CITY COMMISSION MEETING
AGENDA FOR JULY 1, 2014
5:30 P.M.
CITY HALL COMMISSION CHAMBERS
300 SOUTH FIFTH ST

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

ADDITIONS/DELETIONS

	I.	**ORDINANCES – ADOPTION**
		A. 2005 Police & Fire Fighter Pension Bond Refinancing – **J. PERKINS**
		B. 2014 -2015 Ky Household Hazardous Waste Grant Award – **S. ERVIN**
		C. Authorize an Agreement with Shawnee Professional Services for Engineering Services for Olivet Church Road Improvement Project – **R. MURPHY**
		D. Authorize a Contract with Nichols Electric Co for the Fire Station No. 1 Generator Project – **R. MURPHY**
		E. Approve Lease Agreement with Genova – CITY MGR
	II.	**ORDINANCES – INTRODUCTION**
		A. Reimbursement Agreement with Paducah Water for the Olivet Church Roadway Water Construction Expenses – **R. MURPHY**
	III.	**CITY MANAGER REPORT**
	IV.	**MAYOR & COMMISSIONER COMMENTS**
	V.	**PUBLIC COMMENTS**
	VI.	**EXECUTIVE SESSION**

102

Agenda Action Form
Paducah City Commission

Meeting Date: June 24, 2014

Short Title: 2005 Taxable Police & Firefighter Pension Fund (PFPF) Unfunded Pension Liability General Obligation Bonds (GOB), Refinancing Bonds authorization – Taxable Series 2014B

☒ Ordinance ☐ Emergency ☐ Municipal Order ☐ Resolution ☐ Motion

Staff Work By: Jonathan Perkins, Audra Hendon
Presentation By: Jonathan Perkins

Background Information:

The **2005 taxable Police and Firefighter Pension Fund (PFPF) Unfunded Pension Liability General Obligation Bonds (GOB)** were originally sold November 8, 2005. The proceeds were used to fully fund all unfunded PFPF pension liability* as reported in the Bryan, Pendleton, Swats & McAllister actuary valuation report as of July 1, 2005 on page 10, net amount $5,992,751. The 20-year PFPF GOB issue was scheduled to be paid in full in 2025.

It is our intention to refinance the 2005 taxable PFPF GOBs with proceeds from another bond sale scheduled for July 9, 2014. We will use bond proceeds from the July 9, 2014 taxable bond sale to pay off (retire) the outstanding 2005 PFPF GOB taxable issue. A second reading of this ordinance is scheduled for July 1, 2014.

By refinancing the 2005 PFPF taxable GOB issue, it is our intention to reduce the cost of borrowing money. The issue was first put in place in 2005 to eliminate the City's Police and Firefighter Pension Fund's unfunded liability, approaching $6.1 million (including the cost of issuance).

The bond market appears to be favorable to refinance the entire bond issue over the remaining life of the issue (to 2025) at an interest savings estimated to exceed $200,000. The savings is driven by the fact that the market is such that interest rates in general may be more attractive now than in the past.

Goal: ☒ Strong Economy ☐ Quality Services ☐ Vital Neighborhoods ☐ Restored Downtowns

Funds Available: Account Name: Bond Issue (PFPF) - 2014B
Account Number: Bond Fund

06/13/2014
Finance

Staff Recommendation: That the Commission approve ordinance and all appropriate related agreements to refinance the 2005 Taxable PFPF GOBs and reduce the amount of interest expense over the life of the remaining debt issue through 2025.

Attachments: Draft of Ordinance

Department Head	City Clerk	City Manager

---

* - The following excerpt was taken from the City of Paducah Police and Firefighters Pension Fund valuation as of July 1, 2006 dated November 9, 2006.

> *"...If actual experience results in future unfunded Past Service Liability, the City will be responsible for making additional contributions to eliminate the unfunded liability. Further, the City will* ***not*** *be responsible for future unfunded Past Service Liability that arises due to the Pension Board's granting of cost-of-living increases when not supported on an actuarially sound basis as determined by the annual actuarial valuation."*

In other words, the City will continue to be financially responsible to fund any liability caused by unfavorable investment experiences; but not for COLAs given when the fund is not actuarially sound to support it.

