



# City Commission Meeting Highlights

Tuesday, October 14, 2014 at City Hall

*Note: Mayor Gayle Kaler was unable to attend this meeting.*



## **Swearing-In of Police Officers**

McCracken County Circuit Judge Craig Clymer conducted the swearing-in ceremony for the Paducah Police Department's officer recruits (pictured from left to right): Chelsea Breakfield, Matthew Jones, and Lucas Stone.

## **Industrial Building Revenue Bond for Hotel Construction**

The Commissioners approved an ordinance authorizing the issuance of up to \$10.5 million in Industrial Building Revenue Bonds for the downtown hotel project. An industrial revenue bond is the financing method chosen by the hotel developers, Paducah Convention Hotel, LLC. Kentucky law requires the City's approval for the issuance of the bonds; however, the State ultimately approves the bonds with a bond hearing by the state

local debt officer. The private bond sale involves Independence Bank as the sole purchaser of the bonds. Paducah Riverfront Development Authority Executive Director Steve Doolittle says, "The bank loan has been approved. What has not occurred is the closing. It is scheduled for November 3. It [the hotel project] is quickly making progress."

With this type of bond the sponsoring government, in this case the City of Paducah, is not responsible for the bond repayment, and the bonds do not affect the City's credit rating. This type of arrangement is common with extremely large projects since the City will own the property and lease it back to the developers. There will be no property taxes except for the payments in lieu of taxes made to the City and to the Paducah Independent School District.

In May, Paducah Convention Hotel entered into a franchise agreement to build a six-story 121-room Hilton Garden Inn adjacent to the Julian Carroll Convention Center. Once the design plans are complete, the groundbreaking will occur this year with the hotel to be completed in the second half of 2015. The City approved a development agreement for the hotel in December 2013. The hotel is a \$19.2 million total project including construction, design, furniture, supplies, and other project needs. Additional details about the hotel can be found at [www.paducahky.gov](http://www.paducahky.gov).

## **Property Tax Levy Ordinance**

The Commissioners approved an ordinance setting the real estate and personal property taxes for fiscal year 2015. A property tax levy public hearing was held at the beginning of the October 7 Commission meeting. The City's real estate tax levy is proposed to remain at 25.5 cents per \$100 assessed value. The revenue generated by the property tax is the City's second highest revenue source behind the payroll tax. The proposed rate of 25.5 cents is only slightly more than half of what the rate was twenty years ago in fiscal year 1995. At that time the real estate rate was 43.8 cents per \$100 assessed value. Since 1995 the City has made a conscious effort to lower the rates. In a survey of 18 Kentucky cities taken last fall, Paducah's tax rate is less than the group's average of 26.1 cents. The City's Compensating Rate, the rate that would keep the revenue at the same amount as this year, is 25.0 cents per \$100 assessed value. Kentucky Revised (KRS) Statutes permits a city to adjust the compensating rate upward by not more than 4 percent. With the proposed 25.5 cents, the City would be taking an amount less than the 4 percent allowed by KRS.



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Also on the tax bill, residents may notice a change in the amount going to the Paducah Independent School District. Recently, the school board raised its tax rate by 0.4 cents per \$100 of assessed value. The school district's increase equals a \$2 increase on the tax bill for a home assessed at \$50,000. The ordinance also outlines the levies for the Paducah Independent School System and the Paducah Junior College. A document showing citizens how to calculate their property tax bill is located on the city's website, [www.paducahky.gov](http://www.paducahky.gov), under the Finance Department. For example, a home assessed at \$50,000 in the City of Paducah and in the Paducah Independent School District will generate a property tax bill of \$521.50.

