

City of Henderson, Kentucky
Board of Commissioners Meeting
Tuesday, August 23, 2016

Municipal Center
Third Floor Assembly Room
222 First Street
5:30 P.M.

AGENDA

1. Invocation: Lt. Jason Quinn, Salvation Army

2. Roll Call:

3. Recognition of Visitors:

4. Appearance of Citizens:

5. Proclamations:

6. Presentations:

7. Public Hearings:

8. Consent Agenda:

Minutes: August 9, 2016 Regular Meeting

Resolutions:

9. Ordinances & Resolutions:

Second Readings:

First Readings: Ordinance Establishing 2016 Property Tax Rates

Resolutions: Resolution Setting JFK Center Fee Schedule

Resolution Relating to Financing Capital Improvements

Resolution Authorizing the Extension of Sewer Service
Outside City Limits – Finley Addition Area

Please mute or turn off all cell phones for the duration of this meeting.

10. Municipal Orders:

11. Bids & Contracts:

Municipal Order Approving Change Order #1 to David Williams & Associates, Inc. Contract for Poured in Place Rubber Surfacing for Newman Park Playground

Municipal Order Approving Change Order #1 to Danco Construction, Inc. Contract for Additional Work Required for the Construction of the New Municipal Services Center

Municipal Order Awarding Bid for Purchase of Dispatch Center Workstations for the Henderson 911 Dispatch Center and Backup Center to Xybix Systems, Inc. of Littleton, Colorado

Municipal Order Accepting Agreement for Services between the City, Community Methodist Hospital, and Edumedics for Employee Clinic Services

Resolution Approving the Purchase of a Tract of Land by the City-County Airport for the Purchase Price of \$710,000.00

12. Unfinished Business:

13. City Manager's Report: Vision Plan Implementation

14. Commissioner's Reports:

15. Appointments:

16. Executive Session:

17. Miscellaneous:

18. Adjournment

Please mute or turn off all cell phones for the duration of this meeting.

**City Commission Memorandum
16-184**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners
FROM: Russell R. Sights, City Manager 
SUBJECT: Consent Agenda

The Consent Agenda for the meeting of August 23, 2016, contains the following:

Minutes: August 9, 2016 Regular Meeting

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of A Regular Meeting on August 09, 2016

A regular meeting of the Board of Commissioners of the City of Henderson, Kentucky, was held on Tuesday, August 09, 2016, at 5:30 p.m., prevailing time, in the third floor Assembly Room located in the Municipal Center Building at 222 First Street, Henderson, Kentucky.

INVOCATION was given by Father Anthony Shonis, Holy Name of Jesus Catholic Church, followed by Boy Scouts Isaac Myers, Brent Raleigh and Samuel Stevens leading the assemblage in recitation of the Pledge of Allegiance to our American Flag

There were present Mayor Steve Austin presiding:

PRESENT:

Commissioner Jesse Johnston, IV
Commissioner Robert M. (Robby) Mills
Commissioner X R. Royster, III

ABSENT:

Commissioner Jan Hite

ALSO PRESENT:

Mr. Russell R. Sights, City Manager
Mrs. Dawn Kelsey, City Attorney
Ms. Maree Collins, City Clerk
Mr. William L. Newman, Jr. Assistant City Manager
Mr. Brian Bishop, City-County Planning Director
Mr. Trace Stevens, Parks & Recreation Director
Master Samuel Stevens
Mr. Robert Gunter, Finance Director
Mr. Dylan Ward, Public Works Engineer
Mr. Bill Raleigh,
Master Brent Raleigh
Mr. Terry Berrong, Equipment Operator
Mrs. Judy Berrong
Mr. Tom Williams, HWU General Manager
Mr. Gary Quick, HMPL General Manager
Mr. Randall Redding
Mr. Myers
Master Isaac Myers
Mr. Tom Davis, Commission Candidate
Mr. Kiran Patel
Mr. Ron Jenkins
Ms. Laura Acchiardo, *the Gleaner*
Mr. Mike Richardson, Police Reserve Officer

PRESENTATION: “20-Year Service Award”

MAYOR AUSTIN expressed appreciation to Cemetery Equipment Operator Terry Berrong, for his 20 years of service and dedication to the City.

APPEARANCE OF CITIZENS:

Mr. Kiran Patel requested that the closing hours of the John F. Kennedy Community Center be extended for his annual event. Discussion was held regarding alternative locations and how best to accommodate exceptions to the closing hours and overtime expenses for the Center. Staff was instructed to review the resolution relating to the hours and fees for certain events meeting specific criteria and allow an appeals process for permitting extended hours for those

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specific events at the Center. A revised resolution will be presented to the Board of Commissioners at the August 23, 2016 meeting.

APPROVAL OF CONSENT AGENDA:

MAYOR AUSTIN asked the City Clerk to read the item on the Consent Agenda.

Minutes: July 26, 2016, Regular Meeting

Motion by Commissioner X R. Royster, seconded by Commissioner Robert M. Mills, to approve the Consent Agenda.

The vote was called. On roll call, the vote stood:

- Commissioner Mills ----- Aye:
Commissioner Johnston --- Aye:
Commissioner Hite ----- Absent:
Commissioner Royster ---- Aye:
Mayor Austin ----- Aye:

WHEREUPON, Mayor Austin declared the consent item approved.

/s/ Steve Austin
Steve Austin, Mayor
August 09, 2016

ATTEST:
Maree Collins, City Clerk

ORDINANCE NO. 27-16: SECOND READ
ORDINANCE AMENDING JOB CLASSIFICATION AND PAY PLAN

ORDINANCE AMENDING JOB CLASSIFICATION AND PAY PLAN BY ELIMINATING ONE (1) MAINTENANCE TECHNICIAN, SR. POSITION; ELIMINATING TWO (2) MAINTENANCE TECHNICIAN I POSITIONS; AND ADDING FOUR (4) MAINTENANCE TECHNICIAN II POSITIONS TO THE HENDERSON WATER UTILITY (HWU) BUDGETED POSITIONS AND JOB CLASSIFICATIONS OF THE 2016-2017 HWU BUDGET

MOTION by Commissioner X R. Royster, seconded by Commissioner Robert M. Mills, that the ordinance be adopted.

The vote was called. On roll call, the vote stood:

- Commissioner Mills ----- Aye:
Commissioner Johnston --- Aye:
Commissioner Hite ----- Absent:
Commissioner Royster ---- Aye:
Mayor Austin ----- Aye:

WHEREUPON, Mayor Austin declared the ordinance adopted, affixed his signature and the date thereto and ordered that the same be recorded.

/s/ Steve Austin
Steve Austin, Mayor
August 09, 2016

ATTEST:
Maree Collins, City Clerk

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MUNICIPAL ORDER 40-16:

MUNICIPAL ORDER AWARDING BID FOR THE PURCHASE OF A SMALL SUV AND A MID-SIZE FOUR DOOR SEDAN TO TOWN AND COUNTRY FORD OF EVANSVILLE, INDIANA, IN THE TOTAL AMOUNT OF \$39,585.00

MOTION by Commissioner Jesse Johnston, seconded by Commissioner Robert M. Mills to adopt the municipal order awarding the bid for the purchase of a 2017 Ford Escape and a 2017 Ford Fusion to Town and Country Ford of Evansville, Indiana in the low bid amount of \$39,585.00

MR. RUSSELL R. SIGHTS, City Manager, explained that the vehicles would be placed in the Finance Department and the Sanitation division of Public Works and that both of the vehicles came in under the budgeted amounts for a budgeted savings of \$6,715.00.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
Commissioner Johnston --- Aye:
Commissioner Hite ----- Absent:
Commissioner Royster ---- Aye:
Mayor Austin ----- Aye:

WHEREUPON, Mayor Austin declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Steve Austin
Steve Austin, Mayor
August 09, 2016

ATTEST:

Maree Collins, City Clerk _____

MUNICIPAL ORDER NO. 41-16:

MR. DYLAN WARD, Public Works Engineer, indicated that during the design phase of the Municipal Center Drive-thru Canopy project it was determined that the drive-thru surface would be in need of repair in a few years and that it would be better to replace the asphalt surface with concrete now rather than waiting to resurface the area after the canopy was in place. The concrete driving surface is more durable and will last much longer than the current asphalt surface.

MUNICIPAL ORDER NO. 41-16: MUNICIPAL ORDER APPROVING CHANGE ORDER #1 TO THE CONSTRUCTION CONTRACT BETWEEN THE CITY OF HENDERSON AND Q & S CONTRACTING, INC. REGARDING THE DRIVE-THRU CANOPY PROJECT FOR THE MUNICIPAL CENTER'S FINANCE DEPARTMENT, IN THE AMOUNT OF \$4,456.00

MOTION by Commissioner Robert M. Mills, seconded by Commissioner Jesse Johnston, to adopt the municipal order approving Change Order #1, in the amount of \$4,456.00, to the Q & S Contracting, Inc. Contract for installation of a concrete driving surface for the Municipal Center Drive-thru Canopy Project.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
Commissioner Johnston --- Aye:
Commissioner Hite ----- Absent:
Commissioner Royster ---- Aye:
Mayor Austin ----- Aye:

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WHEREUPON, Mayor Austin declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Steve Austin
Steve Austin, Mayor
August 09, 2016

ATTEST:

Maree Collins, City Clerk _____

RESOLUTION 43-16:

MRS. DAWN KELSEY, City Attorney, indicated that when the City and County began the 9-1-1 Enhancement Project the search began for a location to install collocation equipment. A water tower was looked at in an effort to save money; however the tower was not tall enough to reach the appropriate area. At that point cell towers were looked at and the Crown Castle Sugar Tree Tower between Smith Mills and Corydon was available and negotiations began. During these negotiations Crown Castle expressed interest in placing equipment on the 9-1-1 tower at the new Municipal Services Center on Corporate Court. Space for space was negotiated. We will have three collocations placed on the Sugar Tree Tower and Crown Castle will place three collocations on our Municipal Services Center Tower. In addition Crown Castle will manage and market our tower for us and will share revenues fifty-fifty with us for any other collocation equipment placed on the tower. Any monies received under this Agreement would be placed into the 9-1-1 Fund. The two items for your review tonight are a resolution for a Utility Agreement with Crown Castle allowing Crown Castle or any of their subs to come onto the Municipal Services Center property to service the tower and a municipal order approving both the Sugar Tree Agreement allowing us to place equipment on that tower and the Master Lease Agreement for the placement of Crown Castle equipment and management of our tower. Due to the Interlocal Agreement between the City and County for 9-1-1 services, the latter Agreements will also require Fiscal Court approval. Mrs. Kelsey indicated that this arrangement should save a substantial amount of money and the fees to install the equipment on the Sugar Tree Tower will be paid by Motorola as part of their contract.

RESOLUTION 43-16: RESOLUTION ACCEPTING UTILITY EASEMENT AGREEMENT BETWEEN THE CITY OF HENDERSON AND CROWN CASTLE TOWERS 06-2, LLC, AND AUTHORIZING MAYOR TO EXECUTE AGREEMENT

MOTION by Commissioner Jesse Johnston, seconded by Commissioner X R. Royster, to adopt the resolution accepting the Utility Easement Agreement between the City of Henderson and Crown Castle Towers 06-2, LLC for the installation, operation, and maintenance of a communication tower located at the new Municipal Service Center property on Corporate Court.

COMMISSIONER MILLS asked for clarification on the fees Motorola would be paying. Mrs. Kelsey explained that there are FCC fees in addition to the equipment installation fees that are included in the Motorola Contract for 9-1-1 equipment and services.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
Commissioner Johnston --- Aye:
Commissioner Hite ----- Absent:
Commissioner Royster ---- Aye:
Mayor Austin ----- Aye:

WHEREUPON, Mayor Austin declared the resolution adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Steve Austin
Steve Austin, Mayor
August 09, 2016

ATTEST:

Maree Collins, City Clerk _____

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of A Regular Meeting on August 09, 2016

MUNICIPAL ORDER NO. 42-16:

MUNICIPAL ORDER ACCEPTING GOVERNMENTAL ENTITY TOWER LICENSE AGREEMENT FROM CROWN CASTLE SOUTH, LLC FOR THE CITY OF HENDERSON AND HENDERSON COUNTY TO PLACE 911 EQUIPMENT ON CROWN CASTLE'S SUGAR TREE TOWER AND ACCEPTING MASTER LEASE OPTION BETWEEN CROWN CASTLE SOUTH, LLC, THE CITY OF HENDERSON AND HENDERSON COUNTY TO ALLOW CROWN CASTLE TO PLACE ON THE 911 TOWER AT THE MUNICIPAL SERVICE CENTER THREE COLLOCATIONS FREE OF CHARGE AND TO SHARE FIFTY PERCENT (50%) OF THE REVENUE FOR ANY ADDITIONAL COLLOCATIONS PLACED ON THE 911 TOWER

MOTION by Commissioner Robert M. Mills, seconded by Commissioner Jesse Johnston, to adopt the municipal order approving the Governmental Entity Tower License Agreement between the City, Henderson County and Crown Castle South, LLC for the placement of 9-1-1 equipment on Crown Castle's Sugar Tree Tower and approving the Master Lease Option between the City, Henderson County and Crown Castle South, LLC allowing Crown Castle to place three collocations on the 9-1-1 tower at the Municipal Services Center free of charge and to manage and market that tower in exchange for a fifty percent share of the revenue for any additional collocations placed.

