



CITY COMMISSION MEETING  
AGENDA FOR OCTOBER 7, 2014  
5:30 P.M.  
CITY HALL COMMISSION CHAMBERS  
300 SOUTH FIFTH ST

**ROLL CALL**

**INVOCATION**

**PLEDGE OF ALLEGIANCE**

**ADDITIONS/DELETIONS**

**PROPERTY TAX LEVY PUBLIC HEARING**

	<b>I. <u>MINUTES</u></b>
	<b>II. <u>MUNICIPAL ORDER</u></b>
	A. 2014 KLC Safety Grant – <b>S. ERVIN</b>
	<b>III. <u>ORDINANCES – ADOPTION</u></b>
	A. Contract for Services for Paducah Area Transit System – <b>CITY MGR</b>
	<b>IV. <u>ORDINANCE – INTRODUCTION</u></b>
	A. Set Property Tax Levy for 2014-2015 – <b>J. PERKINS</b>
	<b>V. <u>CITY MANAGER REPORT</u></b>
	<b>VI. <u>MAYOR &amp; COMMISSIONER COMMENTS</u></b>
	<b>VII. <u>PUBLIC COMMENTS</u></b>
	<b>VIII. <u>EXECUTIVE SESSION</u></b>

At a Regular Meeting of the Board of Commissioners, held on Tuesday, September 23, 2014, at 5:30 p.m., in the Commission Chambers of City Hall located at 300 South 5th Street, 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).

**PLEDGE OF ALLEGIANCE**

Payton Kraft led the pledge.

**PROCLAMATION**

**HYDROCEPHALUS AWARENESS MONTH**

Mayor Kaler presented a proclamation proclaiming September as “Hydrocephalus Month” to Payton Kraft and Sarah Wilson-Kraft.

**ADULT EDUCATION WEEK**

The Mayor presented a proclamation proclaiming the week of September 22 through 28, 2014, as “Adult Education Week” to West Kentucky Community and Technical College Director of Adult Learning Centers, Samantha Williams.

**PRESENTATION**

**PRAIRIE STATE ENERGY CAMPUS**

At the request of Mayor Kaler, the representatives of PPS and the Prairie State Generating Company gave an update on the current situation regarding plant operations. Dave Clark, General Manager of Paducah Power Systems, introduced the following Prairie State representatives: Marc Gerken, Interim CEO and Chairman of the Board [Prairie State Generating Company (PGSC) Management Committee]; Randy Short, Chief Operating Officer; and Paul Krivokuca, Senior Vice President – Mining. Also, in attendance was Rick Soderholm, Senior Project Manager of Leidos Engineering, Inc. (Consulting Engineer for Paducah Power Systems). For more details, an excerpt from the City Commission Highlights prepared by Public Information Officer, Pam Spencer is located at the end of the minutes.

**PUBLIC COMMENTS REGARDING THE IMPLEMENTATION OF THE PCA FOR PADUCAH POWER CUSTOMERS**

Comments concerning the Power Cost Adjustment (PCA) implemented by Paducah Power System were given by the following:

Gayle Frye  
Mark Bryant  
Jay Campbell  
Jeff Parsley  
Vicky Holland  
Jeff Parker  
Ronald Ward

**PUBLIC COMMENTS**

Mary Lamble, Paducah resident, requested trash cans be placed on the Greenway Trail.

**MINUTES**

Commissioner Abraham offered motion, seconded by Commissioner Gault, that the reading of the Minutes for the September 16, 2014 City Commission meeting be waived and that the Minutes of said meetings 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**

**BOARD OF ADJUSTMENT**

Mayor Kaler made the following reappointment: “WHEREAS, subject to the approval of the Board of Commissioner, I hereby reappoint William Baxter as a member of the Board of Adjustment. This term will expire August 31, 2018.”

Commissioner Gault offered motion, seconded by Commissioner Abraham, that the Board of Commissioners approve the action of Mayor Kaler in reappointing William Baxter as a member of the Board of Adjustment.

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 be received and filed:

**DOCUMENTS**

1. Certificates of Liability Insurance
  - a. Taber Crane Construction Services
  - b. Faughn Electric, Inc.
  - c. Murtco, Inc.
  - d. Heflin, Inc.
2. Commissioner's Deeds:
  - a. 1131 Tennessee Street
  - b. 1234 North 12<sup>th</sup> Street
3. Notice of Cancellation for the Board of Commissioners of the City of Paducah for September 9, 2014
4. Owens Property -5065 Concord Avenue (ORD # 2014-08-8166):
  - a. Settlement Agreement and Release between the City of Paducah, Allstate Insurance Company, and Betty Owens
  - b. Quitclaim Deed
5. Contracts For Services:
  - a. Yeiser Art Center (Executed by the City Manager)
  - b. Paducah Symphony Orchestra (ORD # 2014-09-8184)
  - c. Luther F. Carson Four Rivers Center, Inc. (ORD # 2014-09-8183)
6. West Kentucky Community & Technical College Television Department Annual Report for July 2013-June 2014
7. Paducah Water Works Financial Highlights for July 2014
8. Transcript of Proceedings for City of Paducah, Kentucky Taxable General Obligation Refunding Bonds, Series 2014B (Police and Firefighters Pension Plan) - \$4,225,000 (ORD # 2014-07-8158)

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

**RESOLUTION**

**PADUCAH POWER SYSTEM: CALL TO ACTION**

Mayor Kaler offered motion, seconded by Commissioner Rhodes, that the following resolution be adopted.

