintain the Appointive Employees Pension Fund (AEPF) in a fully funded status through sound financial management and/or annual General Fund transfers as designated in the budget document. In fiscal year 2006, the City issued a General Obligation Bond for the Police and Firefighters' Pension Fund (PPPF) bringing the fund up to an actuarially sound basis, however, the multi-year recession starting in fiscal year 2009 reduced the fund's corpus leaving a new unfunded liability. Funding is provided in the General Fund of this ordinance to further address the PFPF unfunded liability.

J. The City will provide to all eligible employees up to a \$727.00 per month credit (for the months of July - December 2014) to be applied to the Comprehensive Health Insurance Benefit Plan (Cafeteria Plan) as directed by the employee. In January 2015, this monthly credit may be adjusted by the City Commission as they see fit.

K. The City will maintain a special fund called Investment Fund. The Investment Fund will be funded with a 1/2 cent increase in the City's occupational license fee (employee payroll withholding tax). This fund is dedicated to the following expenditures related to economic development, neighborhood re-development, infrastructure capital investment and property tax relief.

SECTION 5. Finance Director is responsible for maintaining current table of Estimated Revenues in Section 1 and Appropriation of Funds in Section 2 and to provide a copy to the City Clerk.

If during the course of the year the City Commission adopts Ordinances to anticipate new revenues or to make new appropriations, the Finance Director will update these Tables and provide a copy to the City Clerk.

SECTION 6. This ordinance shall be read on two separate days and will become effective upon publication in full pursuant to KRS Chapter 424.

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Mayor

ATTEST

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Tamara Brock, City Clerk

Introduced by the Board of Commissioners, June 10, 2014  
Adopted by the Board of Commissioners, June 24, 2014  
Recorded by Tamara Brock, City Clerk, June \_\_, 2014  
Published by The Paducah Sun.

<u>FUNDS</u>	<u>APPROPRIATIONS</u>
GENERAL	\$ 33,185,160
MAP	1,639,200
INVESTMENT	5,312,390
CDBG	1,250,000
E911	1,684,035
COURT AWARDS	25,750
DEBT	3,173,080
CIP	7,664,250
SOLID WASTE	4,912,565
CIVIC CENTER	81,725
RENTAL	134,920
RADIO DEPR	126,940
FLEET	545,905
FLEET TRUST	1,824,200
SELF INSURANCE	1,020,495
HEALTH INS	3,771,700
AEPF/PEPF/TRSTS	<u>1,506,500</u>
	<u>\$ 67,858,815</u>

# Agenda Action Form Paducah City Commission

Meeting Date: June 10, 2014

Short Title: Authorize Payment to Precision Machine, Inc., for the Repair/  
Total Reconstruction of Pump Number 2 located at Floodwall Pump Station  
Number 2

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Angela Weeks, EPW Proj Mgr

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

### Background Information:

On May 19, 2013, Number 2 Pump, located at Floodwall Pump Station Number 2, 1416 North 6th Street, became disabled. Repair of the Number 2 Pump is paramount to prohibit and/or reduce possible flooding to the City, posing an imminent safety threat to property and citizens.

Inspection of the Number 2 Pump was delayed until July 26, 2013, as the Ohio River elevations did not allow safe entry/access into the Pump Station's wet well prior to the aforementioned date. On August 22, 2013, the City initiated a permitted confined space entry into the Pump Station's wet well to begin diagnosis and plan of action for the Number 2 Pump's repair. On August 22, 2013, Engineering-Public Works, Floodwall Division personnel assisted Triangle Industries to install scaffolding in the Pump Station's wet well for the pump's safe removal. On the same day, the Number 2 Pump was removed and the Pump's inspection/diagnosis was initiation. At this time, it was diagnosed by US Army Corps of Engineer's Pump Subject Matter Experts that the pump was in need of "rebuilding."

Immediate repair of the Number 2 Pump was essential to prohibit and/or reduce possible flooding within the City which would be an imminent safety threat to property and Paducah Citizens. Therefore, on September 5, 2013, pursuant to Section 2-659(1) of the City of Paducah Procurement Code, an Emergency was declared by the City Manager to exist necessitating the immediate repair of the Number 2 Pump located at Floodwall Pump Station Number 2 at 1416 North 6th Street.