Agenda Action Form
Paducah City Commission

Meeting Date: June 24, 2014

Short Title: 2014/2015 Kentucky Household Hazardous Waste Grant Award

☒ Ordinance ☐ Emergency ☐ Municipal Order ☐ Resolution ☐ Motion

Staff Work By: Chris Yarber, Sheryl Chino
Presentation By: Steve Ervin

Background Information: The Kentucky Division of Waste Management, through the Household Hazardous Waste Award Program funds cities across the commonwealth for annual clean-up days. This grant award program provides a partial reimbursement for the expenses incurred by the city for the disposal and advertising/education of Spring Clean-up Day. For the past 24 years this project has been a collaborative effort between the McCracken County Fiscal Court and the City of Paducah.

Through Municipal Order #1762 the Engineering/Public Works and Planning Departments submitted an application for the 2014/2015-Kentucky Division of Waste Management-Household Hazardous Waste Award Program on March 27, 2014.

The City as Lead Agency/Fiscal Agent has received an award of $26,800. This funding requires a local match of $14,637.50 to be divided between equally between the city and the county. The City's share of the local cash match, as in previous years will be paid through the Engineer/Public Works 2014-2015 Budget.

This award requires an Inter-local Agreement to be signed by the City and Fiscal Court

If the Commission desires to accept this joint award, it must authorize and direct the Mayor and/or Mayor's designee to execute all required application documents.

Goal: ☒ Strong Economy ☒ Quality Services ☐ Vital Neighborhoods ☐ Restored Downtowns

Funds Available: Account Name:
Account Number: 050-2209-513-2004
Project Number:

6/19/2014
Finance

Staff Recommendation:

Attachments:

Department Head	City Clerk	City Manager

Agenda Action Form
Paducah City Commission

COPY

Meeting Date: June 24, 2014

Short Title: Authorize an Agreement with Shawnee Professional Services for Engineering Design Services related to updating the Utility and Roadway plans for the Olivet Church Road Improvement Project

☒ 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:

In 2006, a professional engineering design services for the Olivet Church Roadway Improvement Project was entered into with Civil Design Group, Inc. Subsequently, design plans related to the Utility and Roadway plans for the Project were essentially completed. At this time, the utility relocation portion of the Project is being completed by the individual utility companies. After completion of the utility portion, the City will be proceeding with the advertisement and Construction of the Roadway portion of the Project.

Due to the excessive time lapse, the Utility and Roadway plans are in need of being updated and/or revised. Shawnee Professional Services (previously Civil Design Group, Inc.) has provided a cost estimate of $52,000 to update the Utility and Roadway plans and specifications for this Project. A copy of Shawnee's proposal identifying the items that will be completed in order to update the Project plans has been attached.

Goal: ☐ Strong Economy ☒ Quality Services ☐ Vital Neighborhoods ☐ Restored Downtowns

Funds Available: Account Name: 040-3315-532-2307
Project Number: ST0027

6/20/2014
Finance

Staff Recommendation:

To adopt an Ordinance authorizing the Mayor to execute an Agreement with Shawnee Professional Services for Engineering Design Services related to updating the Utility and Roadway plans for the Olivet Church Road Improvement Project in an amount not to exceed $52,000.

Attachments:

Shawnee Professional Services Proposal and proposed Agreement

Department Head	City Clerk	City Manager

Agenda Action Form
Paducah City Commission

Meeting Date: June 24, 2014

Short Title: Authorize a Contract with Nichols Electric Company, LLC, for the Fire Station #1 Emergency Generator Project

☒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 June 10, 2014, sealed written bids were opened and read aloud for the Fire Station #1 Emergency Generator Project. The Project consists of the installation of a 125 KW diesel powered emergency generator with an automatic transfer switch on a newly constructed concrete pad at Fire Station #1. Two responsive bids were received for the installation of the generator, with Nichols Electric Co., LLC, submitting the lowest responsive bid in the amount of $83,900.00.

This Project is being funded thru a FEMA-Kentucky Division of Emergency Management Hazardous Mitigation Grant in the total amount of $120,570 with a 75% Federal share of $90,428, a 12% KYEMA match of $14,468 and a 13% City match in the amount of $15,674.

Goal: ☐Strong Economy ☒Quality Services ☐Vital Neighborhoods ☐Restored Downtowns

Funds Available: Project Account: FI0026
Account Number: 040-1802-522.23-07

6/19/14
Finance

Staff Recommendation:

To receive and file the bids and adopt an Ordinance authorizing the Mayor to execute a contract with Nichols Electric Co., LLC, in the amount of $83,900 for the Fire Station #1 Emergency Generator Project.