**RESOLUTION**

A Resolution of the Board of Commissioners of the City of Paducah, Kentucky

*Paducah Power – Electric Plant Board: Call to Action*

**Whereas**, the Electric Plant Board was formed by the Little TVA Act of 1942, and the board has a separate governance structure with board members appointed by the Mayor of Paducah and approved by the Board of Commissioners; and

**Whereas**, our community depends on abundant, reliable, and affordable power; and

**Whereas**, for several months the citizens of McCracken County, who depend on Paducah Power for services, have expressed great concern over rising power cost associated with the unreliability of the Prairie State Campus Generation Facility; and

**Whereas**, the community demands action from Paducah Power System to find a solution to the rising rates of electricity and to secure our community's future; and

**Whereas**, the Mayor has contacted the Kentucky Attorney General, the Secretary of Energy and members of the congressional delegation to express our community's concern; and

**Whereas**, the Electric Plant Board discussed at its September 22, 2014 meeting steps to investigate current fiscal obligations, look at cost cutting measures, and conduct a process to select a new General Manager.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. That the Board of Commissioners ~~strongly urges~~ demand the Electric Plant Board to do the following on behalf of our city and its citizens:

- Hire an independent expert to investigate the information on which the decision to invest in the Prairie State campus was made;
- Hire an expert in utility matters to investigate current financial obligations;
- Promptly proceed with the process currently underway to hire a search firm to assist in the recruitment and selection of a successor to the retiring Paducah Power System general manager;
- Enhance and communicate to the public attainable programs to help customers with current bills created from recent Power Cost Adjustment (PCA); and
- Consider and provide opportunities for the community to become a full and open partner in determining the fate of our community and Paducah Power System.

SECTION 2. This Resolution shall be in full force and effect from and after its adoption.

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

**MUNICIPAL ORDER**  
**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).

**APPROVE A BICYCLE AND PEDESTRIAN GRANT**

Commissioner Abraham offered motion, seconded by Commissioner Gault, that a Municipal Order entitled, "A MUNICIPAL ORDER AUTHORIZING THE APPLICATION FOR A GRANT IN THE AMOUNT OF \$5,000, THROUGH THE KENTUCKY TRANSPORTATION CABINET FOR THE PAULA NYE MEMORIAL EDUCATION GRANT FOR BICYCLIST AND PEDESTRIAN SAFETY", be adopted.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5). M.O.#1791; BK 9

**ORDINANCES – ADOPTION**  
**HVAC EXPANDED JURISDICTION AGREEMENT WITH DEPARTMENT OF HOUSING, BUILDINGS & CONSTRUCTION**

Commissioner Gault offered motion, seconded by Commissioner Abraham, that the Board of Commissioners adopt an ordinance entitled, "AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE COMMONWEALTH OF

KENTUCKY, DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION, DIVISION OF HVAC AND THE CITY OF PADUCAH, KENTUCKY.” This ordinance is summarized as follows: That the Mayor is hereby authorized to execute an agreement between the Commonwealth of Kentucky, Department of Housing, Buildings and Construction, HVAC Division and the City of Paducah, Kentucky. The City shall assume primary plan review, inspection and enforcement responsibility under 815 KAR 7:120 (the Kentucky Building Code), 815 KAR 7:125 (the Kentucky Residential Code), and other applicable law for initial HVAC installations and major repairs or substantial alterations to an HVAC system within the geographic boundaries of the City of Paducah. Said jurisdiction is limited to HVAC systems installed in buildings over which the City of Paducah has jurisdiction pursuant to KRS 198B.060. This agreement is for a term of three years; however, it may be canceled as described in KRS 198B.6673 and 815 KAR 8:100.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5). ORD.#2014-9-8188; BK 34

**UNIFORM SERVICES FOR THE FIRE DEPARTMENT CHANGE ORDER #4**

Commissioner Rhodes offered motion, seconded by Commissioner Wilson, that the Board of Commissioners adopt an ordinance entitled, “AN ORDINANCE APPROVING CHANGE ORDER NO. 4 WITH BLUEGRASS UNIFORMS, INC., FOR UNIFORMS FOR THE FIRE DEPARTMENT EMPLOYEES AND AUTHORIZING THE MAYOR TO EXECUTE SAID CHANGE ORDER”. This ordinance is summarized as follows: That the City of Paducah hereby approves and accepts Change Order No. 4 with Bluegrass Uniforms, Inc., to update and add items to the original contract along with additional items that have been discontinued by the manufacturer.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5). ORD. #2014-9-8189; BK 34

**CONTRACT FOR SERVICES FOR PJC – COMMUNITY SCHOLARSHIP**

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the Board of Commissioners adopt an ordinance entitled, “AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH PADUCAH JUNIOR COLLEGE, INC. FOR THE COMMUNITY SCHOLARSHIP PROGRAM.” This ordinance is summarized as follows: That the Mayor is hereby authorized to execute a contract with Paducah Junior College, Inc. in the amount of \$125,000 for the Community Scholarship Program. This contract shall expire June 30, 2015.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5). ORD.#2014-9-8190; BK 34

**BARKLEY REGIONAL AIRPORT FY2015 CONTRACT FOR SERVICES**

Commissioner Abraham offered motion, seconded by Commissioner Gault, that the Board of Commissioners adopt an ordinance entitled, “AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH BARKLEY REGIONAL AIRPORT FOR PROVIDING GENERAL AVIATION AND AIR CARRIER SERVICES.” This ordinance is summarized as follows: That the Mayor is hereby authorized to execute a contract with Barkley Regional Airport in the amount of \$136,430, payable in quarterly installments of \$34,107.50 each, for providing general aviation and air carrier services to the citizens of McCracken County and surrounding regions. This contract shall expire June 30, 2015.