COMMISSIONER JOHNSTON expressed his appreciation to staff and others for their hard work on negotiating this arrangement that will save the City and the County funds.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
Commissioner Johnston --- Aye:
Commissioner Hite ----- Absent:
Commissioner Royster ---- Aye:
Mayor Austin ----- Aye:

WHEREUPON, Mayor Austin declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Steve Austin
Steve Austin, Mayor
August 09, 2016

ATTEST:

Maree Collins, City Clerk _____

RESOLUTION 44-16:

MAYOR AUSTIN indicated that the Henderson Air Board negotiated to purchase a tract of land for future runway expansion and other improvements to the airport. The Air Board will be purchasing the property that will be jointly owned by the City and the County.

RESOLUTION 44-16: RESOLUTION APPROVING THE PURCHASE OF A TRACT OF LAND BY THE CITY-COUNTY AIRPORT BOARD FOR THE PURCHASE PRICE OF \$25,000.00, AND AUTHORIZING MAYOR TO EXECUTE DEED FOR PURCHASE ON BEHALF OF THE CITY

MOTION by Commissioner X R. Royster, seconded by Commissioner Robert M. Mills, authorizing the purchase with Henderson County of a tract of land located on the south side of Kentucky 136 on the eastern edge of Geneva, Kentucky, to be managed by the Henderson City-County Air Board for future expansion and improvement to the airport.

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of A Regular *Meeting on* August 09, 2016

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
 Commissioner Johnston --- Aye:
 Commissioner Hite ----- Absent:
 Commissioner Royster ---- Aye:
 Mayor Austin ----- Aye:

WHEREUPON, Mayor Austin declared the resolution adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Steve Austin
 Steve Austin, Mayor
 August 09, 2016

ATTEST:

Maree Collins, City Clerk _____

CITY MANAGER’S REPORT:

MR. RUSSELL R. SIGHTS, City Manager, indicated that Mr. Tom Williams, HWU General Manager, had previously reported that the Consents for Annexation had been obtained for certain properties in The Finley Addition subdivision area that have been approved for sewer service outside of the city limits. At this time staff is requesting that the Board authorize forwarding this request for annexation to the Planning Commission for zoning designation recommendations on each of the properties.

Motion by Commissioner Robert M. Mills, seconded by Commissioner X R. Royster, authorizing submittal of the request to the Planning Commission for recommendation on zoning designations for each of the properties included in this request for annexation.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
 Commissioner Johnston --- Aye:
 Commissioner Hite ----- Absent:
 Commissioner Royster ---- Aye:
 Mayor Austin ----- Aye:

MR. RUSSELL R. SIGHTS, City Manager, reported that the Evansville Metropolitan Planning Organization has put out the ‘Annual Call for Projects’ with an application deadline of August 17, 2016. Staff met with EMPO personnel to discuss possible projects and recommends submittal of a construction project for North Elm Street. Mr. Sights also indicated that there most likely would be at least a 20% match on the project, if it were to be funded.

Discussion was held on what portion of North Elm Street to include for improvements and if any other collector roads, such as Watson Lane between US 60 and US 41, could be included to help mitigate traffic along the U S Highway 41 North corridor until the new river crossing is built.

Approval was given to include the North Elm Street and Watson Lane construction projects in the listing of Projects eligible for Surface Transportation Program funds with formal action to be taken by the Board if the projects were to be chosen and approved for construction.

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of _____ *A Regular* _____ *Meeting on* _____ *August 09, 2016*

COMMISSIONER'S REPORT:

COMMISSIONER ROBERT M. MILLS congratulated Mayor Austin and staff on the State of the City Address. He further indicated that he is amazed and proud to think about all of the projects that this Board has accomplished over the past three or four years that have had such a positive impact in our community.

COMMISSIONER X R. ROYSTER indicated that he met with the Justice Coalition and they requested that bus service be provided to the Farmer's Market, the Extension Office and Matthew 25. Commissioner Royster asked that staff review the requested routes to see what could be done to not only provide service, but to promote those additions. Mayor Austin indicated that he felt that it would be appropriate to review the various routes to provide service to those areas. Mr. Sights indicated that staff would assess the request and may bring those findings to a work session. Mayor Austin further indicated that one of the Henderson Leadership Initiative groups was also studying the various bus route needs as their project.

MAYOR AUSTIN reported that in the last legislative session changes were made to the division of 9-1-1 cell phone fees at the state level and communities will be receiving a small increase in funds from those fees. This increase in funds will be used to help offset the 9-1-1 Enhancement Project costs.

EXECUTIVE SESSION: Real Estate and Litigation

MOTION by Commissioner X R. Royster, seconded by Commissioner Robert M. Mills, to go into Executive Session for the purpose of deliberation on the possible future purchase or sale of real estate pursuant to KRS 61.810 (1) (b) located in the area between First and Third Streets and Green Street and Carlisle Street; and pursuant to KRS 61.810 (1) (c) for the discussion of pending or proposed litigation against the City.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
 Commissioner Johnston --- Aye:
 Commissioner Hite ----- Absent:
 Commissioner Royster ---- Aye:
 Mayor Austin ----- Aye:

MEETING RECONVENED:

MOTION by Commissioner X R. Royster, seconded by Commissioner Jesse Johnston, the Board of Commissioners reconvened in regular session.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
 Commissioner Johnston --- Aye:
 Commissioner Hite ----- Absent:
 Commissioner Royster ---- Aye:
 Mayor Austin ----- Aye:

CITY OF HENDERSON – RECORD BOOK

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MEETING ADJOURN:

MOTION by Commissioner Robert M. Mills, seconded by Commissioner X R. Royster, to adjourn the meeting.

The vote was called. On roll call, the vote stood:

Commissioner Mills ----- Aye:
Commissioner Johnston --- Aye:
Commissioner Hite ----- Absent:
Commissioner Royster ---- Aye:
Mayor Austin ----- Aye:

WITHOUT OBJECTION, Mayor Austin declared the Meeting adjourned at approximately 7:30 p.m.

ATTEST:

Steve Austin, Mayor
August 23, 2016

Maree Collins, City Clerk

**City Commission Memorandum
16-183**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners
FROM: Russell R. Sights, City Manager *RS/ld*
SUBJECT: 2016 Property Tax Rates

An item for the agenda of Tuesday, August 23, 2016, is first reading of an ordinance establishing the 2016 tax rate.

As discussed during the preparation of the 2017 budget, the Board of Commissioners resolved to use the compensating rate for the property tax calculation. Based on the 2016 assessment total provided by Mr. Howard Moran, Property Valuation Administrator, the compensating rate will give the City approximately the same revenue as in 2015.

As proposed, the following rates will apply for each \$100.00 of fair market value:

	RATE	CHANGE
Real Property:	\$0.6110	\$0.0200
Personal Property:	\$0.8810	\$0.0680
Motor Vehicles/Watercraft:	\$0.3927	- 0 -

The Real Property and Personal Property rates are \$.020 higher and \$.068 higher than last year, respectively. The Motor Vehicles/Watercraft rate is statutorily frozen at 1984 levels.

The proposed levy will generate an additional \$363,550 to the City, with \$312,529 from real property and \$51,021 from personal property. The Real Property increase is attributable to new construction activity and/or updated assessments.

The 2016 tax bill is due in full not later than January 3, 2017. Payment prior to the end of business on November 16, 2016 will result in a one percent (1%) discount of the tax.

As you may note, no public hearing has been scheduled this year. A public hearing is required only if the tax rate levied exceeds the compensating rate under KRS 132.07(1).

Your approval of the attached ordinance is requested.

c: Robert Gunter
Dawn Kelsey

FINANCE DEPARTMENT MEMORANDUM
16 – 53 Revised

August 18, 2016

TO: Russell Sights, City Manager

FROM: Robert Gunter, Finance Director

SUBJECT: 2016 Property Tax Rates

Attached is a copy of the 2016 property tax rate calculation. This calculation is done after we receive word from Mr. Howard Moran, Property Valuation Administrator, that the Kentucky Department of Revenue has certified the assessments. These assessment totals are used for the tax rate calculation. The calculation gives the City two choices of real estate tax rates based on the 2016 assessments. Rate I, the compensating rate, gives the City approximately the same revenue in 2016 as in 2015, based on the 2016 assessment total. Rate II, the 4% increase rate, gives the City approximately 4% more revenue in 2016 than in 2015, excluding new property. A public hearing is required, per K.R.S. 132.027, to hear comments from the public if a tax rate is levied that exceeds the compensating rate. Any tax rate or revenue higher than the 4% is subject to a recall vote.

Since 1991, a calculation must be made for personal property based on the real estate rate selected. This does not include motor vehicles and watercraft as these are not billed or collected directly by the City. Taxes for vehicles and watercraft are collected by the County Court Clerk at the time of registration and remitted monthly, less the 4% collection fee, to the City. The vehicle rate is frozen at the 1984 rate, \$.3927 per House Bill 44.

The 2016 calculation for the compensating real estate rate results in a rate of \$.611 per \$100 assessment, an increase of \$.020 with an increase in revenue of \$312,529. Real estate assessments went up \$13,849,653 or 1.22% from 2015 to 2016. Anticipated 2016 revenue from real property is \$7,047,200 compared to \$6,734,671 in 2015.

The compensating rate for personal property is \$.881 per \$100 assessment, which would result in an increase of \$.068. The rate would generate revenue in the amount of \$1,151,407. The reason for the large increase in the rate is because the personal property assessments were down \$4,655,677 from 2015.

There have been other years that the personal property tax rate was set at less than the compensating rate. For informational purposes, for every \$.01 change in the rate, changes personal property tax revenue by approximately \$13,069. A rate of \$.813 generates \$1,062,536, \$.823 generates \$1,075,605, \$.833 generates \$1,088,674, and \$.843 generates \$1,101,743 or approximately \$1,357 more than 2015.

Finance Department Memorandum
Russell Sights, City Manager
August 18, 2016 - Page Two

The total possible revenue from both real and personal is \$8,198,607 and based on our average collection rate of 98.9%, the property tax revenue should be approximately \$8,108,422. The budget for the gross property tax revenue in the General for fiscal 2017 is \$7,985,000.

The property tax revenue will be placed in the General Fund and transferred to the Police and Fire Pension and Civil Service Pension funds when funds are needed.

Transfers from other resources in the General, Gas, and Sanitation funds to the Bond fund in the amount of \$1,416,000 will be made to fulfill obligations for the 2007, 2010B, 2011A, 2015A, and 2016A general obligation bonds. These transfers as well as contributions from HWU will be enough to fund all principal and interest payments and this action will eliminate the need for property taxes in the Bond Fund for fiscal 2017.

The time period for paying taxes with a discount, through November 16th, is 54 days. Traditionally, the City allows payments without penalty the first working day in January to allow individuals latitude in planning income tax deductions. In 2017, the first day that City offices will be open is Tuesday, January 3rd; therefore, payments can be made that day without penalty.

Please contact me if you have any questions or need additional information.



