

OWENSBORO BOARD OF COMMISSIONERS

Regular Meeting
September 3, 2019 5:00 PM
Owensboro City Hall
101 E. 4th Street
Owensboro, Kentucky

1. CALL TO ORDER - Mayor Tom Watson

2. ROLL CALL – Beth Cecil, City Clerk

Present:

Mayor Tom Watson
Mayor Pro Tem Larry Maglinger
Commissioner Pam Smith-Wright
Commissioner Larry Conder
Commissioner Jeff Sanford

3. INVOCATION & PLEDGE – Commissioner Larry Conder

4. PRESENTATIONS

4.A. National Recovery Month Proclamation was accepted by Arturo Flores with the Owensboro Regional Recovery Center.

4.B. Community Priorities – Candance Brake, GO Chamber President/CEO presented the 2020 Community Priorities List (attached). She will attend the Daviess County Fiscal Court meeting to present there as well.

5. BUSINESS

5.A. Minutes dated August 13, 2019 and August 20, 2019 were unanimously approved upon motion of Mayor Watson with a second by Commissioner Sanford.

5.B. The following Board Appointments were approved 5-0 upon motion of Commissioner Smith-Wright with a second by Commissioner Sanford.

- **Northwest Neighborhood Alliance** – Appoint Denny Hinton to fill the remainder of an unexpired term which ends April 16, 2021.
- **Owensboro Health Board of Directors** – Appoint Candance Brake to a three-year term expiring October 31, 2022.

6. ORDINANCES – 2ND READING

6.A. Ordinance 26-2019 entitled AN ORDINANCE ANNEXING TO THE CITY OF OWENSBORO CERTAIN UNINCORPORATED TERRITORY IN THE COUNTY OF DAVIESS ADJOINING THE PRESENT BOUNDARY LINE OF THE CITY, BEING PROPERTY CURRENTLY OWNED BY KULWANT SINGH AND LOCATED AT 3310 WEST SECOND STREET, CONTAINING 0.470 ACRES, MORE OR LESS, was unanimously approved with a motion by Mayor Watson and a second by Mayor Pro Tem Maglinger.

An Ordinance annexing the property located at 3310 West 2nd Street, containing 0.470 acres.

7. ORDINANCES – 1ST READING

7.A. Ordinance 27-2019 entitled AN ORDINANCE AMENDING AND UPDATING SECTIONS OF CHAPTER 2, ARTICLE IV, DIVISION 3 OF THE OWENSBORO MUNICIPAL CODE; AND FURTHER REPEALING CHAPTER 2, ARTICLE IV, DIVISION 3, SECTION 2-161, was introduced and publicly read on first reading.

The Ordinance incorporates the Kentucky General Assembly 2019 HB 26 changes to the minimum purchase amounts and includes overall updates. Dane' Galloway, Deputy Director of Finance and Support Services, explained the City has adopted KRS 45A – Kentucky's Model Procurement Code. The code outlines the acceptable methods for local governments to procure goods and services. Price quotes are a widely used method to procure and the City's policy is a three-tier approach. Currently, if a good or service is purchased and ranges from \$0 up to \$1,000, it is at the department head's discretion. If the purchase is \$1,000 up to \$20,000, it requires three (3) vendor quotes and a purchase order. If the purchase is over \$20,000, it requires a bid process and a purchase order. Recently, the State passed HB 26 which contains some changes to the model procurement code. The minor change was that the bid security amount and bonding requirements for construction projects increased from \$25,000 to \$100,000. The other change was the \$20,000 tier-three (3) limit was raised to \$30,000. With these State changes, city staff is recommending the tier-one (1) limit be raised from \$1,000 to \$5,000. These changes will be more efficient for all staff involved.

7.B. Ordinance 28-2019 entitled AN ORDINANCE LEVYING AD VALOREM TAXES FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR COMMENCING JULY 1, 2019, AND ENDING JUNE 30, 2020, AT THE RATE OF 26.60 CENTS PER \$100 OF ASSESSED VALUATION OF REAL PROPERTY, 26.74 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 2019-2020 on real property be set at 26.60 cents per \$100 of assessed valuation of real property, 26.74 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 that the proposed rates include no change for the real property and vehicle rates and a decrease in personal property rate from 28.09 cents to 26.74 cents per \$100.