Adopted on call of the roll, yeas, Commissioners Abraham, Gault, Rhodes, Wilson and Mayor Kaler (5). ORD.#2014-9-8191; BK 34

**AMEND ORDINANCE TO CHANGE RESIDENTIAL REQUIREMENT FOR APPOINTMENT TO THE PADUCAH-McCRACKEN COUNTY RIVERPORT AUTHORITY**

Commissioner Gault offered motion, seconded by Commissioner Abraham, that the Board of Commissioners adopt an ordinance entitled, “AN ORDINANCE AMENDING CHAPTER 2, ADMINISTRATION OF THE CODE OF ORDINANCES OF THE CITY OF PADUCAH, KENTUCKY.” This ordinance is summarized as follows: That the City of Paducah hereby amends the ordinance in Chapter 2, of the Paducah Code of Ordinances by deleting the residency requirement to serve on the Paducah-McCracken County Riverport Authority.

**TABLE ORDINANCE TO CHANGE RESIDENTIAL REQUIREMENT FOR APPOINTMENT TO THE PADUCAH-McCRACKEN COUNTY RIVERPORT AUTHORITY**

Commissioner Wilson offered motion, seconded by Commissioner Rhodes, that the ordinance introduced on September 16, 2014, and entitled, "AN ORDINANCE AMENDING CHAPTER 2, ADMINISTRATION OF THE CODE OF ORDINANCES OF THE CITY OF PADUCAH, KENTUCKY," be tabled.

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

**CITY MANAGER REPORT**

A report was not given at tonight's meeting.

**MAYOR AND COMMISSIONER COMMENTS**

No comments.

**PUBLIC COMMENTS**

Public comments were given at the end of the Prairie State presentation.

Upon motion the meeting adjourned.

**ADOPTED:** October 7, 2014

---

City Clerk

---

Mayor

**Excerpt from City Commission Highlights Prepared by Public Information Officer Pam Spencer**

**"Presentation About Prairie State Generating Company Operations**

With residential and commercial customers feeling the financial pinch of the Power Cost Adjustment (PCA) implemented by Paducah Power System (PPS), Mayor Gayle Kaler invited representatives of PPS and the Prairie State Generating Company (PSGC) to provide an update on the current situation regarding the plant operations. Mayor Kaler says, "We have no question that Paducah Power is providing citizens abundant and reliable power. However, the rates are this community's concern."

PPS in partnership with Princeton is an equity owner in the plant located in Illinois that has a coal mine with a 30 year supply. Construction on the plant began in 2007. However, since the Prairie State plant came online in 2012 and over the past nearly two years, the plant has not been able to operate at a stable and reliable level that Paducah Power needs. As a result, PPS has had to purchase power on the open market which has led to the PCA showing up on bills.

At this meeting Paducah Power System General Manager Dave Clark introduced three Prairie State Generating Company (PSGC) representatives: Interim CEO and PSGC Management Committee Chairman Marc Gerken, Chief Operating Officer Randy Short, and Senior Vice President of Mining Paul Krivokuca. PPS engineering consultant Rick Soderholm also made a presentation regarding residential rate trends. Soderholm says, "Yes, your rates are higher than they should be. This has taken longer than expected based on my experience in the industry." However, he added, "I'm very certain that you are at the top of the crest." He also says the goal of removing the PCA is achievable.

Regarding the plant, Gerken says this summer the plant has been operating at a capacity factor of nearly 74 which is a significant improvement over the July 2013 capacity factor of 43. The capacity factor is a measure of the plant's productivity. Gerken says, "This is nothing that we are proud of, but it's a measurement of where it [the plant] is today. The goal is to bring the plant to a capacity factor of 85 or higher which according to Paducah Power System General Manager Dave Clark would lead to the reducing of the PCA showing up on bills to zero or close to it. Gerken adds, "I wouldn't be here today if we didn't think we could meet those goals." Krivokuca says, "We believe we have built the best [plant] in the county, and we are going to hold to that."

Regarding the plant's performance, the representatives provided explanations about the quality of the coal and how it has affected the plant's mechanical systems leading to an extended "shakedown phase" period. The coal is a high-silica, high-ash content variety that has led to mechanical issues requiring the plant to go off line in order to make system modifications. If a system trips off, then there is a period of troubleshooting and correcting which limits the capacity of the plant. The representatives expect the number of mechanical issues to drop since several modifications have been made.

After asking several of their own questions, the Mayor and Commissioners heard nine public comments at the end of the presentations. Also at this meeting, the Paducah Board of Commissioners approved a resolution demanding the Electric Plant Board, the governing body of Paducah Power System, to do the following:

- Hire an independent expert to investigate the information on which the decision to invest in the Prairie State campus was made;
- Hire an expert in utility matters to investigate current financial obligations;
- Promptly proceed with the process currently underway to hire a search firm to assist in the recruitment and selection of a successor to the retiring Paducah Power System general manager;
- Enhance and communicate to the public attainable programs to help customers with current bills created from the recent Power Cost Adjustment (PCA); and
- Consider and provide opportunities for the community to become a full and open partner in determining the fate of our community and Paducah Power System.

At yesterday's Electric Plant Board meeting, the board approved steps to investigate current fiscal obligations, look at cost cutting measures, and conduct a process to select a new General Manager."

###

**Agenda Action Form  
Paducah City Commission**

Meeting Date: 7 October 2014

Short Title: 2014 Kentucky League of cities (KLC) Insurance Services Safety Grant Application

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Brandon Barnhill; Stacey Grimes; Sheryl Chino  
Presentation By: Brandon Barnhill; Sheryl Chino

Background Information: KLCIS Safety Grant Program was developed in 1999 as a way for members to stretch our safety budget. This grant has a 50/50 matching funds safety grant program that will reimburse a city up to \$3,000 for a prior-approved items/equipment that will reduce Workers' Compensation exposures, and another grant up to \$3,000 for prior-approved items/equipment that will reduce General Liability and Property exposures.