Attachments:

Bids, Bid Tab, Advertisement and Proposed Contract

Department Head	City Clerk	City Manager

AGENDA ACTION FORM
PADUCAH CITY COMMISSION

Meeting Date:_____, 2014

Short Title: Authorizing a Lease Agreement between City of Paducah, Kentucky, McCracken County, Kentucky and Genova Products, Inc., for the real property and industrial building located at 5400 Commerce Drive in Paducah, Kentucky for the public purpose of economic development

.

X Ordinance ☐ Emergency ☐ Municipal Order ☐ Resolution ☐ Motion

Staff Work By: Jeff Pederson, City Manager
Presentation By: Jeff Pederson, City Manager

Background Information:

GPEDC, as agent for the City of Paducah and McCracken County entered into a Memorandum of Understanding ("MOU") with Genova Productions, Inc., ("Genova") whereby certain public incentives were to be provided to Genova to defray certain costs and expense to be incurred by Genova in locating, equipping, operating and managing its manufacturing and distribution facility at 5400 Commerce Drive within the boundaries of Paducah, McCracken County. The MOU was previously approved by the City Commission. In order to induce Genova to locate its facility to Paducah, McCracken County, GPEDC, as agent for the City and County, has negotiated with Genova a definitive lease agreement incorporating the essential terms of the commitments of the parties as outlined in the MOU. The definitive lease agreement is scheduled to be executed as of June 30, 2014 or shortly thereafter. Negotiations are still continuing between the parties as to the City and County providing to Genova a $1,100,000.00 revolving credit agreement to defray the costs of purchasing trade fixtures,, equipment and other fixtures to enhance its operations at the property and thereby create additional new job opportunities. The final version of the lease is attached to the ordinance for review.

These transactions further the public purpose of the City to achieve long-term economic growth and employment opportunities for its citizens

Therefore, I seek approval from the City Commission to enter into and have the Mayor execute the Lease Agreement between City of Paducah, Kentucky, McCracken County, Kentucky, and Genova Products, Inc., in substantially the same form attached hereto as Exhibit A.

Agenda Action Form

Goal: XStrong Economy ☐ Quality Services ☐ Vital Neighborhoods ☐ Restored Downtowns

Funds Available: Account Name:
Account Number:

Finance

Staff Recommendation:

Attachments:

Department Head	City Clerk	City Manager

Agenda Action Form
Paducah City Commission

Meeting Date: July 1, 2014

Short Title: Reimbursement Agreement with Paducah Water for the Olivet Church Roadway Water Construction Expenses

☒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:

In order to construct the Olivet Church Roadway Project, the water lines within the Roadway Project area will require relocation, extension and/or new construction, the "Water Construction." In order to reduce the costs associated with the Roadway Project, Paducah Water has agreed to complete the "Water Construction" at its own expense.

Upon completion of the "Water Construction" work by Paducah Water, the City will reimburse Paducah Water for all costs involving the Water Construction, which is estimated at $460,000. This amount is an estimate only. In the event the actual costs to complete the "Water Construction" exceed this estimate, payment for all materials actually installed and the labor required for the "Water Construction" work shall be made by the City to Paducah Water.

In accordance with a 2007 Agreement, the Kentucky Transportation Cabinet agreed to reimburse the City of Paducah for expenses associated with the Right of Way Acquisition and Utility Relocation for the Olivet Church Road Improvement Project in an amount not to exceed $2,000,000. It is expected that the remaining funds from the KYTC agreement will be able to reimburse the City for the majority of this Water Construction. However, estimates of the remaining Right of Way Acquisitions to be obtained and the approved Utility Relocation Reimbursements committed, the overall reimbursement amount may exceed the KYTC's authorized $2,000,000 amount by approximately $127,000.00. Therefore, it is requested that the transfer of the funds from the General Fund fund reserve (unappropriated and undesignated) in an amount not to exceed $127,000, if necessary, be authorized to cover the excess amount over and above the KYTC agreed $2,000,000 reimbursement amount.

Goal: ☒Strong Economy ☒Quality Services ☒Vital Neighborhoods ☐Restored Downtowns

Funds Available: Account Name: Olivet Church Roadway Proj
Account Number: 040-3315-532-2307
Project Number: ST0027

Finance 6/27/2014

Staff Recommendation:

To adopt an Ordinance authorizing:

1. The Mayor to execute a Reimbursement Agreement with the Paducah Water for "Water Construction" work related to the Olivet Church Road Improvement Project
2. To authorize the Finance Director to issue payment to Paducah Water for the actual total costs upon completion of the Water Construction work which is estimated to be $460,000,
3. To authorize the transfer of the funds from the General Fund fund reserve (unappropriated and undesignated) not to exceed $127,000, if necessary, to cover the excess amount over and above the $2,000,000 KYTC agreed reimbursement amount.