Robert Gunter

Enclosures

Cc Brian Toy
Kay Mulligan

CITY OF HENDERSON
PROPERTY TAX RATE CALCULATION WORKSHEET
2016

Item		
1	2015 Actual Tax Rate (per \$100) Real Property	0.5910
2	2015 Actual Tax Rate (per \$100) Personal Property	0.8130
3	2015 Total Property subject to Rate	\$ 1,274,887,090
4	2015 Real Property subject to Rate	\$ 1,139,538,236
5	2016 Total Property subject to Rate	\$ 1,284,081,066
6	2016 Real Property Subject to Rate	\$ 1,153,387,889
7	2016 New Property net of Deletions (KRS 132.010)	\$ (502,955)
8	Increase in HEX (not needed for calculation)	
9	2015 Personal Property Subject to Rate	\$ 135,348,854
10	2016 Personal Property Subject to Rate	\$ 130,693,177

REAL PROPERTY

I. Compensating Rate for 2016

Rate I (Round Up)

Item 4 divided by 100 X Item 1 = A	\$ 6,734,671
A divided by (Item 6 minus Item 7) X 100 = Rate I	<u>0.584</u>

Check for minimum revenue limit on compensating rate for 2016

Substitute for Rate I (round up)

Item 5 divided by 100 X Rate I = 2016 Total Revenue	\$ 7,499,033
Item 4 divided by 100 X Item 1 = 2015 Revenue (RE)	\$ 6,734,671
Item 9 divided by 100 X Item 2 = 2015 Revenue (PP)	\$ 1,100,386
2015 Revenue (RE) + 2015 Revenue (PP) = Grand Total 2015 Revenue (C)	\$ 7,835,057
2015 Rev divided by Item 5 X 100	0.611
(Use if 2015 calculation of revenue is greater than 2016)	

II. Rate Allowing 4% Increase in Revenue for Real Property

Rate II (round down)

(Item 6 minus Item 7) divided by 100 X Rate I or Sub Rate=B	\$ 7,050,273
B X 1.04 divided by (Item 6 minus Item 7) X 100 =Rate II	<u>0.635</u>

PERSONAL PROPERTY

2016 PP Rate (using the compensating rate)

Item 6 divided by 100 X 2016 Rate (RE) = 2016 Revenue (RE)	\$ 7,047,200
Item 4 divided by 100 X Item 1 = 2015 Revenue (RE)	\$ 6,734,671
2016 Revenue (RE) minus 2015 Revenue (RE) = \$ increase 2015 over 2015	\$ 312,529
\$ Increase 2016 over 2015 divided by 2015 Revenue (RE) = D (% Increase)	4.6%
Item 2 X Item 9 divided by 100 = 2015 Revenue (PP)	\$ 1,100,386
2015 Revenue (PP) X (D+1.0) = 2016 \$ Minimum (PP)	\$ 1,151,004
2016 \$ Minimum (PP) divided by Item 10 X 100 = 2016 Rate (PP)	<u>0.881</u>

2016 PP Rate (using 4% real rate)

Item 6 divided by 100 X 2016 Rate (RE) = 2016 Revenue (RE)	\$ 7,324,013
Item 4 divided by 100 X Item 1 = 2015 Revenue (RE)	\$ 6,734,671
2016 Revenue (RE) minus 2015 Revenue (RE) = \$ increase 2016 over 2015	\$ 589,342
\$ Increase 2016 over 2015 divided by 2015 Revenue (RE) = D (% increase)	8.8%
Item 2 X Item 9 divided by 100 = 2015 Revenue (PP)	\$ 1,100,386
2015 Revenue (PP) X (D+1.0) = 2016 \$ Minimum (PP)	\$ 1,197,220
2016 \$ Minimum (PP) divided by Item 10 X 100 = 2016 Rate (PP)	<u>0.916</u>

2016 TAX BREAKDOWN PROJECTION

	<u>TOTAL BILLING</u>	<u>POLICE AND FIRE PENSION</u>	<u>CIVIL SERVICE PENSION</u>	<u>BOND FUND</u>	<u>GENERAL</u>
REAL ESTATE ASSESSMENT	\$ 1,153,387,889				
REAL ESTATE TAX RATE	0.611	0.0000	0.0000	0.0000	0.6110
TOTAL REAL ESTATE REVENUE	\$ 7,047,200	\$ -	\$ -	\$ -	\$ 7,047,200
PERSONAL PROPERTY ASSESSMENT	\$ 130,693,177				
PERSONAL PROPERTY TAX RATE	0.881	0.0000	0.0000	0.0000	0.8810
TOTAL PERSONAL PROPERTY REVENUE	\$ 1,151,407	\$ -	\$ -	\$ -	\$ 1,151,407
TOTAL POSSIBLE TAX REVENUE	8,198,607	-	-	-	8,198,607
	100.000%	0.000%	0.000%	0.000%	100.000%
AVERAGE COLLECTED 98.9%	\$ 8,108,422	\$ -	\$ -	\$ -	\$ 8,108,422

REAL ESTATE REVENUE/RATE COMPARISONS

2015 versus 2016

COMPENSATING RATE			
TAX YEAR	ASSESSMENT	RATE PER \$100	REVENUE
2015	\$ 1,139,538,236	0.591	\$ 6,734,671
2016	\$ 1,153,387,889	0.611	\$ 7,047,200
DIFFERENCE	\$ 13,849,653	0.020	\$ 312,529

4% INCREASE IN REVENUE RATE			
TAX YEAR	ASSESSMENT	RATE PER \$100	REVENUE
2015	\$ 1,139,538,236	0.591	\$ 6,734,671
2016	\$ 1,153,387,889	0.635	\$ 7,324,013
DIFFERENCE	\$ 13,849,653	0.044	\$ 589,341

REAL ESTATE TAX BILL COMPARISON
2015 versus 2016

		\$50,000 ASSESSMENT		
		2015 Bill	2016 COMPENSATING RATE	2016 4% INCREASE RATE
RATE		0.591	0.611	0.635
BILL	\$	<u>295.50</u>	\$ <u>305.50</u>	\$ <u>317.50</u>
DIFFERENCE			\$ 10.00	\$ 22.00

		\$75,000 ASSESSMENT		
		2015 Bill	2016 COMPENSATING RATE	2016 4% INCREASE RATE
RATE		0.591	0.611	0.635
BILL	\$	<u>443.25</u>	\$ <u>458.25</u>	\$ <u>476.25</u>
DIFFERENCE			\$ 15.00	\$ 33.00

		\$100,000 ASSESSMENT		
		2015 Bill	2016 COMPENSATING RATE	2016 4% INCREASE RATE
RATE		0.591	0.611	0.635
BILL	\$	<u>591.00</u>	\$ <u>611.00</u>	\$ <u>635.00</u>
DIFFERENCE			\$ 20.00	\$ 44.00

		\$125,000 ASSESSMENT		
		2015 Bill	2016 COMPENSATING RATE	2016 4% INCREASE RATE
RATE		0.591	0.611	0.635
BILL	\$	<u>738.75</u>	\$ <u>763.75</u>	\$ <u>793.75</u>
DIFFERENCE			\$ 25.00	\$ 55.00

EVERY \$10,000 ASSESSMENT WILL CHANGE 2015 BILL FROM 2014 BILL BY THE FOLLOWING AMOUNTS:

	COMPENSATING RATE	4% INCREASE RATE
	\$ 2.00	\$ 4.40

PERSONAL PROPERTY REVENUE / RATE COMPARISONS

2015 versus 2016

PERSONAL PROPERTY RATE WITH COMPENSATING REAL ESTATE RATE				
TAX YEAR	ASSESSMENTS	RATE PER \$100	REVENUE	
2015	\$ 135,348,854	0.813	\$	1,100,386
2016	\$ 130,693,177	0.881	\$	1,151,407
DIFFERENCE	\$ (4,655,677)	0.068	\$	51,021

PERSONAL PROPERTY RATE WITH 4% INCREASE REAL ESTATE RATE				
TAX YEAR	ASSESSMENTS	RATE PER \$100	REVENUE	
2015	\$ 135,348,854	0.813	\$	1,100,386
2016	\$ 130,693,177	0.916	\$	1,197,150
DIFFERENCE	\$ (4,655,677)	0.103	\$	96,764

CITY OF HENDERSON
10 YEAR TAX HISTORY

REAL ESTATE

<u>TAX YEAR</u>	<u>TAX RATE PER \$100 ASSESSMENT</u>	<u>REAL ESTATE TAXABLE VALUATIONS</u>	<u>INCREASE/ (DECREASE)</u>
2007	0.4400	1,007,359,737	94,651,744
2008	0.4600	1,051,672,898	44,313,161
2009	0.4660	1,071,440,912	19,768,014
2010	0.4860	1,079,090,080	7,649,168
2011	0.5210	1,095,300,560	16,210,480
2012	0.5420	1,101,286,362	5,985,802
2013	0.5610	1,107,274,811	5,988,449
2014	0.5770	1,121,833,378	14,558,567
2015	0.5910	1,139,538,236	17,704,858
2016	0.6110	1,153,387,889	13,849,653

PERSONAL PROPERTY

<u>TAX YEAR</u>	<u>TAX RATE PER \$100 ASSESSMENT</u>	<u>PERSONAL PROPERTY TAXABLE VALUATIONS</u>	<u>INCREASE/ (DECREASE)</u>
2007	0.6680	113,281,793	4,181,966
2008	0.6880	120,010,907	6,729,114
2009	0.5900	144,538,794	24,527,887
2010	0.7140	125,452,216	(19,086,578)
2011	0.7430	131,246,205	5,793,989
2012	0.7500	133,507,771	2,261,566
2013	0.7500	135,467,778	1,960,007
2014	0.8000	132,313,682	(3,154,096)
2015	0.8130	135,348,854	3,035,172
2016	0.8810	130,693,177	(4,655,677)

Timeline of Adoption of the Property Tax Ordinance and Mailing of Tax Bills

	Public Hearing	First Reading	Second Reading	Discount End Date	Mail Date	Days in Discount
2007	9/11/2007	9/11/2007	9/25/2007	11/16/2007	10/5/2007	52
2008	9/9/2008	9/9/2008	9/23/2008	11/20/2008	9/26/2008	55
2009	Not needed	9/8/2009	9/22/2009	11/19/2009	9/25/2009	55
2010	Not needed	8/24/2010	9/14/2010	11/17/2010	9/17/2010	61
2011	9/13/2011	9/13/2011	9/27/2011	11/16/2011	9/30/2011	47
2012	Not needed	9/11/2012	9/25/2012	11/15/2012	9/28/2012	48
2013	Not needed	8/27/2013	9/10/2013	11/14/2013	9/16/2013	59
2014	Not needed	8/26/2014	9/9/2014	11/19/2014	9/19/2014	61
2015	Not needed	8/25/2015	9/8/2015	11/17/2015	9/18/2015	60
2016	Not needed	8/23/2016	9/13/2016	11/16/2016	9/23/2016	54

History of Property Tax Rates

Final Reading	Real Property	Personal Property	Resulting Tax Income	Increase from Prior Year
September 25, 2007	0.440 4% increase	0.668 4% increase	\$ 5,256,293.00	\$ 513,159.00
September 23, 2008	0.460 4% increase	0.688 4% increase	\$ 5,668,387.00	\$ 412,094.00
September 22, 2009	0.466 Compensating Rate	0.590 Compensating Rate	\$ 5,741,627.00	\$ 73,240.00
September 14, 2010	0.486 Compensating Rate	0.714 Compensating Rate	\$ 6,019,315.00	\$ 277,688.00
September 27, 2011	0.521 4% increase	0.743 4% increase	\$ 6,502,704.00	\$ 483,389.00
September 25, 2012	0.542 Compensating Rate	0.750 Less than compensating rate	\$ 6,970,280.00	\$ 467,576.00
September 10, 2013	0.561 Compensating Rate	0.750 Less than compensating rate	\$ 7,227,820.00	\$ 257,540.00
September 9, 2014	0.577 Compensating Rate	0.800 Compensating Rate	\$ 7,531,488.00	\$ 303,668.00
September 8, 2015	0.591 Compensating Rate	0.813 Compensating Rate	\$ 7,835,057.00	\$ 303,569.00
September 13, 2016	0.611 Compensating Rate	0.881 Compensating Rate	\$ 8,198,607.00	\$ 363,550.00

ORDINANCE NO. _____

ORDINANCE PROVIDING FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES

SUMMARY: AN ORDINANCE OF THE CITY OF HENDERSON, KENTUCKY PROVIDING FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING JULY 1, 2016, AND PROVIDING FOR THE TIME OF PAYMENT FOR SUCH TAXES, PENALTY, INTEREST AND DISCOUNT

BE IT ORDAINED by the City of Henderson, Kentucky as follows:

SECTION I: An Ad Valorem Tax of Sixty One and Ten Hundredths Cents (\$.6110) on each One Hundred Dollars (\$100.00) of the fair market value of all real property and Eighty Eight and Ten Hundredths Cents (\$.8810) on each One Hundred Dollars (\$100.00) of the fair market value on all tangible personal property, excluding motor vehicles and watercraft, and Thirty Nine and Twenty Seven Hundredths Cents (\$.3927) on each One Hundred Dollars (\$100.00) of the fair market value on all motor vehicles and watercraft within the City of Henderson, Kentucky, (within the corporate limits of said City or having a taxable situs within the City), as of January 1, 2016, that is subject to taxation for City purposes, and upon all franchises taxable for City purposes is hereby levied and directed to be collected thereon for the fiscal year beginning July 1, 2016, for the following separate and exclusive purposes:

	<u>Real Property</u>	<u>Personal Property</u>	<u>Motor Vehicles/ Watercraft</u>
General Fund Operations	\$ <u>.6110</u>	\$ <u>.8810</u>	\$ <u>.3927</u>
TOTAL TAX RATE:	\$.6110	\$.8810	\$.3927

SECTION II: The Finance Director of the City is hereby designated as the Tax Collector of and for the City of Henderson, Kentucky, for the fiscal year beginning July 1, 2016. The ad valorem taxes on motor vehicles will be collected by the County Court Clerk pursuant to KRS 132.487.

