

OWENSBORO BOARD OF COMMISSIONERS
Regular Called Meeting
September 19, 2023 4:00 PM
Owensboro City Hall
101 E. 4th Street
Owensboro, Kentucky

1. CALL TO ORDER - Mayor Tom Watson

2. ROLL CALL – Beth Davis, City Clerk

Present:

Mayor Tom Watson

Mayor Pro Tem Mark Castlen

Commissioner Sharon NeSmith

Unavailable:

Commissioner Bob Glenn

Commissioner Pam Smith-Wright

3. INVOCATION & PLEDGE – Commissioner Sharon NeSmith

4. PRESENTATIONS

4.A. Mayor Watson presented a “Constitution Week” Proclamation to Terri Smith, Daughters of the American Revolution.

4.B. John Alexander, President/CEO of YMCA, thanked the Board of Commissioners and city staff for their support over the years. Mr. Alexander will retire at the end of September and move to Terre Haute, IN. He explained that the YMCA has since moved on from trying to collaborate with the Senior Center and is now focused on their childcare program. They are still in the beginning stages of the project and are open to other collaborations within the community. He briefly mentioned partnering with corporations to provide childcare to employees. Mayor Watson presented Mr. Alexander with the “Mayor’s Award of Distinction”.

4.C. Angela Waninger, Finance and Support Services Director and Mark Pfeifer, City Attorney gave a presentation on Transient Room Tax (TRT), presentation attached. Mr. Pfeifer explained the TRT is a tax imposed on rent authorized by Kentucky Revised Statute (KRS) and local ordinance. According to our ordinance, one percent (1%) of the tax assists with operating expenses of the Convention Center and three percent (3%) is set aside for the local Tourism Commission (it may be used to finance the cost of facilities promoting tourist and convention business). The KRS amended the transient room statute expanding the accommodations subject to the tax to include cabins, campgrounds, etc., it clarified that homes rented using services such as VRBO and

Airbnb are subject to the tax and clarified that the TRT is not imposed on accommodations provided for thirty (30) days or more. VRBO and Expedia are collecting and remitting the tax, however, no agreement has been reached with Airbnb. They refuse to collect and remit. A possible solution to the issue is to amend our ordinance. Mrs. Waninger explained the collection process and stated the hosts should obtain a business license and be placed on the short-term rental registration list (if your broker is not already collecting and remitting for you). In summary, every host is responsible for the tax whether broker collected and remitted or host collected and remitted. Mrs. Waninger encouraged every host to check with their broker to be sure the tax is being collected and remitted appropriately. Anyone with questions can contact the City's Finance Department. Out of the possible seventy (70) Airbnb hosts in Owensboro, there is one (1) host that is currently remitting on their own.

4.D. City Manager Pagan discussed Comparative Tax and Financial Overview (presentation attached). Mr. Pagan began by explaining that no tax increase is being sought, but rather he wanted to show how well Owensboro compares to surrounding peer cities. Owensboro's FY 22 General Fund expenditure per capita is the lowest compared to peer cities; meaning, our tax payers receive services at a substantially lower cost per person than other cities.

5. BUSINESS

5.A. Minutes dated September 5, 2023 were unanimously approved by motion of Mayor Watson and a second from Mayor Pro Tem Castlen.

5.B. The following board appointments were unanimously approved by motion of Mayor Watson and a second from Commissioner NeSmith:

- **Owensboro Sister Cities and Regions Board** – Reappoint Beck Glenn to a three-year term effective October 2, 2023
- **Alliance for a Drug-Free Owensboro and Daviess County** - Reappoint Sharon NeSmith to a three-year term effective October 5, 2023
- **Dugan Best Neighborhood Alliance** – Reappoint Charles Hatchett, Bobby McCormick, and Cecil Phillips to a two-year term effective September 27, 2023

6. ORDINANCES - 2nd READING

6.A. Ordinance 22-2023 entitled AN ORDINANCE CONFIRMING THE SALE AND AWARDED A NON-EXCLUSIVE GAS FRANCHISE TO ATMOS ENERGY CORPORATION FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS FOR HEATING AND OTHER PURPOSES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF OWENSBORO FOR A TERM OF TWENTY (20) YEARS, IMPOSING A FRANCHISE FEE OF THREE PERCENT (3%) OF ATMOS ENERGY CORPORATION'S GROSS ANNUAL REVENUES FROM THE SALE,

DISTRIBUTION, AND DELIVERY OF GAS WITHIN THE CITY OF OWENSBORO AND AUTHORIZING THE MAYOR TO SIGN A FRANCHISE AGREEMENT WITH ATMOS ENERGY CORPORATION, was unanimously approved by a roll call vote on second reading by motion of Mayor Watson and a second from Mayor Pro Tem Castlen.

The creation and sale of a non-exclusive franchise, for a term of twenty (20) years, for the privilege of constructing, operating, maintaining and distributing natural gas along and under public rights-of-way within the corporate boundaries of the City of Owensboro was approved June 20, 2023. The only bid received was from Atmos Energy Corporation. Therefore, this ordinance awards the franchise to Atmos and authorizes a Gas Franchise Agreement. City Manager Pagan explained that Atmos Energy was the sole bidder and they own the natural gas infrastructure in the City. The franchise term is for twenty (20) years, with a three percent (3%) fee for use of the public right-of-way. One percent (1%) of the fee will go to the General Fund, with two percent (2%) going to the Economic Development Fund, which must be utilized for that purpose.

6.B. Ordinance 23-2023 entitled AN ORDINANCE LEVYING AD VALOREM TAXES FOR MUNICIPAL PURPOSES FOR THE FISCAL YEAR COMMENCING JULY 1, 2023, AND ENDING JUNE 30, 2024, AT THE RATE OF 26.40 CENTS PER \$100 OF ASSESSED VALUATION OF REAL PROPERTY, 27.08 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 unanimously approved by a roll call vote on second reading by motion of Mayor Watson and a second from Mayor Pro Tem Castlen.