7.C. Ordinance 29-2019 entitled AN ORDINANCE AMENDING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020, AND AMENDING ORDINANCE 9-2019 TO REVISE ALL BEGINNING FUND BALANCES, CARRYOVER ALL OUTSTANDING ENCUMBRANCES, CAPITAL PROJECTS AND RE-BUDGET FUNDS, was introduced and publicly read on first reading.

Budget amendment to revise all beginning fund balances, carryover all outstanding encumbrances, capital projects and re-budget funds. City Manager Pagan explained that this is the typical end-of-year carryover budget amendment which encompasses many line items. He pointed out the proposed amendment to fund a one-time \$2 million contribution to the pension reserve account based on last year's General Fund performance.

7.D. Ordinance 30-2019 entitled AN ORDINANCE OF THE CITY OF OWENSBORO, KENTUCKY AUTHORIZING THE ISSUANCE OF: (A) GENERAL OBLIGATION BONDS, SERIES 2019A IN AN AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$4,680,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF BONDS BY UP TO \$465,000) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE OUTSTANDING CITY OF OWENSBORO, KENTUCKY GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 2016, THE PROCEEDS OF WHICH WERE USED TO FINANCE VARIOUS PUBLIC PROJECTS THROUGHOUT THE CITY; (B) TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019B IN AN AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$3,750,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF BONDS BY UP TO \$375,000) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE OUTSTANDING CITY OF OWENSBORO, KENTUCKY TAXABLE GENERAL OBLIGATION BONDS, SERIES 2010, THE PROCEEDS OF WHICH WERE USED TO FINANCE THE COSTS OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF AN ECONOMIC DEVELOPMENT PROJECT WITHIN THE CITY; (C) TAXABLE GENERAL OBLIGATION PUBLIC PROJECT REFUNDING BONDS, SERIES 2019C IN AN AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$18,320,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF BONDS BY UP TO \$1,830,000) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE OUTSTANDING CITY OF OWENSBORO, KENTUCKY GENERAL OBLIGATION

PUBLIC PROJECT BONDS, SERIES 2011, THE PROCEEDS OF WHICH WERE USED TO FINANCE AMENITIES AT SMOTHERS PARK, UTILITY RELOCATION COSTS, AND STREET BEAUTIFICATION COSTS AROUND THE EVENT CENTER LOCATED IN THE CITY; (D) TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019D IN AN AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$2,145,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF BONDS BY UP TO \$215,000) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE OUTSTANDING CITY OF OWENSBORO, KENTUCKY TAXABLE GENERAL OBLIGATION BONDS, SERIES 2011, THE PROCEEDS OF WHICH WERE USED TO FINANCE THE COSTS OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF THE SECOND PHASE OF AN ECONOMIC DEVELOPMENT PROJECT WITHIN THE CITY; AND (E) TAXABLE GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2019E IN AN AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY \$36,690,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF BONDS BY UP TO \$3,670,000) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE OUTSTANDING CITY OF OWENSBORO, KENTUCKY GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2012B, THE PROCEEDS OF WHICH WERE USED TO FINANCE AND REFINANCE THE COSTS OF THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND EQUIPPING OF AN ECONOMIC DEVELOPMENT PROJECT WITHIN THE CITY; APPROVING THE FORM OF EACH SERIES OF THE BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; AUTHORIZING AND DIRECTING THE FILING OF NOTICES WITH THE STATE LOCAL DEBT OFFICER FOR THE BONDS; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; ESTABLISHING A BOND PAYMENT FUND FOR EACH SERIES OF THE BONDS; MAINTAINING THE HERETOFORE ESTABLISHED SINKING FUND; AUTHORIZING ACCEPTANCE OF THE BID OF THE PURCHASER OF EACH SERIES OF THE BONDS; AND REPEALING INCONSISTENT ORDINANCES, was introduced and publicly read on first reading.

The City is issuing Bond Series 2019A for the purpose of refunding the outstanding General Obligation Bond Anticipation Notes, Series 2016, the proceeds of which were used to finance various public projects; and issuing Bond Series 2019B for the purpose of refunding the outstanding Taxable General Obligation Bonds, Series 2012, the proceeds of which were used to finance the costs of construction of an economic development project; and issuing Bond Series 2019C for the purpose of refunding the outstanding General Obligation Public Project Bonds, Series 2011, the proceeds of which were used to finance a portion of the downtown revitalization; and issuing Bond Series 2019D for the purpose of refunding the outstanding Taxable General Obligation Bonds, Series 2011, the proceeds of which were used to finance the costs of construction of an economic development project; and issuing series 2019E for the purpose of refunding the outstanding General Obligation Refunding and Improvement Bonds, Series 2012B, the proceeds of which were used to finance