SECTION III: All Ad Valorem taxes levied by the City of Henderson for the year 2016 shall be due and payable as soon as the tax bills are placed in the hands of the tax collector.

SECTION IV: A taxpayer, who pays his tax bill for the year 2016 on or before November 16, 2016 shall receive a discount equal to One Percentum (1%) of the amount of tax so paid.

SECTION V: No interest or penalty shall be charged for Ad Valorem taxes levied for the year 2016 until January 3, 2017. In the event all or any portion of a taxpayer's Ad Valorem taxes levied for the year 2016 shall be unpaid on January 3, 2017, the amount so unpaid shall bear interest equal to Six Percentum (6%) per annum until paid, and a penalty equal to Ten Percentum (10%) of the tax not theretofore paid shall be added to the bill.

SECTION VI: Payment for Ad Valorem property taxes can be accepted in person or by mail at 222 First St, Henderson, KY or payment may be made on the City's website at www.cityofhendersonky.org.

SECTION VII: All bills for Ad Valorem taxes on property will be delivered via U.S. mail.

SECTION VIII: All property assessments were completed by the Henderson County Property Valuation Administrator.

SECTION IX: Any phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since same would have been enacted by the Board of Commissioner without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section, and said remaining portions shall remain in full force and effect.

All ordinances or parts of ordinances in conflict herewith are hereby repealed and superseded to the extent of such conflict.

This ordinance shall become effective upon its legal adoption.

On first reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted on its first reading. On roll call the vote stood:

Commissioner Mills: _____	Commissioner Royster: _____
Commissioner Johnston: _____	Mayor Austin: _____
Commissioner Hite: _____	

WHEREUPON, Mayor Austin declared the ordinance adopted on first reading and ordered that it be presented for a second reading at a meeting of the Board of Commissioners.

On second reading of the ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted.

WHEREUPON, the vote was called. On roll call the vote stood:

Commissioner Mills: _____	Commissioner Royster: _____
Commissioner Johnston: _____	Mayor Austin: _____
Commissioner Hite: _____	

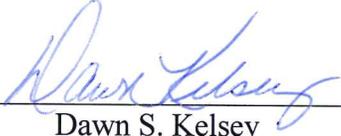
WHEREUPON, Mayor Austin declared the ordinance adopted, affixed his signature and the date and ordered that it be recorded.

Steve Austin, Mayor
Date: _____

ATTEST:

Maree Collins, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 18 DAY OF
AUGUST, 2016.**

By: 

Dawn S. Kelsey
City Attorney

**City Commission Memorandum
16-182**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners
FROM: Russell R. Sights, City Manager 
RE: John F. Kennedy Center Fee Schedule

The accompanying resolution sets the fee schedule for facility use at the John F. Kennedy Center effective August 24, 2016.

The proposed changes reflect discussion and direction from the August 9, 2016 Regular Meeting.

Your approval of the attached resolution is requested.

c: Trace Stevens

**Park and Recreation Memorandum
16-16**

Thursday, August 11, 2016

TO: Russell Sights, City Manager

CC: Dawn Kelsey, City Attorney
Lynn Drew, Executive Assistant

FROM: Trace Stevens, CPRP, Park and Recreation Director

SUBJECT: JFK Rental Overtime Hours

In response to a request by Kiran Patel for extended rental hours at the JFK Community Center for an event, the Mayor and Board of Commissioners directed that City staff explore a policy that would allow extended rental hours on Fridays and Saturdays. Attached is the resolution proposed by staff that would offer extended rental hours at the JFK for specific purposes.

The ending hours would be extended on Fridays and Saturdays from 11 PM to 1 AM at a rate of \$150 per hour. It would also require that the extended hour event be one that “promotes tourism.”

Attachment: Resolution

RESOLUTION NO. _____

RESOLUTION SETTING FEE SCHEDULE FOR FACILITY USE AT THE JOHN F. KENNEDY CENTER AS AUTHORIZED BY CHAPTER 17 OF THE CODE OF ORDINANCES OF THE CITY OF HENDERSON, KENTUCKY EFFECTIVE AUGUST 24, 2016

BE IT RESOLVED by the City of Henderson, Kentucky that the fee schedule for the use of the John F. Kennedy Center shall be as follows effective August 24, 2016:

<u>John F. Kennedy Center:</u>	<u>Fee:</u>
Facility Rental (Mon. – Thur.)	\$ 20.00* per hour
OR 8:00 a.m. – 9:00 p.m. (Mon. – Thur.)	\$240.00*
Facility Rental (Fri. - Sun.)	\$ 25.00* per hour
OR 8:00 a.m. – 11:00 p.m. (Fri. - Sun.)	\$300.00*
Facility Rental Afterhours Fri-Sat. for Event Promoting Tourism***	
11 p.m.-1 a.m.	\$150.00* per hour
Reservation deposit	50% of total rental**
Cleaning/Security deposit	\$ 50.00****
Set-up fee for tables and chairs	\$ 30.00 in addition to rental fees
Tear-down fee for tables and chairs	\$ 30.00 in addition to rental fees

* Rentals include the entire facility EXCEPT the Weight Room, Offices and Storage Spaces.

** The reservation deposit shall be paid to reserve the facility which deposit shall be applied to the total rental fee; however, such deposit shall be forfeited to the City if the renter fails to give Park Administration Office a minimum of seven (7) days written (or in person) notice of cancellation.

***The Facility may be rented for after hour rentals on Friday or Saturday night wherein the event being held at the center will promote the City of Henderson as a tourism destination and is approved by the Board of Commissioners at least 45 days prior to the event.

**** The cleaning/security deposit shall be collected prior to all rentals and shall be returned to the renter if the facility is not damaged, is left in the same state of cleanliness as it was at the time of rental, and if not, such deposit shall be forfeited to the City to defray its costs to clean and/or repair the facility. The determination of whether forfeiture shall occur is within the sole discretion of the City Manager or his designee.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Resolution be adopted, the vote was called.
On roll call the vote stood:

Commissioner Mills: _____ Commissioner Royster: _____
Commissioner Johnston: _____ Mayor Austin: _____
Commissioner Hite: _____

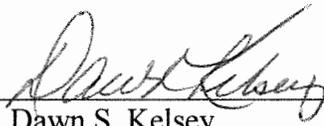
WHEREUPON, Mayor Austin declared the Resolution adopted, affixed his signature and the date thereto and ordered that the same be recorded.

Steve Austin, Mayor
Date: _____

ATTEST:

Maree Collins, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 15 DAY OF
AUGUST, 2016.**

By: 
Dawn S. Kelsey
City Attorney

City Commission Memorandum
16-186

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners
FROM: Russell R. Sights, City Manager *RS*
SUBJECT: Resolution Relating to Financing Capital Improvements

Attached is a resolution submitted for your consideration relating to the financing of capital expenditures to be made from subsequent borrowings.

In order to be eligible to receive reimbursement from bonds for expenses incurred prior to the bond sale, the Commission must approve a reimbursement resolution.

This resolution declares that the City reasonably expects to finance the costs of acquisition of real property in the amount of \$4,500,000.00 by issuing one or more series of bonds or bond anticipation notes. In order for the City to be eligible to receive reimbursement from those bonds for expenses incurred prior to the bond sale, the Commission must approve a reimbursement resolution.

Your approval of the attached resolution is requested.

c: Robert Gunter

FINANCE DEPARTMENT MEMORANDUM
16-52

August 18, 2016

TO: Russell Sights, City Manager
FROM: Robert Gunter, Finance Director
SUBJECT: Reimbursement Resolution

In order to for the City of Henderson to be reimbursed for any expenditure related to a new fire station, a reimbursement resolution must be passed by the Board of Commissioners within 60 days of the original expenditure.

Our bond counsel has provided us with the attached resolution. The resolution will allow us to include expenditures related to land acquisition, architectural, design, demolition, construction, etc. Total expenses, including issuance costs, are estimated to be \$4.5 million.

Passage of the resolution does not mandate that the City issue the bonds. If it is decided later to use reserves, reduce, delay, or abandon the project, the resolution will simply expire. Before bonds are actually sold, an ordinance will be presented to the Board.

Staff will be available to answer any questions.



Robert Gunter

Attachment: 1

RESOLUTION NO. _____

**RESOLUTION DECLARING THE OFFICIAL INTENT OF
THE CITY OF HENDERSON, KENTUCKY WITH
RESPECT TO REIMBURSEMENT OF TEMPORARY
ADVANCES MADE FOR CAPITAL EXPENDITURES TO
BE MADE FROM SUBSEQUENT BORROWINGS**

WHEREAS, Treasury Regulation § 1.150-2 (the "Reimbursement Regulations"), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under Section 150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that an Issuer (as hereinafter defined) make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty days after payment of the Capital Expenditure and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three years after such Capital Expenditure was paid; and

WHEREAS, the City of Henderson, Kentucky (the "Issuer") wishes to ensure compliance with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved by the City Commission of the City of Henderson, as follows:

Section 1. Definitions. The following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to reimburse the Issuer for such payments. "To allocate" means to make such an Allocation.

"Capital Expenditure" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

"Declaration of Official Intent" means a written declaration that the Issuer intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"Reimbursement" means the restoration to the Issuer of money temporarily advanced from other funds, including moneys borrowed from other sources, of the Issuer to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. "To reimburse" means to make such a restoration.

"Reimbursement Bonds" means Obligations that are issued to reimburse the Issuer for Capital Expenditures, and for certain other expenses permitted by the Reimbursement Regulations, previously paid by or for the Issuer.

"Reimbursement Regulations" means Treasury Regulation § 150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the Issuer for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as "spent" for purposes of Sections 103 and 141 to 150 of the Code.

Section 2. Declaration of Official Intent.

(a) The Issuer declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Issuer in the maximum principal amount, for such Reimbursements, of approximately \$4,500,000; and

(b) the Capital Expenditures to be reimbursed are to be used the acquisition, construction, installation and equipping of a new fire station.

Section 3. Reasonable Expectations. The Issuer does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

Section 4. Open Meetings. It is found and determined that all formal actions of this City Commission of the Issuer concerning and relating to the adoption of this resolution were adopted in an open meeting of this City Commission of the Issuer; and that all deliberations of this City Commission of the Issuer and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.

Section 5. This Resolution shall take effect upon its adoption.

On motion of Commissioner _____, seconded by Commissioner _____ that the foregoing Resolution be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills: _____ Commissioner Royster: _____
Commissioner Johnston: _____ Mayor Austin: _____
Commissioner Hite: _____

WHEREUPON, Mayor Steve Austin declared the Resolution adopted, affixed his signature and the date thereto and ordered that the same be recorded.

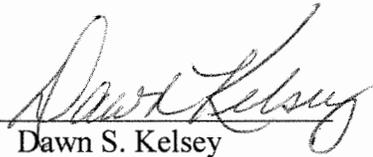
Steve Austin, Mayor

Date: _____

ATTEST:

Maree Collins, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 15 DAY OF
AUGUST, 2016.**

By: 
Dawn S. Kelsey
City Attorney

**City Commission Memorandum
16-189**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners
FROM: Russell R. Sights, City Manager 
SUBJECT: Wastewater Service – Finley Addition

The accompanying resolution authorizes the extension of sewer service outside the City limits to the attached list of property owners and locations.