Attachments:

Reimbursement Agreement.

Department Head	City Clerk	City Manager

ORDINANCE NO. 2014-7-_____

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A REIMBURSEMENT AGREEMENT WITH PADUCAH WATER FOR THE WATER CONSTRUCTION RELATED TO THE OLIVET CHURCH ROAD ROADWAY IMPROVEMENT PROJECT AND AUTHORIZES THE FINANCE DIRECTOR TO TRANSFER FUNDS FROM THE GENERAL FUND FUND RESERVE (UNAPPROPRIATED AND UNDESIGNATED) ACCOUNT

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the City of Paducah hereby authorizes the Mayor to execute a reimbursement agreement between Paducah Water and the City of Paducah, Kentucky, for reimbursement for actual labor and materials necessary for water construction to complete the Olivet Church Road Roadway Improvement Project at the estimated cost of $460,000.00. In the event the total invoice amount exceeds the estimated amount required to complete said project, the City hereby authorizes the Finance Director to issue payment for the actual total costs to Paducah Power System.

SECTION 2. That the Finance Director be authorized to transfer funds in an amount not to exceed $127,000 from the General Fund fund reserve (unappropriated and undesignated) account to the Olivet Church Roadway Project account.

SECTION 3. Funds will be expended from Project Account ST0027.

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 July 1, 2014
Adopted by the Board of Commissioners, July _____, 2014
Recorded by Tammara S. Sanderson, City Clerk, July _____, 2014
Published by The Paducah Sun, _____
\ord\eng\reim-PPS(Olivet Church Rd Improv)

REIMBURSEMENT AGREEMENT
OLIVET CHURCH ROADWAY IMPROVEMENT PROJECT

THIS REIMBURSEMENT AGREEMENT is made and executed on this _____ day of _____, 2014, by and between **CITY OF PADUCAH, KENTUCKY**, a Municipal Corporation of the Second Class, with a mailing address of P.O. Box 2267, Paducah, Kentucky 42002-2267, hereinafter referred to as "City," and **PADUCAH WATER**, with a mailing address of 1800 North 8th Street, Paducah, Kentucky 42001, hereinafter referred to as "PW;"

W I T N E S S E T H:

WHEREAS, the City is in the process of constructing the Olivet Church Roadway Improvement Project, hereinafter referred to as "Roadway Project"; and

WHREAS, PW currently owns, operates and maintains the water lines within the Roadway Project area; and

WHEREAS, the Roadway Project necessitates the relocation, extension and/or construction of the water lines, hereinafter referred to as "Water Construction;" and

WHEREAS, in order to reduce the costs associated with the Roadway Project, PW agrees to purchase and install the materials, procure bids for the boring contract, administer and oversee the necessary work associated with the Water Construction separately at its own expense; and

WHEREAS, the City will reimburse PW for all actual costs and expenditures associated with the Water Construction upon completion of the work. Applicable costs and expenditures shall include, but not be limited to, the following: engineering and design, permitting, materials, construction, labor, equipment, inspection, certification, as-builts, advertisement and copy expenditures/fees.

NOW, THEREFORE, in consideration of the foregoing, the legal adequacy and sufficiency of which is hereby acknowledged by both parties hereto, the parties do covenant and agree as follows:

1. Purchase of Materials. PW agrees to purchase the materials required for the Water Construction at its own expense.

2. Construction. PW agrees to install the materials, procure bids for the boring contract, administer and oversee the work as required for the Water Construction at its own expense.

3. Reimbursement. The City agrees to reimburse PW the total actual costs associated with the Water Construction upon completion, which is estimated at $460,000.00. This amount is an estimate only. In the event the costs exceed this estimated amount, the City agrees to reimburse PW for the total costs required to complete the Water Construction.

4. Purpose. The City intends to reimburse PW for costs associated with the Water Construction to reduce costs associated with the Roadway Project.

5. Release of All Claims. Upon final payment to PW for the Water Construction, the City shall have been deemed to release PW from any and all claims, demands, and causes of action regarding any costs and expenses incurred by the City.

6. Miscellaneous Provisions. This Agreement represents the entire understanding by and between the parties regarding the reimbursement of the costs and expenses incurred by PW and all prior statements, promises, and agreements are merged herein by reference. This Agreement shall be binding upon the parties hereto, their heirs, successors, and assigns.

PADUCAH WATER

By: _____

Title: _____

CITY OF PADUCAH, KENTUCKY

By: _____

Title: _____