For the current funding round, KLC has split the application rounds – one for the Liability and Property portion of the grant and one for the Workers' Compensation portion. The Liability and Property applications are due November 15, 2014. The application round for the Workers' Compensation portion will be in the Spring.

In 2013, The City received funding to purchase two security cameras and provide travel and registration for two staff members to attend the KMESHA training hosted by KLC.

For this funding cycle, the Paducah Police Department is applying for reimbursement of re-accreditation fees in the amount of \$4,319.62. The Police Department will apply for \$2,159.81 from KLC and the required match will be \$2,159.81. The matching funds will come from the Police Departments FY2015 budget. Additionally, the Parks Services Department will be requesting funds to purchase engineered wood fiber for Kolb playground and Stuart Nelson Playground. The total estimated cost is \$1,680.38. \$840.19 will be request from KLC and the Parks Services Department will provide matching funds in the same amount from their FY2015 general budget.

If an award is offered to the City by KLC it will be brought before the Commission for consideration.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available:            Account Name:            

Finance
---------

  
   Account Number:

Staff Recommendation: Authorize and direct the Mayor to sign all required grant application documents.

Attachments: None

<i>B. Barnhill/ren</i> Police Dept.	Park Services Dept.	City Clerk	City Manger
--	---------------------	------------	-------------

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

A MUNICIPAL ORDER AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY TO OBTAIN A 2014 MATCHING INSURANCE SERVICES SAFETY GRANT AWARD IN THE AMOUNT OF \$3,000 FROM THE KENTUCKY LEAGUE OF CITIES FOR REIMBURSEMENT OF RE-ACCREDITATION FEES FOR THE PADUCAH POLICE DEPARTMENT AND ENGINEERED WOOD FIBER FOR PARKS PLAYGROUNDS

BE IT ORDERED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. The Mayor is hereby authorized to execute all documents necessary to obtain a 2014 matching Insurance Services Safety Grant in the amount of \$3,000 from the Kentucky League of Cities for reimbursement of re-accreditation fees for the Paducah Police Department and to purchase engineered wood fiber for Kolb playground and Stuart Nelson playground for the Parks Services Department. Matching funds in the amount of \$2,159.81 will be provided through the Paducah Police Department's existing budget and \$840.19 will be provided from the Parks Services FY2015 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, October 7, 2014  
Recorded by Tammara S. Sanderson, City Clerk, October 7, 2014  
\\mo\grants\kic safety grant 2014

# Agenda Action Form

## Paducah City Commission

Meeting Date: September 16, 2014

**Short Title:** Contract with Paducah Transit Authority

Ordinance  Emergency  Municipal Order  Resolution  Motion

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

### Background Information:

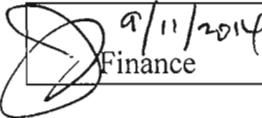
As part of the General Fund Decision Items for FY2015, the Commission approved appropriation of the sum of \$215,000 to Paducah Area Transit System, to be paid in quarterly installments.

When the City provides funds to any organization, we prepare a simple Contract For Services agreement that describes the public services the organization will provide as a result of receiving the city funds.

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

**Funds Available:** This expenditure was appropriated in the FY2015 Budget.

Account Name: General Fund  
Account Number: 001-0106-511-8008

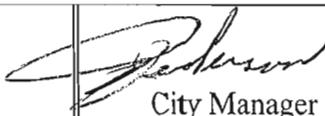
 9/11/2014  
Finance

### Staff Recommendation:

Authorize the Mayor to enter into a one-time Contract For Services with Paducah Transit Authority in the amount of \$215,000.

### Attachments:

Ordinance  
Contract

Department Head	City Clerk	 City Manager
-----------------	------------	--

AN ORDINANCE FIXING THE LEVIES AND RATES OF TAXATION ON ALL PROPERTY IN THE CITY OF PADUCAH, KENTUCKY, SUBJECT TO TAXATION FOR MUNICIPAL PURPOSES AND FOR SCHOOL PURPOSES FOR THE PERIOD FROM JULY 1, 2014 THROUGH JUNE 30, 2015, WITH THE PURPOSES OF SAID TAXES HEREUNDER DEFINED

BE IT ORDAINED BY THE CITY OF PADUCAH, KENTUCKY:

SECTION 1. There is hereby levied for the period from July 1, 2014, through June 30, 2015, upon all taxable real property within the City of Paducah, Kentucky, subject to taxation for municipal purposes, an ad valorem tax of twenty five and 5/10 cents (\$.255) upon each one hundred dollars (\$100.00) assessed valuation of said property, pursuant to Section 157 of the State Constitution, to defray the cost of maintaining and administering the government of the City of Paducah, Kentucky, for said period, exclusive of the levies hereinafter mentioned and defined, and the proceeds of said tax levy shall be paid into the General Fund of the City.

SECTION 2. There is hereby levied for the period from July 1, 2014, through June 30, 2015, upon all taxable personal property including motor vehicles and watercraft, except for inventory, within the City of Paducah, Kentucky, subject to taxation for municipal purposes, an ad valorem tax of thirty-nine cents (\$.390) upon each one hundred dollars (\$100.00) assessed valuation of said property, pursuant to Section 157 of the State Constitution, to defray the cost of maintaining and administering the government of the City of Paducah, Kentucky, for said period, exclusive of levies hereinafter mentioned and defined, and the proceeds of said tax levy shall be paid into the General Fund of the City.