A request has been made by property owners seeking wastewater service to serve properties located in the Finley Addition. The Henderson Water & Sewer Commission, at its meeting of August 15, 2016, approved to extend wastewater service to the properties.

As required by code, the provision of utility service outside the City limits is conditioned on the execution of an agreement to consent to annexation and the execution of a deed restriction not to oppose annexation if such is pursued by the City in the future. The executed agreements will be provided upon your approval of this matter.

Approval of the Board of Commissioners is required pursuant to Section 23-98 (e) of the Code of Ordinances.

Your approval of the attached resolution is requested.

c: Tom Williams
Robert Gunter
Buzzy Newman
Dawn Kelsey
Doug Boom

HENDERSON WATER UTILITY

Water • Wastewater • Stormwater

MANAGED BY THE WATER & SEWER COMMISSION OF THE CITY OF HENDERSON

TOM WILLIAMS, P.E.
GENERAL MANAGER

Date: 16 August 2016

Memo To: Mayor Steve Austin
Henderson City Commissioners
Russell Sights, City Manager
Buzzy Newman, Asst. City Manager
Dawn Kelsey, City Attorney

From: Tom Williams, P.E.
General Manager

Digitally signed by Tom Williams
DN: cn=Tom Williams,
o=Henderson Water Utility,
ou=HWU,
email=williamst@hkywater.
org, c=US
Date: 2016.08.18 14:11:08
-05'00'

Subject: Finley Addition Sewer Project

At its meeting on August 15th, the Water and Sewer Commission passed a Resolution granting approval for provision of wastewater service to 5 additional properties currently located outside the City Limits; a copy of that resolution is attached. If you remember, we did this in June for 27 properties, and in July for 8 more. All 40 of these parcels are in the area being served by the Finley Addition Project, an extension of sewers into an area outside the City Limits that is being funded by Henderson County Fiscal Court. City Code requires approval of the connections by both the Water and Sewer Commission and the City Board of Commissioners, prior to hooking any of these properties up to the wastewater system.

All the property owners listed in the Resolution have signed "Consent to Annexation" forms, along with the required "Restrictive Covenant Not to Oppose Annexation", as specified by Chapter 23-98 (e) of the City Code of Ordinances. The Restrictive Covenants have a term of twenty (20) years, and will be recorded in the County Clerk's office to provide notice to potential future owners, although that's a moot point if these properties are annexed.

City Staff is working on just that. Sufficient properties have now consented so that the area to be annexed is contiguous, so this should be fairly easy to accomplish. In the area served by the County's sewer project, only three properties refused to sign up; they have been informed that consent to annexation is the only way they will be allowed access to our wastewater system, in the future, and that they will be responsible for the costs of connection, which have been covered by the County's sewer project for all those properties that consented.

If you have any questions or need further information on this or any other matter, please feel free to call me at 869.6621 (Office) or 823.2573 (Cell).

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXTENSION OF SEWER SERVICE OUTSIDE CITY LIMITS TO PROPERTIES LOCATED NEAR HIGHWAY 41A AND SPRINGFIELD DRIVE

WHEREAS, the City of Henderson has received requests from owners of properties located near Highway 41 Alternate and Springfield Drive in Henderson County, for the extension of City sewer service to properties which are located outside the City’s corporate limits; and

WHEREAS, the Henderson Water Commissioners at its August 15, 2016 Board meeting approved Resolution 2016-19 (attached hereto as Exhibit A) recommending to the City Board of Commissioners that it approve the extension of sewer service to the properties shown in Exhibit “A”;

WHEREAS, the extension of sewer service to these properties is being provided as part of the Finley Addition Sewer project funded by Henderson County Fiscal Court, using State grant funds; and

WHEREAS, all property owners listed in the attached Resolution have signed Consent to Annexation and Restrictive Covenant Not to Oppose Annexation forms which will be recorded in the Henderson County Clerk’s office; and

WHEREAS, by Sec. 23-98 (e) of Chapter 23 of the City’s Code of Ordinances, the Board of Commissioners for the City must approve any extension of sanitary sewer service outside the corporate limits of the City.

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky, that approval is hereby given for the extension of sanitary sewer service for properties located near Highway 41 A and Springfield Drive in Henderson County and listed in the attached Exhibit “A”.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Resolution be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills: _____ Commissioner Royster: _____
Commissioner Johnston: _____ Mayor Austin: _____
Commissioner Hite: _____

WHEREUPON, Mayor Austin declared the Resolution adopted, affixed his signature and the date thereto and ordered that the same be recorded.

ATTEST:

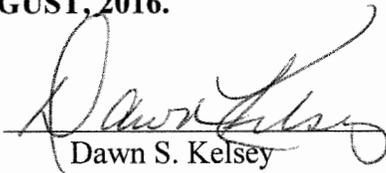
Steve Austin, Mayor

Date: _____

Marce Collins, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 17 DAY OF
AUGUST, 2016.**

By:



Dawn S. Kelsey
City Attorney

**HENDERSON WATER AND SEWER COMMISSION
RESOLUTION OF THE BOARD OF COMMISSIONERS**

**Resolution No. 2016 - 19
Approval of Requests for Wastewater Service
Outside the City Limits**

The following Resolution was duly adopted by the Board of Commissioners of the Henderson Water & Sewer Commission at a regular meeting held on Monday, 15 August 2016, at which meeting a quorum was present.

BE IT RESOLVED, that the Henderson Water and Sewer Commission by and through its Board of Commissioners under the authority granted to the Board of Commissioners under Chapter 23 Article II Division 3 Sections 23-36 through 23-45.1 of the City Code of Ordinances hereby recommends to the Board of Commissioners of the City of Henderson, Kentucky, that the City of Henderson grant **Requests for Wastewater Service Outside the City Limits** from the following property owners:

<i>PVA Parcel Number</i>	<i>Address</i>	<i>Owner Name</i>
46-97	533 US Hwy 41 A	Charles E. Minton (II) & Linda Minton
46-98	535 US Hwy 41 A	Charles E. Minton (II) & Linda Minton
46C-15	515 US Hwy 41 A	Donald Lee Mullins
46-99	555 US Hwy 41 A	Southern Indiana Gas & Electric Co.
46F-8	1957 Springfield Drive	Steven Thomas

These services are being provided as part of the Finley Addition Sewer project, which is being funded by Henderson County Fiscal Court, using State grant funds.

All the property owners listed in the table above have signed a "Consent to Annexation" form, along with the required "Restrictive Covenant Not to Oppose Annexation", as specified in Chapter 23-98 (e) of the City Code of Ordinances. The Restrictive Covenants have a term of twenty (20) years, and will be recorded in the County Clerk's office to provide notice to potential future owners.

HWU Staff has reviewed these requests, and has determined that the properties can be connected to the wastewater system without exceeding the capacity of any component of the system and without causing any problems in the collection and treatment systems.

The General Manager is hereby authorized to deliver this Resolution to the City of Henderson, for action by the City Commission and recording of the restrictive covenants.

IN WITNESS WHEREOF, having come before the Board of Commissioners on Monday, 15 August 2016, and upon Motion made by Commissioner Gary Jennings, and seconded by Commissioner John Henderson, the Board of Commissioners voted as follows:

	<u>AYE</u>	<u>NAY</u>
Commissioner, R. Paul Bird, Jr.	<u>✓</u>	_____
Commissioner, George Jones, III	<u>✓</u>	_____
Commissioner, John Henderson	<u>✓</u>	_____
Commissioner, Gary Jennings	<u>✓</u>	_____
Commissioner, Julie Wischer	<u>Absent</u>	_____



Tom Williams, P.E.
HWU General Manager

**City Commission Memorandum
16-185**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners

FROM: Russell R. Sights, City Manager *RS/ld*

SUBJECT: Municipal Order Approving Change Order #1 to
David Williams & Associates, Inc. Contract for Poured in Place
Rubber Surfacing for Newman Park Playground

The accompanying municipal order approves Change Order #1 to the David Williams & Associates, Inc. contract for poured in place rubber surfacing for Newman Park playground in the amount of \$20,033.00.

As detailed in the attached Park and Recreation Memorandum 16-152, negotiations were made for the purchase and installation of poured in place rubber surfacing in place of engineered wood fibers for Newman Park at an additional cost of \$20,033.00. The total for the purchase and installation of the playgrounds and poured in place rubber surfacing for Central and Newman Park playgrounds is \$137,704.00.

Sufficient funds are available in the Fiscal Year 2017 budget to accommodate this change order. Your approval of the attached municipal order is requested.

c: Buzzy Newman
Trace Stevens
Robert Gunter

Park and Recreation Memorandum
16-15

Thursday, August 11, 2016

TO: Russell Sights, City Manager
Robert Gunter, Finance Director
William Newman, Assistant City Manager

CC: Lynn Drew
Penny Hahn

FROM: Trace Stevens, CPRP, Park and Recreation Director

SUBJECT: Playground Bid Acceptance

In response to bid 16-20 the Parks Recreation and Cemeteries Department would like recommend that the city accept the bid from David Williams & Associates in the amount of \$117,671. This amount is for the purchase and installation of playground equipment for Central and Newman Park and the installation of poured in place surfacing for Central Park.

In addition to the above purchase and installation the City of Henderson was able to negotiate with the sole responsive bidder the purchase and installation of poured in place rubber surfacing in place of engineered wood fibers for Newman Park at an additional cost of \$20,033. The Parks and Recreation department will cover the additional cost with budgeted funds that are designated for the installation of poured in place rubber surfacing at a location to be determined by Parks and Recreation Staff.

The total for the purchase and installation of the playgrounds and poured in place rubber surfacing for Central and Newman Park playgrounds is \$137,704.

In conjunction with the Assistant City Manager and Members of the HLI it was concluded that the bid from Bluegrass Recreational Products does not meet the specifications of the bid document. Item 3 under the Central Park section does not meet the technical requirements or intent of the Inclusive Roller Table.

Enclosures: municipal order 37-16
David Williams and Associates negotiated bid memo.
Bid 16-20 Tabulations

MUNICIPAL ORDER 37-16

MUNICIPAL ORDER AWARDING BID FOR THE PURCHASE OF PLAYGROUND EQUIPMENT FOR CENTRAL PARK AND NEWMAN PARK TO DAVID WILLIAMS & ASSOCIATES, INC., OF HARRISON, OHIO, IN THE TOTAL AMOUNT NOT TO EXCEED \$117,671.21

WHEREAS, the City of Henderson has issued invitations to bid for the purchase of playground equipment for Central Park and Newman Park; and

WHEREAS, bids were submitted to the City of Henderson pursuant to said invitations, and were publicly opened on July 18, 2016, with David Williams & Associates, Inc., of Harrison, Ohio submitting the best bid which bid the City Manager recommends be accepted.

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky, that the recommendation of the City Manager is approved, and award is hereby made to David Williams & Associates, Inc., 1010 Harrison Avenue, Harrison, Ohio 45030 for the purchase of playground equipment for Central Park, including the alternate option to upgrade the engineered wood fiber surface to a poured in place rubberized surface; and playground equipment in Newman Park with the deletion of the engineered wood fiber surface (poured in place surface to be bid at a future date), in the total amount not to exceed \$117,671.21, in strict accordance with their bid as submitted pursuant to Bid Reference 16-20.

On motion of Commissioner Robert M. Mills, seconded by Commissioner Jan Hite, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills:	<u>AYE</u>	Commissioner Royster:	<u>AYE</u>
Commissioner Johnston:	<u>AYE</u>	Mayor Austin:	<u>AYE</u>
Commissioner Hite:	<u>AYE</u>		

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING and Mayor Austin, affixed his signature and the date thereto and ordered that the same be recorded.



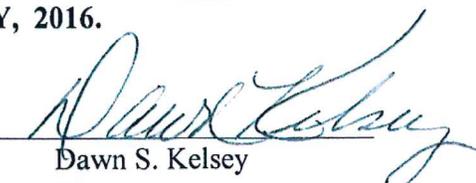
Steve Austin, Mayor

Date: July 26, 2016

ATTEST:


Marce Collins, City Clerk

APPROVED AS TO FORM AND LEGALITY THIS 26th DAY OF JULY, 2016.