An Ordinance to levy ad valorem taxes for municipal purposes for the fiscal year commencing July 1, 2023 and ending June 30, 2024, at the rate of 26.40 cents for \$100 of assessed valuation of real property, 27.08 cents per \$100 of assessed valuation of personal property, and 30.30 cents per \$100 of assessed valuation of vehicles. Also, to provide for the collection and apportionment of same. City Manager Pagan further explained this ordinance sets the rate of three (3) different taxes for the year. There is no change proposed to the real estate rate from last year, continuing with a rate of 26.40 cents per \$100 of valuation. With this rate, a property assessed at \$100,000 would pay \$264 in property tax to the City. No change is proposed to the vehicle rate, remaining at 30.30 cents per \$100, the same rate it's been for many years. On personal property, the ordinance includes a rate of 27.08 cents, down from 27.61 cents per \$100 last year.

6.C. Ordinance 24-2023 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 LOCATED AT 45 BOOTH FIELD ROAD (HWY 3067), CONTAINING 0.995 ACRES, MORE OR LESS, AT THE REQUEST OF JUSTIN CAMACHO AND KASEY DUPONT, was unanimously approved by a roll call vote on second reading by motion of Mayor Watson and a second from Mayor Pro Tem Castlen.

An ordinance annexing the property located at 45 Booth Field Road (Hwy 3067), containing 0.995 acres at the request of Justin Camacho and Kasey Dupont. There is an annexation incentive associated with the annexation. City Manager Pagan stated this a consensual annexation. The owner purchased a contiguous property that is already in the City, and they have to annex this property in order to combine the two (2) parcels. Map attached.

7. ORDINANCES - 1st READING - None

8. MUNICIPAL ORDERS

8.A. Municipal Order 37-2023 entitled A MUNICIPAL ORDER AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT WITH JUSTIN CAMACHO AND KASEY DUPONT PROVIDING FOR THE CONSENSUAL ANNEXATION OF UNINCORPORATED PROPERTY LOCATED IN DAVIESS COUNTY AT 45 BOOTH FIELD ROAD CONTAINING 0.995 ACRES, MORE OR LESS; AND FURTHER PROVIDING THAT THE CITY SHALL REIMBURSE JUSTIN CAMACHO AND KASEY DUPONT \$6,720.57, REPRESENTING A TOTAL OF AD VALOREM REAL PROPERTY TAXES FROM THE PROPERTY FOR FIVE (5) YEARS, was unanimously approved on one reading by motion of Mayor Watson and a second by Commissioner NeSmith.

Justin Camacho and Kasey Dupont have consented to the annexation of the property located at 45 Booth Field Road, containing 0.995 acres. The Order sets forth the terms and conditions of the annexation incentive. City Manager Pagan explained that this is a standard incentive for the annexation previously approved. Although not many residential incentives are given after the development has been built, this one was based off a program the City had several years ago when incentives were offered to homes in the community.

9. CITY MANAGER ITEMS

9.A. The Financial Report for the period ending August 31, 2023 was presented by Angela Waninger, Director of Finance and Support Services (attached). There being no discussion, motion was made by Mayor Watson and seconded by Mayor Pro Tem Castlen to file the financial report for audit; motion carried unanimously.

9.B. The following personnel appointments were unanimously approved by motion of Mayor Watson and second by Commissioner NeSmith:

PROMOTIONAL/PROBATIONARY STATUS:

- **Kevin R. Klobe** – Probationary, full-time, non-civil service, promotional appointment to Fire Driver/Engineer with the Fire Department, effective September 24, 2023

- **Jordan A. Thomas** – Probationary, full-time, non-civil service, promotional appointment to Fire Driver/Engineer with the Fire Department, effective September 24, 2023
- **Norman K. Lang** – Probationary, full-time, non-civil service, promotional appointment to Lead Telecommunicator with the Police Department, effective September 24, 2023

REGULAR STATUS:

- **Samantha A. Conley** – Regular, full-time, non-civil service appointment to Call Taker with the Police Department, effective September 25, 2023
- **Patrick W. Cunningham** - Regular, full-time, non-civil service appointment to Call Taker with the Police Department, effective September 25, 2023
- **Elijah Ian Probus** - Regular, full-time, non-civil service appointment to Police Officer with the Police Department, effective September 28, 2023

9.C. City Manager Comments – City Manager Pagan presented the 2023-2024 OBKY Budget Report. The document is an easy to understand summary of the budget and is available on the website.

10. COMMUNICATIONS FROM ELECTED OFFICIALS

Members of the Commission discussed the events they recently attended.

Mayor Watson stated that OMU recently responded to a mutual aid request from Florida Municipal Power Agency to provide assistance to the City of Tallahassee Electric System due to damage incurred by Hurricane Idalia. OMU sent a six-man crew to assist. Mayor Watson recognized line technicians Jim Goodwin, Mike Atherton, Frankie Gillam III, Ethan Pierce, Greg Richardson and J.T. Wright.

Mayor Watson thanked Tim Ross for the recent successful airshow. He asked Mr. Ross to give an overall assessment of the show, which he did.

11. OPEN PUBLIC FORUM

Janet Brown (1214 West 11th Street) discussed recent burglaries at her home address. She submitted documents for the record, however, due to the ongoing investigation, the records are not included with the minutes.

12. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 5:03 p.m. by motion of Mayor Watson and a second by Mayor Pro Tem Castlen.

Thomas H. Watson, Mayor

ATTEST:

Beth Davis, City Clerk