SECTION 3. All taxes levied by Section 1 and 2 of this ordinance are necessary and required in order to provide revenue to meet the requirements of the budget ordinance adopted by the Board of Commissioners, and the proceeds of such tax levies and all other revenue of the City not specifically allocated to other purposes shall be deposited into the General Fund of the City to be expended as provided in the budget ordinance for the period from July 1, 2014, through June 30, 2015.

SECTION 4. There is hereby further levied an ad valorem tax of one and 7/10 cents (\$.017) on each one hundred dollars (\$100.00) of assessed valuation of all real property subject to taxation for municipal purposes in said City for the period from July 1, 2014, through June 30, 2015, for the purpose of aiding, assisting and maintaining Paducah Junior College, which tax shall be and the same is hereby declared to be a tax for municipal purposes.

SECTION 5. There is hereby further levied an ad valorem tax of one and 7/10 cents (\$.017) on each one hundred dollars (\$100.00) of assessed valuation of all personal property subject to taxation, except for inventory, for municipal purposes in said City for the period from July 1, 2014, through June 30, 2015, for the purpose of aiding, assisting and maintaining Paducah Junior College, which tax shall be and the same is hereby declared to be a tax for municipal purposes.

SECTION 6. There is hereby further levied an ad valorem tax of three and 1/10 cents (\$0.031) on each one hundred dollars (\$100.00) of assessed valuation of all motor vehicles and watercraft property subject to taxation for municipal purposes in said City for the period from July 1, 2014, through June 30, 2015, for the purpose of aiding, assisting and maintaining Paducah Junior College, which tax shall be and the same is hereby declared to be a tax for municipal purposes.

SECTION 7. The Board of Education of the City of Paducah, Kentucky, pursuant to the authority vested in it under its charter and under the laws of the Commonwealth of Kentucky has adopted a resolution and budget levying an ad valorem tax on all real property in said City subject to taxation for school purposes. Pursuant to said resolution, budget and levy the following taxes for the period from July 1, 2014, through June 30, 2015, an ad valorem tax of seventy seven & 1/10 cents (\$0.771) on each one hundred dollars (\$100.00) assessed valuation of all real property subject to taxation for school purposes in the City of Paducah, Kentucky, for the support and maintenance of the public schools of said City shall be collected by the City for the Board of Education.

SECTION 8. The Board of Education of the City of Paducah, Kentucky, pursuant to the authority vested in it under its charter and under the laws of the Commonwealth of Kentucky has adopted a resolution and budget levying an ad valorem tax on all personal property in said City subject to taxation for school purposes. Pursuant to said resolution, budget and levy the following taxes for the period from July 1, 2014, through June 30, 2015, an ad valorem tax of seventy seven & 1/10 cents (\$0.771) on each one hundred dollars (\$100.00) assessed valuation of all personal property subject to taxation for school purposes in the City of Paducah, Kentucky, for the support and maintenance of the public schools of said City shall be collected by the City for the Board of Education.

SECTION 9. The taxes levied under this ordinance are summarized as follows:

PURPOSE	RATE PER \$100.00
<b>GENERAL FUND OF THE CITY:</b>	
Real Property	\$0.255
Personal Property (except inventory)	\$0.390
Motor Vehicles and watercraft	\$0.390
<b>SCHOOL PURPOSES:</b>	
<b>PADUCAH JUNIOR COLLEGE</b>	
Real Estate	\$0.017
Personal Property (except inventory)	\$0.017
Motor Vehicles and watercraft	\$0.031

SECTION 10. The City of Paducah shall collect the following taxes for the Board of Education:

<b>PADUCAH INDEPENDENT SCHOOL DISTRICT</b>	
Real Property	\$0.771
Personal Property (including inventory)	\$0.771

SECTION 11. Property taxes levied herein shall be due and payable in the following manner:

- (1) In the case of tax bills which reflect an amount due of less than Five Hundred Fifty Dollars (\$550.00), the payment shall be due on November 1, 2014, and shall be payable without penalty and interest until November 30, 2014.
- (2) In the case of all other tax bills, payment shall be in accordance with the following provisions:
  - (a) The first half payment shall be due on November 1, 2014, and shall be payable without penalty and interest until November 30, 2014.
  - (b) The second half payment shall be due on February 1, 2015, and shall be payable without penalty and interest until February 28, 2015.

SECTION 12. The provisions of this ordinance are severable. If any provision, section, paragraph, sentence or part thereof shall be held unconstitutional or invalid, such decision shall not affect or impair the remainder of this ordinance, it being the legislative intent to ordain and enact each provision, section, paragraph, sentence and part thereof separately and independent of each other.

SECTION 13. This ordinance shall be read on two separate days and will become effective upon summary publication pursuant to KRS Chapter 424.

---

Mayor

ATTEST:

---

Tammara Sanderson, City Clerk

Introduced by the Board of Commissioners October 7, 2014  
Adopted by the Board of Commissioners October 14, 2014  
Recorded by Tammara Brock, City Clerk, October \_\_, 2014  
Published by The Paducah Sun, October \_\_, 2014

# Agenda Action Form

## Paducah City Commission

Meeting Date: October 7, 2014

Short Title: Setting Tax Levies: Ad Valorem Properties -- FY2015

Ordinance  Emergency  Municipal Order  Resolution  Motion

Staff Work By: Jonathan Perkins  
Presentation By: Jonathan Perkins

### Background Information:

Real estate and personal property tax levies for the City's General Fund and Paducah Junior College (PJC) as well as another (non-City) tax jurisdiction, the Paducah Independent School District, are proposed to be set as per the attached ordinance. Please refer to exhibits 1-3 for a history of the ad valorem tax levies for real estate (*exhibit 1*), personal (*exhibit 2*) & inventory (*exhibit 3*).