The emergency repair/total reconstruction of the Number 2 Pump has been substantially completed by Precision Machine, Inc., and is being prepared for installation. Precision Machine, Inc., has agreed to re-install the pump at Pump Station Number 2 at no expense to the City. Now that the pump has been repaired/reconstructed, approval is requested to pay Precision Machine, Inc., in the amount of \$134,673.00 for the emergency repair/reconstruction work to the Number 2 Pump located at Floodwall Pump Station Number 2 at 1416 North 6th Street.

In order to issue payment for this work, it is requested that the transfer of funds be authorized to the Floodwall Repairs/Upkeep Property/Plant Account as follows:

- \$ 50,000.00 from the Commission Contingency
- \$ 23,500.00 from the Administrative Contingency
- \$ 61,173.00 from the EPW's residual operational accounts
- \$134,673.00 = Total Funds to be Transferred

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: Floodwall Repairs/Upkeep Property/Plant  
Account Number: 001-3308-532-3305

6-6-14  
Finance

Staff Recommendation:

To adopt an Ordinance authorizing the following transfer of funds to the Floodwall Repairs/Upkeep Property/Plant Account:

- \$ 50,000.00 from the Commission Contingency
- \$ 23,500.00 from the Administrative Contingency
- \$ 61,173.00 from the EPW's residual operational accounts
- \$134,673.00 = Total Funds to be Transferred

and to authorize the Finance Director to pay Precision Machine, Inc., in the amount of \$134,673.00 for the emergency repair/total reconstruction work to the Number 2 Pump located at Floodwall Pump Station Number 2 at 1416 North 6th Street.

Attachments:

Emergency Declaration and copy of the Invoice.

 Department Head	City Clerk	 City Manager
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ORDINANCE NO. 2014-6-\_\_\_\_\_

AN ORDINANCE AUTHORIZING THE FINANCE DIRECTOR TO PAY FOR THE EMERGENCY REPAIR/TOTAL RECONSTRUCTION WORK TO THE NUMBER 2 PUMP LOCATED AT FLOODWALL STATION #2, 1416 NORTH 6<sup>TH</sup> STREET AND TRANSFER FUNDS IN THE AMOUNT OF \$134,673.00 FROM VARIOUS ACCOUNTS FOR PAYMENT

WHEREAS, a written determination has been ~~made~~ by the City Manager that the services required for the emergency repair/reconstruction of the Number 2 Pump located at Floodwall Pump Station #2 at 1416 North 6<sup>th</sup> Street ~~was~~ made pursuant to Sec. 2-659 of the Code of Ordinances of the City of Paducah, Kentucky.

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The Finance Director is hereby ~~author~~ized to pay Precision Machine, Inc., in the amount of \$134,673.00 for the emergency repair/reconstruction of the Number 2 Pump located at Floodwall Station#2, 1416 North 6<sup>th</sup> Street.

SECTION 2. The Finance Director shall transfer funds from the accounts listed below to the Floodwall Repairs/Upkeep Property/Plant Account for the payment authorized in Section 1 above:

\$ 50,000 from the Commission Contingency

\$ 23,500 from the Administrative Contingency

\$ 61,173 from the Engineering-Public Works residual operational accounts

\$134,673 = Total Funds to be Transferred

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, June 10, 2014  
Adopted by the Board of Commissioners, June 24, 2014  
Recorded by Tammara S. Sanderson, City Clerk, June 24, 2014  
Published by The Paducah Sun, \_\_\_\_\_  
\\ord\eng\lfloodwall- pump station #2



Jeff Pederson  
City Manager

CITY OF PADUCAH  
300 South 5th Street  
P. O. Box 2267  
Paducah, KY 42002-2267  
Phone: (270) 444-8503  
Fax: (270) 443-5058  
Email: jpederson@ci.paducah.ky.us

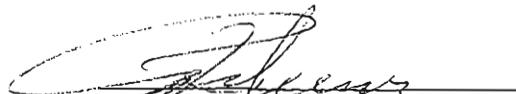
September 5, 2013

On May 19, 2013, #2 Pump, located at Floodwall Pump Plant 2, 1416 North 6th Street, became disabled. Repair of the #2 Pump is paramount to prohibit and/or reduce possible flooding to the City, posing an imminent safety threat to property and Citizens.