By: 
Dawn S. Kelsey
City Attorney



Henderson Kentucky-Central and Newman Parks

Henderson, City of
Director of Finance
222 1st street
Henderson, Kentucky 42420

Thank you for the opportunity to bid on The City of Henderson parks project for Newman and Central parks. David Williams & Associates - GameTime submitted an alternate for \$25,060 if the EWF surfacing was deleted from Central Park and the PIP was purchased in lieu of the EWF. Below is a breakdown of the original base bid price that included engineered wood fiber.

Our original bid price: \$92,611

- 1) The first breakdown below (*Base add alternate*) shows the adjusted price for **Central Park**
- 2) The second breakdown (*Base add alternate #2*) shows the breakdown for adding poured rubber surfacing and stone for **both Newman and Central parks**

- *Base Add alternate: for **Central Park** Poured rubber surface alternate:*

\$92,611.00 -Total original bid price inclusive of EWF (wood chips)
\$25,060.00 - Delete EWF and Curbs from base bid and add PIP
\$117,671.00

- *Base add alternate #2: for **Central Park and Newman** Poured rubber surface:*

\$92,611.00 ---Total original bid price inclusive of EWF (wood chips)
Add \$58,732.00 -- -Stone and Poured rubber for Newman and central Parks
\$151,343.00 ---Adjusted total for PIP option Total
Deduct- 13,639.00 ---For the Engineered wood fiber, curbs and install
\$137,704.00 PIP option Total for both parks.

Please review the pricing options above. If you have any additional questions as it relates to the breakdown please do not hesitate to give either me or Gigi Gibson a call. Thank you for your continued interest!

Robert Greiwe, CPSI
President
David Williams & Associates, Inc.
800-762-7936

CITY OF HENDERSON, KENTUCKY
 BID TABULATION SHEET

BID REFERENCE NO.: 16-20
 DATE BID OPENED: 07/18/16
 APPROVAL DATE: _____
 ACCEPTANCE FORM SENT: _____

BLUEGRASS RECREATIONAL
 LOUISVILLE, KY

DAVID WILLIAMS &
 ASSOCIATES
 ALLIANCE, OH

Item	Description/Quantity						
	Central Park						
1	Merry-Go-All Accessible Whirl - Qty. 1	\$3,196.00	\$5,564.00				
2	Arch Swing - Qty. 1	\$3,172.80	\$5,210.42				
3	Inclusive Roller Table - Qty. 1	\$1,623.20	\$7,676.25				
4	Bay Arch Swing Frame - Qty. 1	\$3,838.40	\$1,786.00				
5	Freestanding Activity Panels - Qty. 6	\$4,908.80	\$3,557.00				
6	12" Playcurb Package, Black - Qty. 51	\$1,785.60	\$2,397.00				
7	Accessible Playcurb Package w/adapters - Qty. 1	\$1,643.20	\$484.00				
8	Engineered Wood Fiber Surfacing System - Qty. 124cy	\$3,350.00	\$4,441.00				
9	Installation of Playground Equipment and Playcurb Borders Only	\$7,563.00	\$9,565.00				
	Freight	\$2,124.00					
	Newman Park						
1	Playstructure, ages 5-12 - Qty. 1	\$36,262.37	\$29,157.84				
2	12" Playcurb Package, black - Qty. 45	\$1,630.40	\$2,115.00				
3	Accessible Curb Ramps - Qty. 1	\$821.60	\$484.00				
4	Engineered Wood Fiber Surfacing System - Qty. 100cy	\$2,075.00	\$3,218.00				

CITY OF HENDERSON, KENTUCKY
 BID TABULATION SHEET

BID REFERENCE NO.: 16-20
 DATE BID OPENED: 07/18/16
 APPROVAL DATE: _____
 ACCEPTANCE FORM SENT: _____

BLUEGRASS RECREATIONAL
 LOUISVILLE, KY

DAVID WILLIAMS &
 ASSOCIATES
 ALLIANCE, OH

Item	Description/Quantity						
5	Installation of Playground Equipment and Playcurb Borders Only	\$14,143.00	\$13,115.00				
	Freight	\$2,543.00	\$3,840.70				
	TOTAL BID PRICE	\$90,680.37	\$92,611.21				
	Surfacing Alternate for Central Park						
1	Delete Wood Fiber and Add Poured in Place Rubber Surfacing Including sub-base - Qty. 2500sf	\$47,303.00	\$25,060.00				

Other Bidders Contacted

Bids Opened & Recorded By:

Bids Reviewed By:

Miracle of KY & TN; Lester Recreation

Paul Titzer

Paul Titzer

Cindy Biekwermer

Cindy Biekwermer

Robert Gunter

MUNICIPAL ORDER. _____

MUNICIPAL ORDER APPROVING CHANGE ORDER #1 TO THE CONTRACT BETWEEN THE CITY OF HENDERSON AND DAVID WILLIAMS & ASSOCIATES REGARDING THE PURCHASE AND INSTALLATION OF POURED IN PLACE RUBBER SURFACING FOR NEWMAN PARK, IN THE AMOUNT OF \$20,033.00

WHEREAS, the City of Henderson and David Williams & Associates are parties to a contract relating to the purchase and installation of playground equipment for Central and Newman park; and

WHEREAS, the parties have agreed to certain modifications to the contract necessitating Change Order #1, for the additional cost to purchase and install poured in place rubber surfacing in place of engineered wood fibers for Newman Park at a cost of \$20,033.00 .

NOW, THEREFORE, BE IT ORDERED, by the City of Henderson, Kentucky, that Change Order #1 to the contract in the amount of \$20,033.00 is hereby approved and the mayor is authorized and directed to execute the change order on behalf of the City.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills: _____ Commissioner Royster: _____
Commissioner Johnston: _____ Mayor Austin: _____
Commissioner Hite: _____

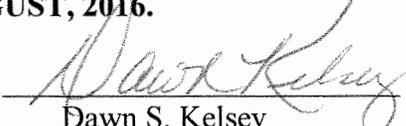
INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING and Mayor Austin, affixed his signature and the date thereto and ordered that the same be recorded.

Steve Austin, Mayor
Date: _____

ATTEST:

Maree Collins, City Clerk

APPROVED AS TO FORM AND LEGALITY THIS 15 DAY OF AUGUST, 2016.

By: 
Dawn S. Kelsey
City Attorney

City Commission Memorandum
16-191

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners

FROM: Russell R. Sights, City Manager 

SUBJECT: Municipal Order Approving Change Order #1 to Danco Construction, Inc. Contract for Work Required for the Construction of the New Municipal Services Center

The accompanying municipal order approves Change Order #1 to the Danco Construction, Inc. contract for additional work required for the construction of the new Municipal Services Center in the amount of \$117,718.46.

As detailed in the attached Interdepartmental Memorandum, the parties have agreed to certain modifications to the contract for drainage, foundation and site work, and various repairs and replacements. In addition, due to inclement weather conditions, an additional 30 working days (six calendar weeks) are being requested by Danco to complete the project. Assistant City Manager William L. Newman, Jr. and Public Works Engineer Dylan H. Ward will both be in attendance at the August 23, 2016 meeting to answer any questions you might have

Sufficient funds are available in the Fiscal Year 2017 budget to accommodate this change order. Your approval of the attached municipal order is requested.

c: Buzzy Newman
Dylan Ward
Robert Gunter

Interdepartmental Memorandum

August 17, 2016

TO: Russell R. Sights, City Manager

FROM: William L. Newman, Jr., Assistant City Manager *WLN*
Dylan H. Ward, Public Works Engineer *DHW*

SUBJECT: Municipal Service Center – Change Order # 1

Enclosed is Change Order # 1 for work required for the construction of the new Municipal Service Center. An explanation for each item is provided.

- New storm drainage conflicts. An error was made in the design of the storm water drainage system and as a result, changes to a concrete inlet box were made to accept the piping device attached within. **Cost: \$ 8,780.57**
- Gravel bed for internal footings inside main building. Upon demolition of the existing floors to install concrete footers for the new masonry walls, it was discovered that the subsurface ground conditions were saturated with water. Subsequent testing of the soil failed; thus it was recommended to under-cut the footers and install a rock base. **Cost: \$ 1,289.00**
- Buried trash under Sanitation truck building. During the mass cut of soil to construct the building pad for the Sanitation truck building, a pocket of lawn waste in plastic bags was discovered. The waste was removed, the area lined with a filter fabric and back filled with stone material. **Cost: \$ 3,963.08**
- Plumbing repair. Existing restroom had a flush valve break. An on-site plumbing contractor repaired. **Cost: \$ 258.31**
- Lightning strike. The main building was struck by lightning which burned up an existing lighting circuit and light fixtures. **Cost: \$ 1,178.00**
- Existing ductwork insulation. The existing HVAC system ductwork has been dripping condensation since the beginning of summer. Now that the interior walls have been constructed, the condensation is draining onto the newly constructed walls. Recommend replacing the current insulation and installing new insulation wrap. **Cost: \$ 2,360.00**

- Entrances to new site. The contractor could not stabilize the two entrances over to the new site because of utility lines. A plastic grid material and extra rock was used to stabilize both entrances. **Cost: \$1,457.50**

***Sub-Total* \$19,286.46**

Site conditions:

Initial soil borings of the new and old sites indicated instability in the subsurface conditions. Prior to bidding the project, American Engineers recommended putting soil stabilization in the bid. Soil stabilization is the treatment of soil with either agricultural lime or cement. It is tilled into the soil with specialized equipment to a depth as determined by the civil engineer who designed the project. Since the exact quantity of soil stabilization was unknown at the time, it was an add item in the bid package for which Danco included \$148,000 in their bid. This amount was accepted by the City in their contract.

Given record rainfall this year, it has compounded and contributed to the poor soil conditions. Once site work began on both the existing and new sites, ground conditions were very bad. For comparison purposes, it would be like walking on a bowl of gelatin. Early on, it was determined that the quantity in the base bid would be exceeded.

After the soil was stabilized for the first two building pads and parking areas, footer excavation began for the new buildings. The subsurface ground conditions (under the soil stabilization areas) failed to pass compaction testing thus requiring undercutting of the bad soil and replacing it with a stone base.

It was determined the week of August 1st that new building # 3 (enclosed building) soil conditions were as bad as the # 1 (garbage vehicles) and # 2 (large vehicle storage) building pads, thus, the need to remobilize the specialty contractor was required to stabilize this area too.

The following is a summary of costs-to-date and future costs:

- First round of soil stabilization required for buildings 1 and 2 and back lot

Cost:	\$ 178,481.00	
Base Bid Soil Stabilization:	\$ 148,000.00	
▪ Cost:		\$ 30,481.00
- Garbage truck and large vehicle storage areas footer stabilization

▪ Cost:		\$ 10,209.00
----------------	--	---------------------
- Quote for second round of soil stabilization for building 3 and southwest lot

▪ Cost:		\$ 42,742.00
----------------	--	---------------------

• Estimate for footer stabilization on building 3 (enclosed building)	
▪ Cost:	<u>\$ 15,000.00</u>
<i>Sub-Total</i>	<i>\$ 98,432.00</i>
<i>Change Order # 1 Grand Total</i>	<i>\$117,718.46</i>

Staff recommends approval of Change Order # 1. Both Dylan Ward and I will be available to answer questions.

Last, enclosed is a letter from the general contractor, Danco Construction, requesting an additional 30 working days (six calendar weeks) due to rain days and time lost due to soil stabilization. Staff further recommends approval of the time extension request.



August 17, 2016

Mr. William Newman
Assistant City Manager
City of Henderson
Henderson, KY 42419-0716

Re: Change Order #1 & Contract Extension
Municipal Services Center
City of Henderson, Kentucky

Dear Mr. Newman:

Hafer has received additional cost proposals from Danco Construction regarding several conditions that have developed during the construction of the Municipal Services Center. We have evaluated these items and believe them to be valid additional costs for the project. Below is a summary of the items and their descriptions.