The City's General Fund real estate tax levy is proposed to be \$25.5 cents per \$100 AV. The proposed FY2015 rate is 56% of what the rate was in FY1995, when the City starting making a conscious effort to lower real estate tax rates (*see exhibit 1*).

The City's General Fund personal tax levy is proposed to be \$39 cents per \$100 AV. The proposed FY2015 rate is 23% less than the FY1995 rate (*see exhibit 2*).

The City and PJC eliminated inventory taxes (*see exhibit 3*) on businesses in order to encourage business growth in Paducah many years ago. As you may recall, the City's inventory rate was phased out over a four-year period, 1998 through 2002, and fully eliminated in FY2003. The inventory tax revenue would have been nearly \$1.0 million in FY2015, if it were still in place.

Staff proposes the City's tax levy be set at 25.5 cents per \$100 assessed value (AV), the same rate as last year (FY2014). The FY2015 compensating rate is 25 cents per \$100 AV and Kentucky Revised Statutes (KRS) permits a city to adjust the compensating rate upward by not more than 4%, in this case to 26 cents. The City of Paducah is proposing to take an amount less than the 4% allowed by KRS, as it has many times in the past (*see chart A*).

From FY2001 to FY2015, the City of Paducah has dropped its real estate tax levy by 4.5 cents, while the School District tax levy increased 17.4 cents (*see chart B*). The Paducah Independent School District real estate levy will increase .4 cents to 77.1 cents/\$100 AV. While Paducah's levy was 25.5 cents last year, in a survey of 18 Kentucky cities last fall,

it was established that Paducah's rate was less than the group's average (\$.2611). The historical average (FY2010-FY2014) of property tax rates for the cities surveyed continues to rise each year (see chart C). Last year, Paducah's rate was over half a cent below the group's average of 26.11 cents.

The property tax levy ordinance will be introduced on October 7, 2014 with the second and final reading on October 14, 2014. Since the City's proposed tax levy is greater than the 'compensating rate' of 25 cent per \$100 AV, a public hearing is required; a public hearing is scheduled for October 7, 2014.

Goal:  Strong Economy  Quality Services  Vital Neighborhoods  Restored Downtowns

Funds Available: Account Name: N/A  
Account Number: N/A



**Staff Recommendation:**

Recommend that the Mayor and Commission adopt the proposed 2014-2015 real estate and personal ad valorem tax levies as proposed.

**Motion:**

I move that an ordinance setting the levies and rates of taxation on all property in the City of Paducah, Kentucky, subject to taxation for municipal purposes and for school purposes for the period from July 1, 2014, through June 30, 2015, be adopted.

**Attachments:** Tables of Historic Tax Levies (3); Charts (3)

Department Head	City Clerk	City Manager
-----------------	------------	--------------

City of Paducah, KY  
Real Estate Property Tax - Levy History from 1995

Exhibit J

FISCAL YEAR	GENERAL FUND (1)	AEPF PENSION TRUST (3)	CITY TOTAL	CITY PERCENT OF TOTAL BILL	PADUCAH JUNIOR COLLEGE (4)	PADUCAH PUBLIC LIBRARY (4)	PADUCAH INDEPEND SCHOOLS (4)	NON-CITY TOTAL (4)	NON-CITY PERCENT OF TOTAL BILL (4)	GRAND TOTALS
1995	0.438	0.013	0.451	41.338%	0.032	0.046	0.562	0.640	58.662%	1.091
1996	0.436	0.013	0.449	39.876%	0.032	0.045	0.600	0.677	60.124%	1.126
1997	0.327		0.327	32.831%	0.032	0.043	0.594	0.669	67.169%	0.996
1998	0.327		0.327	33.131%	0.032	0.043	0.585	0.660	66.869%	0.987
1999	0.318		0.318	32.219%	0.030	0.041	0.598	0.669	67.781%	0.987
2000	0.300		0.300	31.283%	0.029	0.040	0.590	0.659	68.717%	0.959
2001	0.300		0.300	32.644%	0.022		0.597	0.619	67.356%	0.919
2002	0.300		0.300	32.538%	0.022		0.600	0.622	67.462%	0.922
2003	0.300		0.300	32.609%	0.022		0.598	0.620	67.391%	0.920
2004	0.300		0.300	31.983%	0.021		0.617	0.638	68.017%	0.938
2005	0.300		0.300	31.949%	0.021		0.618	0.639	68.051%	0.939
2006	0.300		0.300	31.546%	0.020		0.631	0.651	68.454%	0.951
2007	0.275		0.275	29.826%	0.019		0.628	0.647	70.174%	0.922
2008	0.250		0.250	26.596%	0.018		0.672	0.690	73.404%	0.940
2009	0.250		0.250	26.596%	0.018		0.672	0.690	73.404%	0.940
2010	0.250		0.250	26.427%	0.018		0.678	0.696	73.573%	0.946
2011	0.250		0.250	25.536%	0.018		0.711	0.729	74.464%	0.979
2012	0.250		0.250	24.631%	0.018		0.747	0.765	75.369%	1.015
2013	0.250		0.250	24.655%	0.017		0.747	0.764	75.345%	1.014
2014	0.255		0.255	24.543%	0.017		0.767	0.784	75.457%	1.039
2015	0.255		0.255	24.449%	0.017		0.771	0.788	75.551%	1.043

**NOTES:**

- (1) General Fund Operation of the City.
- (2) Appointive Employee Pension Fund (AEPF); discontinued in FY1997.
- (3) Non-City tax levies.