### **Paducah Fire Prevention to Host 3rd Annual Conference**

Deputy Chief of Fire Prevention Greg Cherry and Deputy Fire Marshal April Tinsman briefed the Commissioners on the Paducah Fire Division's 3<sup>rd</sup> annual conference for Electrical, Building, and Fire Service professionals. The FREE one-day conference is available to anyone in the electrical, building/construction/design, or firefighting professions. Cherry says, "It is another way we [the Fire Prevention Division] want to improve customer service." The workshop will be Friday, October 24, from 8 a.m. until 5 p.m., at the Julian Carroll Convention Center. Participation in the classes can provide attendees with continuing education credits for the State of Kentucky. Pre-registration is required by Monday, October 20 as lunch and materials will be provided. So far, 160 have registered with the goal of 250 participants. More than 200 attended last year's conference. To pre-register, complete the registration form on the City of Paducah website at [www.paducahky.gov](http://www.paducahky.gov) or contact the Fire Prevention Division at 270-444-8527. Tinsman also thanked the 27 sponsors providing assistance for this year's conference. If you are interested in being a sponsor or reserving vendor space, contact Tinsman or Cherry at 270-444-8527.



### **Kentucky League of Cities Presentation to Senator Leeper**

Government Affairs Advocacy Manager Bryanna Carroll with the Kentucky League of Cities presented State Senator Bob Leeper with the Friend of Kentucky Cities award. Carroll says, "He [Sen. Leeper] is well respected in the halls of Frankfort."

### **City of Paducah Health Insurance for 2015**

Greg Carlton, senior vice president employee benefits & wellness with Peel & Holland, and Interim Human Resources Director Steve Doolittle provided a preview of the City of Paducah's 2015 health insurance plan through Anthem Blue Cross Blue Shield as the City's third party administrator. Carlton says, "It's all good news for what we are seeing." The City of Paducah has a self-insured health insurance plan which means that the premiums paid into the plan are used to pay the claims. After Carlton's presentation the Commissioners approved a municipal order for the health insurance premiums. Those who participate in the City's plan will have no change to their premiums as compared to

this current year. Commissioner Richard Abraham says, "We are getting out the message about wellness, and it reflects in those numbers." Carlton adds, "You are definitely in the top two percent in the Commonwealth as an employer with stable rates." The dental plan will be unchanged. The City is changing vision plans to Anthem Blue View Vision which offers a premium reduction of 11%.

Additional actions taken by the City Commission regarding health insurance are as follows:

- Municipal Order approved establishing the policy for the use of spending credits for the 2015 plan year.
- Ordinance introduced (vote Oct. 28) to authorize an agreement between the City of Paducah and Anthem Blue Cross Blue Shield to provide administrative services related to the City's health insurance plan.
- Ordinance introduced (vote Oct. 28) to authorize an agreement between the City of Paducah and Anthem Blue Cross Blue Shield for stop loss insurance which is used when a plan participant's claims exceed a set value or when the City's total claims exceed a set maximum. The insurance protects the City from catastrophic health insurance claims. The maximum city liability per person will be set at \$175,000. Anthem will assume liability for individual claims that are higher than \$175,000 up to \$1 million. Anthem also will step in when the City's total health claims reach a little more than \$2.029 million.



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### Quick Highlights

- Municipal order approved accepting the transfer of property located at 1036 Madison Street from owner Elizabeth Crumbaugh to the City of Paducah. The house on the property is condemned with a demolition order against it. The transfer of property will forgo the need for foreclosure. The City will hire a contractor to demolish the house. Then the lot will be placed on the City's surplus property list.
- Ordinance introduced (vote Oct 28) authorizing the transfer of the property located at 717 Harrison Street from the City to Katherine Knotts for the sum of \$182,965. This is a home constructed by Jim Steele Construction using the City's construction line of credit with Banterra Bank. The project is a continued effort to revitalize the LowerTown and Fountain Avenue neighborhoods.
- The ribbon cutting for the Ohio River Boat Launch and the Greenway Trail project is October 22 at 2 p.m. The event will start at the Ohio River Boat Launch at North 6<sup>th</sup> and Burnett, and then a Paducah Trolley will take folks to the Greenway Trail.

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