and refinance a portion of the costs of a downtown revitalization project. Commissioner Conder asked what the net effect for the term is for the refunding of the bonds. City Manager Pagan explained that the ordinance reflects two (2) broad parts: refinance the BAN (Bond Anticipation Note) issued by the City in 2016 and reissue it as a traditional bond and to refund three (3) or four (4) existing bonds previously issued. This Ordinance does not involve any new debt. Stan Kramer, First Securities Corporation in Lexington, further explained the 2019 A bonds will place a permanent debt structure on the parking garage, Series B and D are both phases of the US Bank building economic incentives; and Series C and E are Smothers Park finances. Series E bonds are the largest and are on the edge of being doable (although not currently scheduled to sale); the savings for Series E will be \$100,000 per year. The total savings is projected to be \$5.5 million over the life of the bonds. The market has allowed the opportunity to move to a taxable structure to refund tax-exempt debt.

8. MUNICIPAL ORDERS

8.A. Municipal Order 23-2019 entitled A MUNICIPAL ORDER DECLARING THE 0.237 ACRES OF REAL PROPERTY LOCATED ADJACENT TO 3310 WEST SECOND STREET AS SURPLUS PROPERTY; AND FURTHER AUTHORIZING THE MAYOR TO EXECUTE A QUITCLAIM DEED TRANSFERRING THE PROPERTY TO THE KENTUCKY TRANSPORTATION CABINET DEPARTMENT OF HIGHWAYS IN ACCORDANCE WITH KRS 82.083(4), was unanimously approved on one reading upon motion of Mayor Watson with a second by Commissioner Conder.

The City acquired the property adjacent to 3310 W 2nd Street in 2011 from the Kentucky Transportation Cabinet (KYTC). The adjacent landowner has expressed interest to the City in obtaining the property, consolidating with his currently owned adjacent property, and then annexing into the City. The City seeks to convey all of its interest in the property back to the KYTC so that it can convey the property directly to the adjacent landowner free and clear of any deed restrictions on conveyance of the property. The property is not needed and the City now declares it surplus.

9. CITY MANAGER ITEMS

9.A. The financial report for the period ending June 30, 2019 was approved 5-0 to file for audit upon motion of Mayor Watson and seconded by Commissioner Sanford.

9.B. The following Personnel Appointments were approved 5-0 upon motion of Mayor Watson and a second from Commissioner Smith-Wright:

REGULAR STATUS:

- **James A. Green** – Regular, full-time, non-civil service appointment to Public Works Laborer/Maintenance Helper with the Public Works Street Department, effective September 2, 2019

- **Mallory A. Sims** – Regular, full-time, non-civil service appointment to Telecommunicator with the Police Department, effective September 3, 2019
- **Dakota J. Bratcher** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 5, 2019
- **Bryce Y. Garrett** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 5, 2019
- **Wilson D. Jenkins** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 5, 2019
- **Lucas M. Lashbrook** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 5, 2019
- **Jeremy A. Mahoney** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 5, 2019
- **Jason M. Rhodes** – Regular, full-time, non-civil service appointment to Firefighter with the Fire Department, effective September 5, 2019

9.C. City Manager Comments – None

10. COMMUNICATIONS FROM ELECTED OFFICIALS

Communications were heard from the elected officials.

Commissioner Conder invited everyone to the meth seminar being held at St. Joe and Paul Hall at 5:30 on September 10.

11. OPEN PUBLIC FORUM

Clay Wilkey (1603 College Drive) spoke out against the Gun Show being held at the Sportscenter. He expressed his concern with the show being held on city property.

Misty Head (805 E. 21st Street) and Linda Ktsanes (811 E. 21st Street) both discussed their concern with the ongoing condition and actions being conducted at 807 E. 21st Street. Wayne Shelton, Public Works Director, stated that the property has been referred to both the city and county attorneys' office, property maintenance department and the police department for action.

Roy Henry (1902 W. 2nd Street) asked when he could begin to utilize his lot for car repairs again. City Manager Pagan responded that his issue was with Owensboro Metropolitan Planning Commission.

12. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 6:00 p.m. upon motion by Commissioner Conder and a second by Commissioner Sanford.

Thomas H. Watson, Mayor

ATTEST:

Beth Cecil, City Clerk