Inspection of the #2 Pump was delayed until July 26, 2013, as the Ohio River elevations did not allow safe entry/access into the Pump Plant's wet well prior to the aforementioned date. On August 22, 2013, the City initiated a permitted confined space entry into the Pump Plant's wet well to begin diagnosis and plan of action for the #2 Pump's repair. On August 22, 2013, Engineering-Public Works, Floodwall Division personnel assisted Triangle Industries to install scaffolding in the Pump Plant's wet well for the pump's safe removal. On the same day, the #2 Pump was removed and the Pump's inspection/diagnosis was initiated. At this time, it was diagnosed by US Army Corps of Engineer's Pump Subject Matter Experts that the pump was in need of "rebuilding". The on-site USACE experts diagnosed that the bowl assembly, transition casing and discharge elbow assembly were in need of replacement. Normally, these parts would require custom fabrication causing a 3-4 month lead time for delivery. Said lead time would place the City in "dead-in-the-heart" of its flood season. Fortunately, the City of Paducah has in its possession the particular pump parts that are needed and suitable for immediate modification and reconditioning to serve as replacement parts for the items named above.

Therefore, under these circumstances, the Engineering-Public Works Department is vigorously pursuing this this window of low water opportunity to repair the #2 Pump at Pump Plant 2. This repair is essential, as time does not allow for the sealed written bid procurement process and the Ohio River stages in early fall will not afford the time required for the motor's repair.

Therefore, pursuant to Section 2-659(1) of the City of Paducah Procurement Code, an Emergency is hereby declared to exist necessitating the immediate repair of the Number 2 Pump located at Floodwall Pump Station #2 at 1416 North 6th Street. The City Engineer-Public Works Director is hereby directed to take all construction precautions necessary to eliminate said threat and proceed immediately with the appropriate repairs required at this site.

  
Jeff Pederson, City Manager



100%  
EMPLOYEE  
OWNED

**PRECISION  
MACHINE, INC.**

1231 South 3rd • P.O. Box 2753 • Paducah, KY 42002-2753  
Bus. (270) 443-8444 • Fax: (270) 443-8406

# INVOICE

DATE            INVOICE #  
6-6-2014        42688

BILL TO:

CITY OF PADUCAH  
300 SOUTH 5TH STREET  
PADUCAH, KY 42003

P.O. NUMBER	TERMS	PROJECT
	Net 30	41662

QUANTITY	DESCRIPTION	RATE	AMOUNT
	<p>MAKE REPAIRS TO PUMP #2</p> <p>The scope of work included renting scaffold and having it erected in the pump cavern, pull the pump, disassemble to access damage. It was determined that the damage was too great to repair. However, there were parts in storage to replace the impeller and impeller housing. The parts were sandblasted, balanced shaft and impeller, removed the old bushings and had material analyzed. Furnished labor and material to machine new bushings, checked run out on shafts and repaired. Furnished labor and material for (4) new center tubes. Alter top section of spare pump housing, install new flange and machine. Furnish new stainless steel piping instead of reusing copper tube and install. Furnish labor and material for (1) new packing housing. Furnish labor and material for (3) new outer tubes. Furnish labor and material for stainless steel guards to protect piping. Furnish paint and labor to paint. Furnish labor and material to machine new coupling studs. During installation, we cut off a deteriorated section of the discharge pipe, formed a new section and welded into place. Furnished the straub-flex coupling to connect the pump to the discharge pipe.</p>		
	TOTAL PRICE		134,673.00

RECEIVED  
JUN 06 2014  
ENGINEERING  
DEPARTMENT

SEE DELIVERY TICKET FOR WARRANTY INFORMATION

**TOTAL**    \$134,673.00