

## **OWENSBORO BOARD OF COMMISSIONERS**

**Regular Meeting**  
**August 21, 2018 5:00 PM**  
Owensboro City Hall  
101 E. 4th Street  
Owensboro, Kentucky

**1. CALL TO ORDER** - Mayor Tom Watson

**2. ROLL CALL** - City Clerk Beth Cecil

Present:

Mayor Tom Watson  
Mayor Pro Tem Bob Glenn  
Commissioner Pam Smith-Wright  
Commissioner Larry Conder  
Commissioner Jay Velotta

**3. INVOCATION & PLEDGE** – Mayor Watson

**4. PRESENTATION**

**4.A.** Tim Ross, Public Events Director, gave an update on the upcoming air show.

**5. BUSINESS**

**5.A.** The following board appointments were unanimously approved upon motion of Mayor Watson with a second by Mayor Pro Tem Glenn.

- **Owensboro Riverport Authority Board of Directors** - Reappoint Jacob Reid to a four-year term expiring September 9, 2022. Appoint Joanna Shake to a four-year term expiring September 9, 2022.
- **Owensboro-Daviess County Drug & Alcohol Steering Committee** - Reappoint Ronsonlyn Clark, Lura McElhearn and Jason Worth to three-year terms expiring September 1, 2021.

**6. ORDINANCES - 2nd READING**

**6.A.** Ordinance 13-2018 entitled AN ORDINANCE AMENDING CODE OF ORDINANCES FOR RATES FOR WATER AND WATER UTILITY SERVICE AS ADOPTED BY THE CITY UTILITY COMMISSION OF THE CITY OF OWENSBORO, KENTUCKY ON AUGUST 2, 2018, was unanimously approved upon motion of Mayor Watson and a second by Commissioner Conder on second reading.

The City Utility Commission of the City of Owensboro, Kentucky, by Resolution

passed on August 2, 2018, approved, adopted and fixed rates for water service furnished by the said Commission pursuant to the Statutes of the Commonwealth of Kentucky and the Ordinances of the City of Owensboro, Kentucky. The Mayor and the Commissioners of the City of Owensboro, Kentucky, will consider said rates which are for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, to provide for the operation and maintenance of the water utility of the City of Owensboro, and an adequate depreciation account therefore, and to furnish a fair and reasonable return to the municipality on the fair value of the used and useful property of the said water utility.

**6.B.** Ordinance 14-2018 entitled AN ORDINANCE PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE OF WATER REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2018, IN THE PRINCIPAL AMOUNT OF \$69,000,000, OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, OF THE CITY OF OWENSBORO, KENTUCKY, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS PAYABLE FROM THE REVENUES OF THE MUNICIPAL WATERWORKS OF SAID CITY AND PAYING THE COST OF EXTENSIONS AND IMPROVEMENTS TO THE MUNICIPAL WATERWORKS OF SAID CITY; SETTING FORTH THE TERMS AND CONDITIONS ON WHICH SAID BONDS AND ADDITIONAL BONDS RANKING ON A PARITY THEREWITH ARE TO BE AND MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE SECURITY AND PAYMENT OF SAID BONDS AND INTEREST THEREON FROM THE INCOME AND REVENUES OF SAID MUNICIPAL WATERWORKS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS IN THE ENFORCEMENT THEREOF, was unanimously approved upon motion of Mayor Watson and a second by Commissioner Conder on second reading.

Owensboro Municipal Utility (OMU) has requested that the City approve issuance of Water System Revenue Bonds in an aggregate principal amount of not to exceed \$69,000,000. Of the total proceeds of the Bonds, it is currently anticipated that (i) approximately \$48.6 million will be used to finance improvements to the Water Production and Distribution facilities of OMU, (ii) approximately \$12.8 million will be applied to the refunding of the outstanding Series 2009 Bonds, and (iii) approximately \$2.4 million will be deposited to the Debt Service Reserve Fund, with approximately \$744,570 to be applied to the payment of costs of issuance, including underwriter's discount. However, the actual amount of Bonds to be issued and the final allocation of proceeds will be determined based on market conditions at the time of sale of the Bonds. Commissioner Conder asked if Moody's rating would change with the new debt. Mr. Kevin Frizzell, Interim OMU Director, said he expected no change.

## **7. ORDINANCES - 1st READING**

**7.A.** Ordinance 15-2018 entitled AN ORDINANCE AMENDING ORDINANCE 16-2015 TO AMEND THE GATEWAY COMMONS TAX INCREMENT FINANCING DEVELOPMENT AREA TO INCLUDE ADDITIONAL PROPERTY WITHIN THE DEVELOPMENT AREA, WITHOUT CHANGING THE LIST OF APPROVED PUBLIC INFRASTRUCTURE IMPROVEMENTS OR THEIR COST, OR THE

AMOUNT OF TAX REVENUE THAT HAS BEEN PREVIOUSLY APPROVED OR COMMITTED FOR REIMBURSEMENT BY THE BOARD OF COMMISSIONERS OF THE CITY OF OWENSBORO AND THE COMMONWEALTH OF KENTUCKY IN REGARD TO THE GATEWAY COMMONS DEVELOPMENT PROJECT, was introduced and publicly read on first reading.

The City of Owensboro approved Ordinance 16-2015, which established the Gateway Commons Development Area. Additional property adjoining the previously approved Gateway Commons Development Area is proposed to be included in the Area. Kentucky Economic Development Finance Authority has authorized the City to amend and increase the development area by this ordinance. A public hearing was held at 4:00 pm on August 21, 2018 to receive public comment on the amended plan. City Manager Pagan stated that there were no comments heard at the public hearing.