\$8,780.57 - New storm drainage conflicts with existing underground piping.
\$1,289.00 - Gravel bed for water mitigation in thickened slab trenches in existing building.
\$3,963.08 - Buried trash found on site. Removed, added gravel, and fabric.
\$258.31 - Removal and replacement of Sloan urinal stop valves in existing restroom.
\$1,178.00 - Main building was struck by lighting which burned up some existing circuits and fixtures.
\$2,360.00 - Existing ductwork condensation discovered. Removal and replacement of insulation.
\$1,457.50 - Grid and rock stabilization over existing utility lines at entrance.
\$30,481.00 - Additional soil stabilization for Garbage Truck, Large Vehicle Storage, and North Lot.
\$10,209.00 - Footer stabilization for Garbage Truck and Large Vehicle Storage.
\$42,742.00 - Soil stabilization for Enclosed Building and Southwest Lot.
\$15,000.00 - Enclosed Building footer stabilization estimate.
\$117,718.46

21 SE Third Street, Suite 800, Evansville, IN 47708 • Phone 812.422.4187 • Fax 812.421.6776
101 E Second Street, Suite 101, Owensboro, KY 42303 • Phone 270.926.1331 • Fax 270.684.4456

haferdesign.com

Also, Danco Construction has requested an extension of the original contractual agreement by 30 working days due to inclement weather conditions and the need for soil stabilization. Since the start of earth work on April 18th until July 15th, it has rained 24 out of 63 work days and soil stabilization consisted of 6 additional work days. Extending the contract 30 days to account for the 30 lost work days would move the project completion date from December 27, 2016 to February 7, 2017. Hafer believes this is a valid request and support the extension of the schedule to complete the project.

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'J. Barisano', with a stylized flourish at the end.

Jason Barisano, AIA
Architect



3201 Interstate Drive • Evansville, IN 47715
Phone 812.479.7000 • Fax 812.479.7100
www.dancoconst.com

July 19, 2016

To: City of Henderson
222 First Street
Henderson, KY 42419

Attn: Mr. William L. "Buzzy" Newman, Jr.

Re: Henderson Municipal Services Center
Contract Extension Request

Danco Construction, Inc. respectfully requests an extension of the original contractual agreement an additional 30 working days. This request is based upon inclement weather conditions and the need for soil stabilization. Since the start of earth work on April 18th until July 15th, it has rained 24 out of 63 work days. Soil stabilization consisted of 6 additional work days. Extending the contract 30 days to account for the 30 lost work days would move the project completion date from December 27, 2016 to February 7, 2017. Please understand, it is Danco Construction's full intent and priority to support the project, in order to achieve completion as close as possible to the original completion date.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tyler Almon".

Tyler Almon
Estimator / Project Manager

MUNICIPAL ORDER. _____

MUNICIPAL ORDER APPROVING CHANGE ORDER #1 TO THE CONTRACT BETWEEN THE CITY OF HENDERSON AND DANCO CONSTRUCTION, INC., REGARDING THE CONSTRUCTION CONTRACT OF THE NEW MUNICIPAL SERVICE CENTER, IN THE AMOUNT OF \$117,718.46

WHEREAS, the City of Henderson and Danco Construction, Inc. are parties to a contract relating to the construction of the new Municipal Service Center; and

WHEREAS, the parties have agreed to certain modifications to the contract necessitating Change Order #1, for the additional cost of \$117,718.46 for drainage, foundation and site work and various repairs and replacements. (See Exhibit A for the detailed list)

WHEREAS, due to inclement weather conditions and soil stabilization issues, a letter (attached hereto) was received from Danco Construction, Inc. requesting an additional 30 working days (six calendar weeks) for this project.

NOW, THEREFORE, BE IT ORDERED, by the City of Henderson, Kentucky, that Change Order #1 to the contract in the amount of \$117,718.46 is hereby approved and the mayor is authorized and directed to execute the change order on behalf of the City.

BE IT FURTHER ORDERED, that the City recommends approval of the request from Danco Construction, Inc. for an additional 30 working days (six calendar weeks) due to time lost for rain days and soil stabilization.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills: _____ Commissioner Royster: _____
Commissioner Johnston: _____ Mayor Austin: _____
Commissioner Hite: _____

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING and Mayor Austin, affixed his signature and the date thereto and ordered that the same be recorded.

ATTEST: _____
Steve Austin, Mayor
Date: _____

Maree Collins, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 18 DAY OF
AUGUST, 2016.**

By: 
Dawn S. Kelsey
City Attorney



August 17, 2016

Mr. William Newman
Assistant City Manager
City of Henderson
Henderson, KY 42419-0716

Re: Change Order #1 & Contract Extension
Municipal Services Center
City of Henderson, Kentucky

Dear Mr. Newman:

Hafer has received additional cost proposals from Danco Construction regarding several conditions that have developed during the construction of the Municipal Services Center. We have evaluated these items and believe them to be valid additional costs for the project. Below is a summary of the items and their descriptions.

\$8,780.57 - New storm drainage conflicts with existing underground piping.
\$1,289.00 - Gravel bed for water mitigation in thickened slab trenches in existing building.
\$3,963.08 - Buried trash found on site. Removed, added gravel, and fabric.
\$258.31 - Removal and replacement of Sloan urinal stop valves in existing restroom.
\$1,178.00 - Main building was struck by lighting which burned up some existing circuits and fixtures.
\$2,360.00 - Existing ductwork condensation discovered. Removal and replacement of insulation.
\$1,457.50 - Grid and rock stabilization over existing utility lines at entrance.
\$30,481.00 - Additional soil stabilization for Garbage Truck, Large Vehicle Storage, and North Lot.
\$10,209.00 - Footer stabilization for Garbage Truck and Large Vehicle Storage.
\$42,742.00 - Soil stabilization for Enclosed Building and Southwest Lot.
\$15,000.00 - Enclosed Building footer stabilization estimate.
\$117,718.46

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101 E Second Street, Suite 101, Owensboro, KY 42303 • Phone 270.926.1331 • Fax 270.684.4456

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EXHIBIT "A"

Also, Danco Construction has requested an extension of the original contractual agreement by 30 working days due to inclement weather conditions and the need for soil stabilization. Since the start of earth work on April 18th until July 15th, it has rained 24 out of 63 work days and soil stabilization consisted of 6 additional work days. Extending the contract 30 days to account for the 30 lost work days would move the project completion date from December 27, 2016 to February 7, 2017. Hafer believes this is a valid request and support the extension of the schedule to complete the project.

Respectfully submitted:

A handwritten signature in black ink, consisting of several loops and a final flourish.

Jason Barisano, AIA
Architect



3201 Interstate Drive • Evansville, IN 47715
Phone 812.479.7000 • Fax 812.479.7100
www.dancoconst.com

July 19, 2016

To: City of Henderson
222 First Street
Henderson, KY 42419

Attn: Mr. William L. "Buzzy" Newman, Jr.

Re: Henderson Municipal Services Center
Contract Extension Request

Danco Construction, Inc. respectfully requests an extension of the original contractual agreement an additional 30 working days. This request is based upon inclement weather conditions and the need for soil stabilization. Since the start of earth work on April 18th until July 15th, it has rained 24 out of 63 work days. Soil stabilization consisted of 6 additional work days. Extending the contract 30 days to account for the 30 lost work days would move the project completion date from December 27, 2016 to February 7, 2017. Please understand, it is Danco Construction's full intent and priority to support the project, in order to achieve completion as close as possible to the original completion date.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tyler Almon".

Tyler Almon
Estimator / Project Manager

**City Commission Memorandum
16-187**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners

FROM: Russell R. Sights, City Manager *RS/ld*

SUBJECT: Municipal Order Awarding Bid for Purchase of Dispatch Center Workstations for the Henderson 911 Dispatch Center and Backup Center to Xybix Systems, Inc. of Littleton, Colorado

The accompanying municipal order authorizes the award of a bid to Xybix Systems, Inc., Littleton, Colorado, in the amount of \$98,706.02 for the purchase of eight new workstations for the Henderson 911 Dispatch Center and Backup Center.

Bid packages were sent to 12 bidders, with eight bids received. The bid of \$98,706.02 fully complies with the bid specifications and award is recommended accordingly. Two bidders were disqualified from consideration as neither met the bid specifications and/or requirements, as further explained in the attached Desk Evaluation Score Sheet.

Sufficient funds are available in the FY 2017 budget for this purchase. Your approval of the attached municipal order is requested.

c: Chip Stauffer
Mike Shockley
Penny Hahn

POLICE DEPARTMENT MEMORANDUM
16-33

August 18, 2016

TO: Russell Sights
City Manager

FROM: Chip Stauffer
Chief of Police

SUBJECT: Recommendation Dispatch Center Workstations Bid Reference No. 16-22

Bids were opened and recorded for Bid Reference No. 16-22 on August 12, 2016, in reference to workstations for the Primary and Backup Dispatch Centers.

Per bid specifications and options, Xybix Systems, Inc., Littleton, Colorado, submitted the lowest evaluated proposal price of \$98,706.02 with an evaluated score of 93 out of 100 points. The bid tabulation sheet, as well as the evaluation score sheet, is attached for your review.

It should be noted that both Business Equipment and Wright Line (Eaton) were disqualified from consideration as neither meet the bid specifications and/or requirements.

It is recommended that Xybix Systems, Inc. receive the contract for Bid No. 16-22.

If you have any questions or need any additional information in reference to this matter, please do not hesitate to contact me.



Chip Stauffer
Chief of Police

CHS/wds

CITY OF HENDERSON, KENTUCKY
REQUEST FOR PROPOSAL TABULATION SHEET

REQUEST FOR PROPOSAL NO.: 16-22

DATE BID OPENED: 08/12/16

APPROVAL DATE: _____

ACCEPTANCE FORM SENT: _____

	BUSINESS EQUIPMENT HENDERSON, KY	WRIGHT LINE (EATON) WORCESTER, MA	DISPATCH PRODUCTS ANGOLA, IN	XYBIX SYSTEMS INC LITTLETON, CO	WATSON DISPATCH POULSBO, WA	RUSS BASSETT WHITTIER, CA	E-SYSTEMS GROUP CONKLIN, NY	EVANS CONSOLES VIENNA, VA
Primary Center	\$25,465.00	\$48,531.82	\$41,333.36	\$51,022.52	\$51,763.78	\$47,229.00	\$61,511.30	\$75,085.92
Backup Center	\$19,186.20	\$24,404.94	\$27,945.56	\$25,006.40	\$25,441.44	\$25,207.40	\$34,388.20	\$41,508.46
Installation/Freight	included	Freight - TBD / Installation \$7,947.20	\$6,252.00	included	included	\$18,276.00	included	included
Total Price for Primary and Backup Center	\$44,651.20	\$72,936.76	\$75,530.92	\$76,028.92	\$77,205.22	\$90,712.40	\$95,899.50	\$116,594.38
Options	none	\$2,855.76	\$10,832.25	\$22,677.10	\$17,572.38	\$14,756.80	\$5,150.48	\$27,233.10
Other Bidders Contacted:					Bids Opened & Recorded By:		Bids Reviewed By:	
Hergo; Office Planning Group; Data Center Resources; North Main Systems					<i>Penny N. Hahn</i> Penny Hahn Cindy Bickwermert <i>Cindy Bickwermert</i>		Mike Shockley	

Desk Evaluation Score Sheet

Vendor	Options (10pts)	Warranty (25 pts)	Timeline (25pts)	Price (40pts)	Total (100 pts)
Xybix	8	25	25	35	93
Business Equipment	0	0	0	0	0
Watson	4	25	15	36	80
Russ Bassett	6	15	25	33	79
Evans	5	20	15	30	70
Dispatch Products	7	15	10	40	72
Eaton	0	0	0	0	0
E-Systems	9	10	10	34	63

Business Equipment: No Options Listed No USB or 100 Listed as requested

Eaton: No Freight was added as requested. Only one copy, RFP request Duplicate

Lowest Evaluated Proposal Price. The objective measurable criteria for this evaluation are enclosed.

Evaluation and Award:

The scoring and ranking will be according to the criteria below:

- **Cost:** 40% The cost will be scored by the following formula: Cost points = 40 X (cost of lowest bid vendor / Bid of vendor) For example if the lowest bidder is \$20000 and another bidders is \$25000, the \$25000 bidder will receive 32 cost points (40 x 20000/25000)
- **Installation timeline:** 25% The timelines will be scored on ability to adapt to changes that may occur from delays from construction from backup site. Timelines should show a quick turnaround for installs.
- **Customizable options:** 10% Options will be scored by convenience/comfort given to dispatcher relative to cost.
- **Warranty:** 25% The warranty will be scored by length and number of items that are covered.

The City reserves the right to make an award for the dispatch center only and not the backup site.

An award may be made on the basis of initial proposals without discussions with the vendors reasonably susceptible for an award.

It is my recommendation that Xybix, Littleton, Colorado, receive the bid award for the bid proposal 16-22 as they are the lowest evaluated proposal price bidder for the Primary and Backup Dispatch Centers workstations with additional options.