Exhibit 2

City of Paducah, KY  
Personal Property Tax - Levy History From FY1995 \*

FISCAL YEAR	GENERAL FUND (1)	AEPF PENSION TRUST (2)	CITY TOTAL	PADUCAH JUNIOR COLLEGE (3)	PADUCAH PUBLIC LIBRARY (3)	PADUCAH IND SCHOOLS (3)	GRAND TOTALS
1995	0.490	0.015	0.505	0.034	0.050	0.595	1.184
1996	0.390		0.390	0.034	0.050	0.600	1.074
1997	0.390		0.390	0.034	0.050	0.604	1.078
1998	0.390		0.390	0.034	0.050	0.607	1.081
1999	0.390		0.390	0.034	0.050	0.598	1.072
2000	0.390		0.390	0.034	0.050	0.590	1.064
2001	0.390		0.390	0.022		0.597	1.009
2002	0.390		0.390	0.022		0.603	1.015
2003	0.390		0.390	0.022		0.605	1.017
2004	0.390		0.390	0.021		0.617	1.028
2005	0.390		0.390	0.021		0.619	1.030
2006	0.390		0.390	0.020		0.631	1.041
2007	0.390		0.390	0.019		0.635	1.044
2008	0.390		0.390	0.018		0.695	1.103
2009	0.390		0.390	0.018		0.678	1.086
2010	0.390		0.390	0.018		0.678	1.086
2011	0.390		0.390	0.018		0.711	1.119
2012	0.390		0.390	0.018		0.747	1.155
2013	0.390		0.390	0.017		0.747	1.154
2014	0.390		0.390	0.017		0.767	1.174
2015	0.390		0.390	0.017		0.771	1.178

## NOTES:

- (1) General Fund Operation of the City.  
(2) Appointive Employee Pension Fund (AEPF); discontinued levy in FY1996.  
(3) Non-City tax levies, Library became a County Library in FY2001.  
\* - Primarily includes furniture, fixtures and equipment as reported by the PVA.

## City of Paducah, KY

Inventory Property Tax - Levy History From FY1995 \*

Exhibit 3

FISCAL YEAR	GENERAL FUND (1)	AEPF PENSION TRUST (2)	CITY TOTAL	PADUCAH JUNIOR COLLEGE (3)	PADUCAH PUBLIC LIBRARY (3)	PADUCAH IND SCHOOLS (3)	GRAND TOTALS
1995	0.490	0.015	0.505	0.034	0.050	0.595	1.184
1996	0.390		0.390	0.034	0.050	0.600	1.074
1997	0.390		0.390	0.034	0.050	0.604	1.078
1998	0.390		0.390	0.034	0.050	0.607	1.081
1999	0.280		0.280	0.024	0.050	0.598	0.952
2000	0.210		0.210	0.018	0.050	0.590	0.868
2001	0.140		0.140	0.012		0.597	0.749
2002	0.070		0.070	0.006		0.603	0.679
2003						0.605	0.605
2004						0.617	0.617
2005						0.619	0.619
2006						0.631	0.631
2007						0.635	0.635
2008						0.695	0.695
2009						0.678	0.678
2010						0.678	0.678
2011						0.711	0.711
2012						0.747	0.747
2013						0.747	0.747
2014						0.767	0.767
2015						0.771	0.771

NOTES:

- 1) General Fund Operation of the City; discontinued levy in FY2003.
  - 2) Appointive Employee Pension Fund (AEPF); discontinued levy in FY1996.
  - 3) Non-City tax levies, Library became a County Library in FY2001.
- \* Includes inventory, mfg. goods, and finished & in transit goods, as reported by the PVA. Inventory tax levy separated out in FY1999.