**7.B.** Ordinance 16-2018 entitled AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019, AND AMENDING ORDINANCE 9-2018 TO REVISE ALL BEGINNING FUND BALANCES, CARRYOVER ALL OUTSTANDING ENCUMBRANCES, CAPITAL PROJECTS, RE-BUDGET PREVIOUSLY APPROPRIATED FUNDS AND TO PROVIDE FOR ACTIVITY AT CENTRE FOR BUSINESS AND RESEARCH, was introduced and publicly read on first reading.

Budget Amendment to revise all beginning fund balances, carryover all outstanding encumbrances, capital projects, re-budget previously appropriated funds and to provide for activity at Centre for Business and Research.

**7.C.** Ordinance 17-2018 entitled AN ORDINANCE LEVYING AD VALOREM TAXES FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR COMMENCING JULY 1, 2018, AND ENDING JUNE 30, 2019, AT THE RATE OF 26.60 CENTS PER \$100 OF ASSESSED VALUATION OF REAL PROPERTY, 28.09 CENTS PER \$100 OF ASSESSED VALUATION OF PERSONAL PROPERTY, AND 30.30 CENTS PER \$100 OF ASSESSED VALUATION OF VEHICLES, AND PROVIDING FOR THE COLLECTION AND APPORTIONMENT OF SAME, was introduced and publicly read on first reading.

It is proposed that the tax rate for Fiscal Year 2018-2019 on real property be set at 26.60 cents per \$100 of assessed valuation of real property, 28.09 cents per \$100 of assessed valuation of personal property, and 30.30 cents per \$100 of assessed valuation of vehicles, and providing for the collection and apportionment of same. City Manager Pagan explained the four percent (4%) tax rate increase has been incorporated into the 2018-2019 annual budget and the additional revenue of \$167,877 this year provides against the increased pension costs; the rate increase has an accumulated compound effect of \$3.7 million.

## 8. MUNICIPAL ORDER

**8.A.** Municipal Order 21-2018 entitled A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A FIRST AMENDED LEASE WITH THE INTERNATIONAL BLUEGRASS MUSIC MUSEUM, INC., AMENDING TERMS RELATING TO A THIRD FLOOR RESTAURANT AND ANNUAL FINANCIAL SUPPORT FROM THE CITY OF OWENSBORO, was unanimously approved on motion of Commissioner Smith-Wright with a second by Commissioner Conder.

The City of Owensboro and International Bluegrass Music Museum, Inc. entered into a lease agreement dated as of November 23, 2015, establishing the terms and conditions for the operation of the Museum. The agreement provided at the time of opening the museum would have a fully operational restaurant occupying the third floor of the facility. The Museum will be unable to comply with that requirement. Both parties are desirous to amend the agreement and eliminate the restaurant requirement and substitute certain financial support provisions of the City.

## 9. CITY MANAGER ITEMS

**9.A.** The Financial Report for the period ending June 30, 2018 was unanimously approved to file for audit by motion of Mayor Watson with a second by Commissioner Conder. Finance & Support Services Director Angela Hamric reported the following: General Fund revenues through June 30, 2018 of \$52,943,180 were \$1,476,124 over budget primarily due to Occupational and Net Profit License Fee Revenue. General Fund expenditures of \$50,558,745 were \$1,815,469 under budget primarily due to savings in personnel and timing of maintenance and supplies.

The revenue and expenditures in other funds are in line with the year-to-date budget, with the following exceptions: The Convention Center Operations Fund is under budget in revenues due to timing and the Transit Fund is under budget in Federal and State Grant revenues also due to timing

**9.B.** Personnel appointments were approved 4-1 upon motion of Mayor Watson with a second by Commissioner Smith-Wright; Mayor Pro Tem Glenn abstained from the vote.

### **PROBATIONARY:**

- **Anthony Green** – Probationary, full-time, non-civil service appointment to Laborer/Maintenance Helper with the Public Works Department, effective September 2, 2018
- **John Hodges** – Probationary, full-time, non-civil service appointment to Bus Driver/Dispatcher with the Public Works Department, effective September 4, 2018

## **REGULAR STATUS:**

- **Dylan Brown** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 6, 2018
- **Luke Camp** - Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 6, 2018
- **Robert Glenn** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 6, 2018
- **Tyler Grant** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 6, 2018
- **Stephen James** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 6, 2018
- **Bruce Kuegel** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 6, 2018
- **Randall Foster** – Regular, full-time, non-civil service appointment to Police Lieutenant with the Police Department, effective September 17, 2018
- **Jason Lee** – Regular, full-time, non-civil service appointment to Police Sergeant with the Police Department, effective September 17, 2018

**9.C. City Manager Comments** – City Manager Pagan introduced the TIF consultants from Commonwealth Economic in attendance: Casey Bolton and Brett Antle. Mr. Bolton gave a brief update on the TIF projects. He stated that next year they will submit a reimbursement request to the State for certain expenditures. He complimented the City of the processes that Owensboro has in place. Mayor Watson asked when the city will get money. As of January 1, 2018, the construction wages have been tracked in the 54 TIF district and each year in April following the year of activation, a request will be submitted to the State for reimbursement of incremental taxes generated within the footprint over the calendar year 2018 and will continue until the full amount has been recovered. Reimbursement should be in the fall. Owensboro is the first community of its size to implement a TIF.

## **10. COMMUNICATIONS FROM ELECTED OFFICIALS**

Communications were heard from the elected officials. Mayor Watson announced the cancellation of Commission meetings on September 4 and September 11. The next meeting will be September 18.

## **11. OPEN PUBLIC FORUM - None**

## 12. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 5:55 p.m. upon motion of Mayor Watson and a second from Commissioner Smith-Wright

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Thomas H. Watson, Mayor

ATTEST:

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Beth Cecil, City Clerk