Chart A

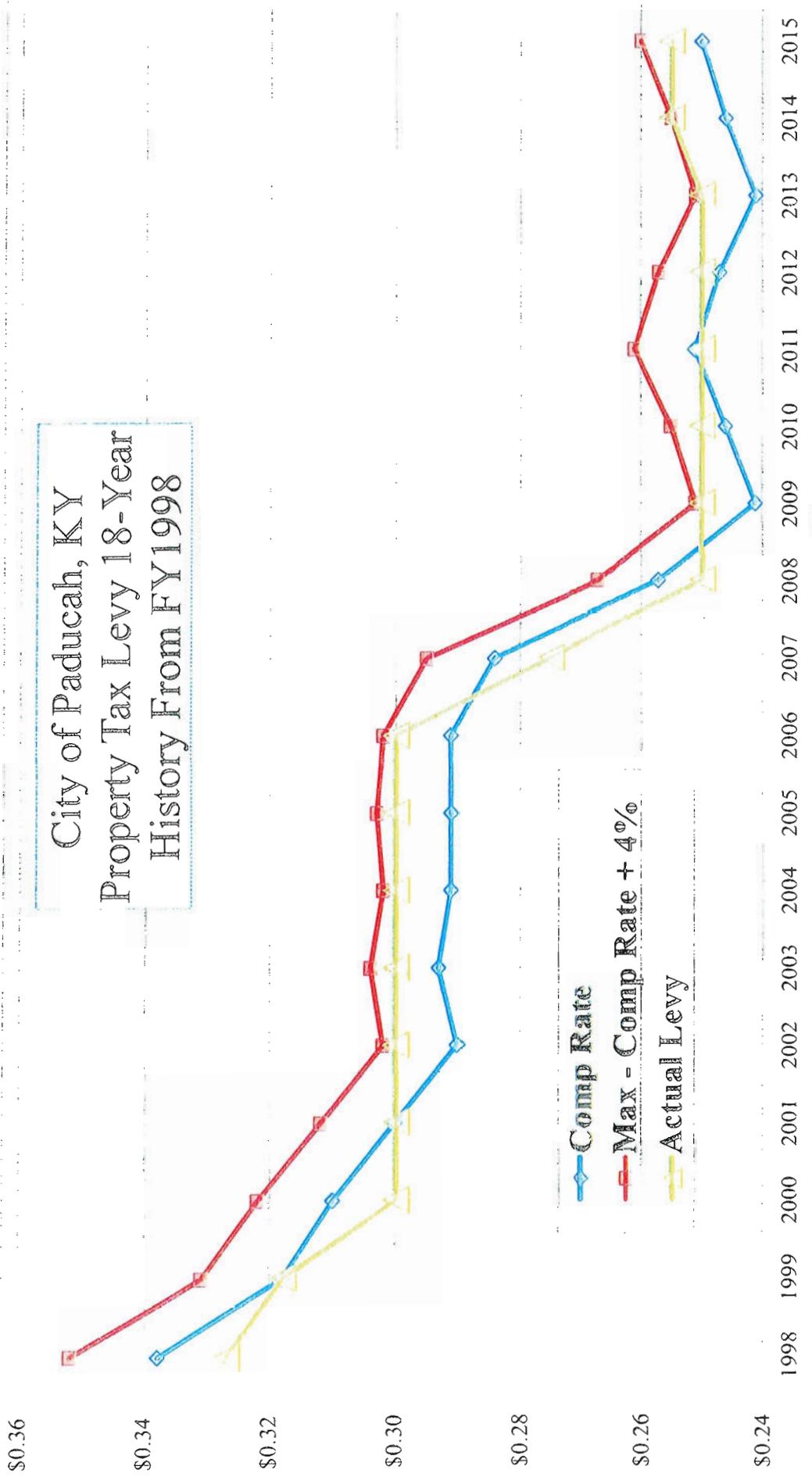


Chart B

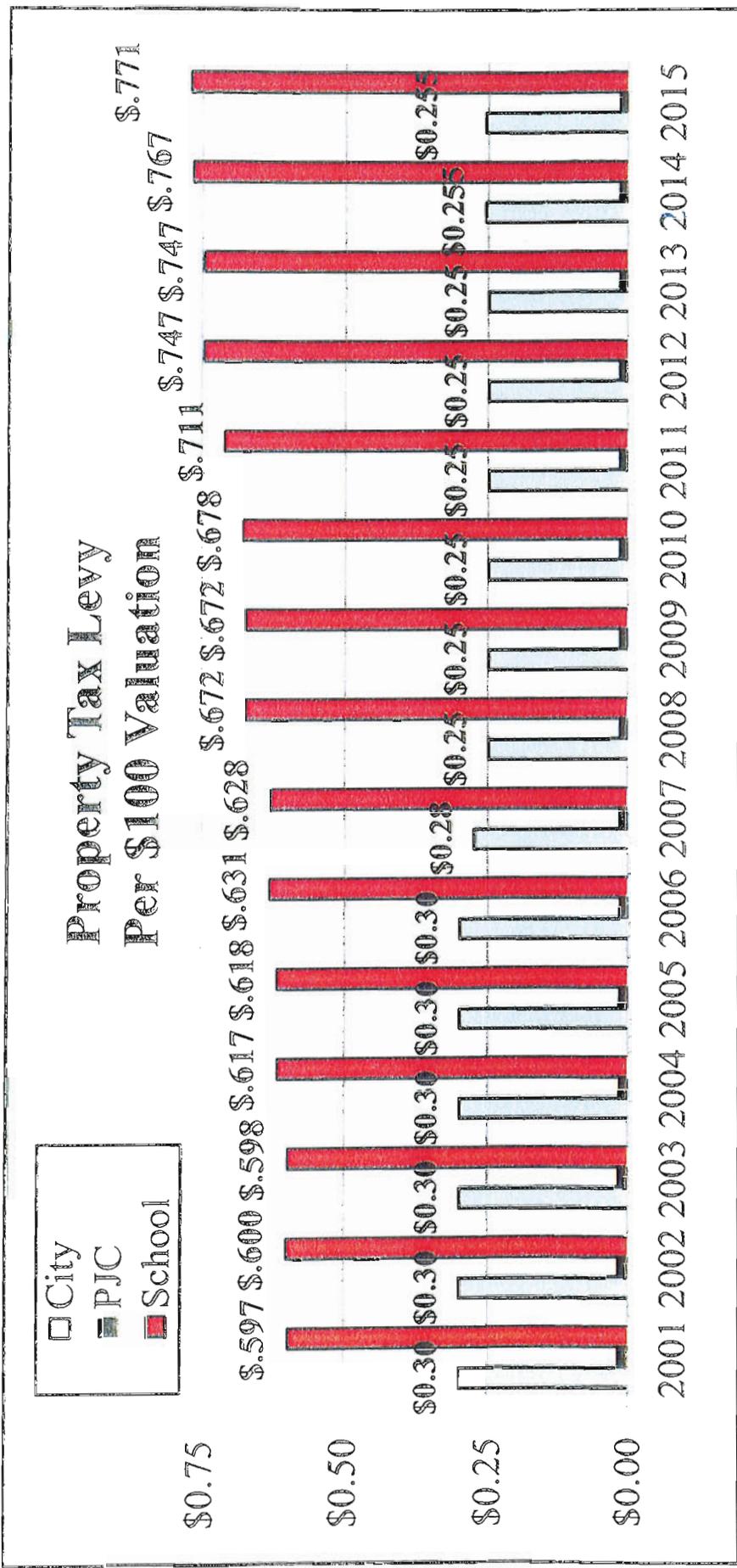


Chart C

City of Paducah, KY  
Real Estate Property Tax Levies - Yearly Average of Cities Surveyed  
Rate per \$100 A.V