Mike Shockley, Communications Supervisor



Finance Department

Phone: 270-831-1200
FAX: 270-831-1246
E-mail: Finance@cityofhendersonky.org

July 30, 2016

REQUEST FOR PROPOSAL

RFP Number 16-22

Dispatch Workstations

What we are looking for:

Henderson 911 is in the process of upgrading its dispatch center and creating a backup center. We are seeking proposals for workstations at both centers.

- New desks at our backup center and our current center.
- Our current center will be four positions and need to be all sit and stand desks.
- At the backup center we will need three positions with one of them needing to be sit and stand or at least handicap accessible.
- We have an idea of floor plan for current center but, are open to floor plan for backup site.
- Proposals shall include cost of all freight, delivery and installation.

Vendor Requirements:

Vendors should have over 10 years experience designing and manufacturing dispatch workstations. Vendor must provide 3 references that have used/using workstations. Vendor must offer a warranty on frame components, exterior panels, any moving mechanisms or parts.

Bid Requirements:

1. The work surface and monitor array should be able to raise, lower and adjust horizontally independently from one another. This should allow the dispatcher to work while standing, sitting or access from a wheelchair.
2. The workstation should have two USB and one 110 outlet accessible to dispatchers to allow charging for dispatchers devices.
3. Wall dividers should be high enough to help dampen excess noise from neighboring station but still allow for visual eye contact between dispatchers.

REQUEST FOR PROPOSAL

Page 2

4. The workstation should also allow for storage cabinets to be shared between neighboring dispatchers.
5. Cable management: Cables running from equipment on workstations should be hidden from view but still allow for easy accessibility for IT personal to troubleshoot and replace hardware/cables.
6. Hardware: The monitor array must be able to mount one 32" and four 22" monitors. Cabinets must be able to hold 5 computer towers and still provide adequate cooling for towers.
7. Need a work area where printers can be shared between two adjacent workstations.
8. We also have an EMD tablet at each desk.
9. Workstations should have customizable options.

Proposal Format:

All proposals should be prepared for each site as follows:

- Cost break down - Vendors should have line item cost break down, including customizable options available. A separate cost breakdown total for each site should be provided.
- Timeline - Installation time line should be included. The backup site will begin around September. The primary site will begin around October/ November. The timelines should start on the first of September and October/ November.
- Warranty – Warranty coverage outline should show how long each item is covered for.

Evaluation and Award:

The scoring and ranking will be according to the criteria below:

- Cost: 40% The cost will be scored by the following formula: Cost points = 40 X (cost of lowest bid vendor / Bid of vendor) For example if the lowest bidder is \$20000 and another bidders is \$25000, the \$25000 bidder will receive 32 cost points (40 x 20000/25000)

REQUEST FOR PROPOSAL

Page 3

- Installation timeline: 25% The timelines will be scored on ability to adapt to changes that may occur from delays from construction from backup site. Timelines should show a quick turnaround for installs.
- Customizable options: 10% Options will be scored by convenience/comfort given to dispatcher relative to cost.
- Warranty: 25% The warranty will be scored by length and number of items that are covered.
- The City reserves the right to make an award for the dispatch center only and not the backup site.
- An award may be made on the basis of initial proposals without discussions with the vendors reasonably susceptible for an award.

Other Requirements:

- Electronic proposals will not be accepted.
- The proposal opening will not be public.
- Proposals shall be submitted in duplicate and delivered to the Office of the Director of Finance, first floor of the Henderson Municipal Center, 222 First Street, Henderson, Kentucky 42420, no later than 4:00 p.m., prevailing local time, on Friday, August 12, 2016.
- Late proposals will not be accepted.

Insurance and Occupational License Tax:

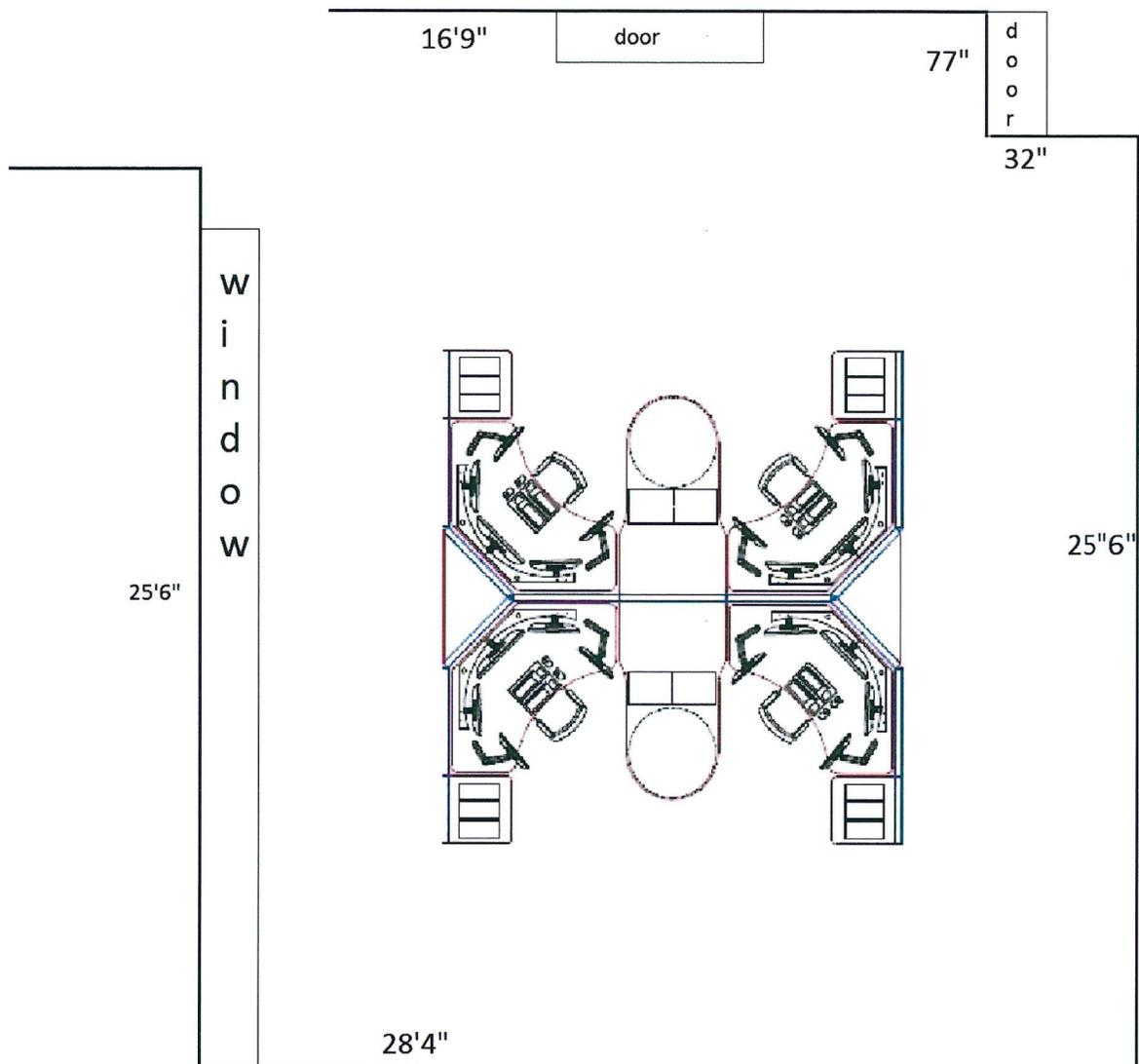
- The successful proposer must hold or obtain a City of Henderson Occupational License before any work is performed.
- Successful proposer shall provide proof of adequate property, casualty and liability insurance before any work is performed.

The proposals are being solicited pursuant to KRS 45A.370.

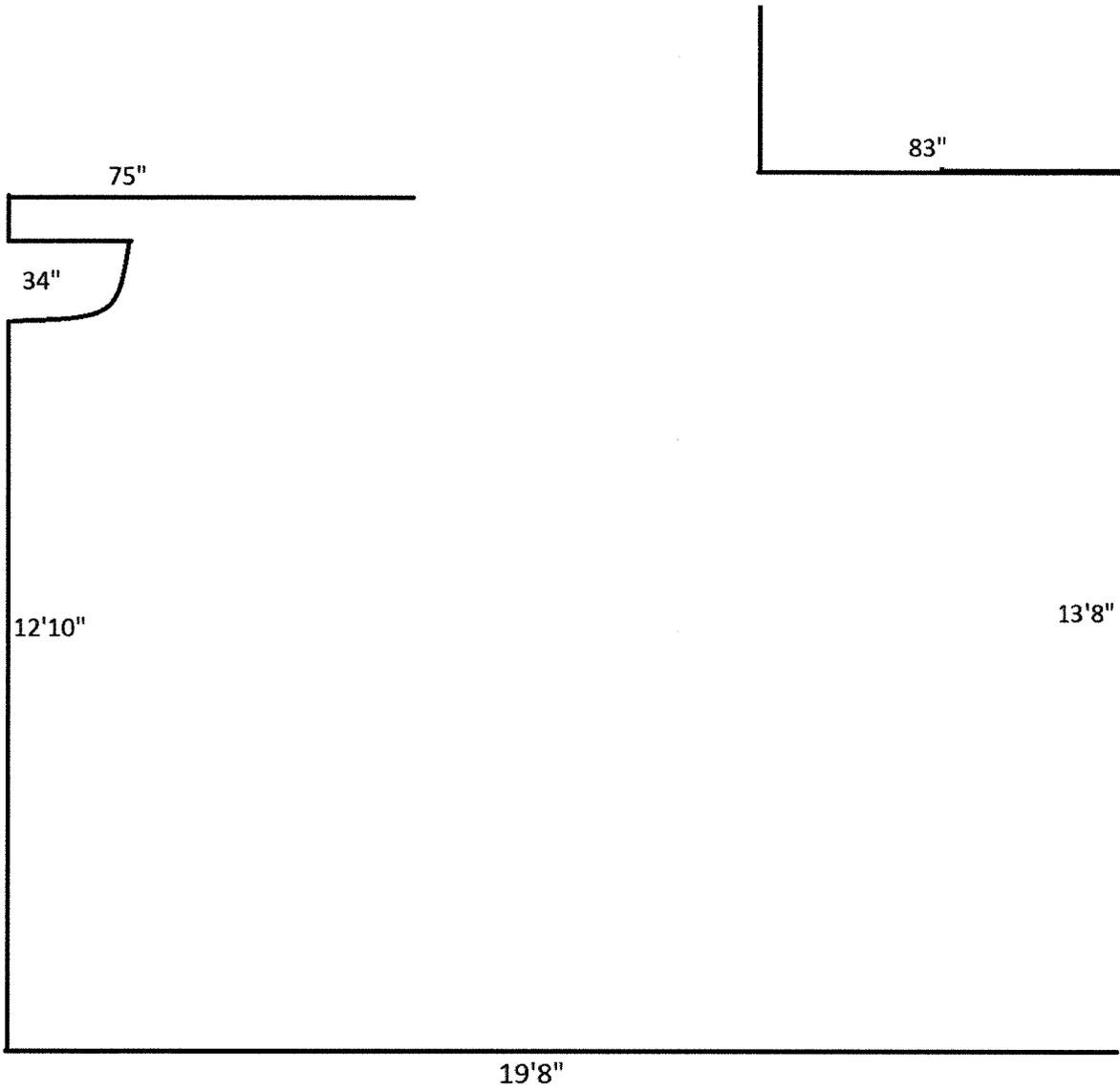
Questions: Technical questions may be directed to Mike Shockley, Communications Superintendent, at (270) 831-1295. Procedure questions may be directed to Paul Titzer, Assistant Finance Director, at (270) 831-1200.

See Attached Room Designs

Primary Center Dimensions:



Backup Center dimensions:



MUNICIPAL ORDER _____

MUNICIPAL ORDER AWARDING BID FOR THE PURCHASE OF DISPATCH CENTER WORKSTATIONS TO XYBIX SYSTEMS, INC. OF LITTLETON, COLORADO, IN THE TOTAL AMOUNT OF \$98,706.02

WHEREAS, the City of Henderson has issued invitations to bid for the purchase of workstations for the Primary and Backup Dispatch Centers; and

WHEREAS, bids were submitted to the City of Henderson pursuant to said invitations, and were publicly opened on August 12, 2016, with Xybix Systems, Inc., of Littleton, Colorado submitting the best bid, which bid the City Manager recommends be accepted.

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky, that the recommendation of the City Manager is approved, and award is hereby made to Xybix Systems, Inc., 8207 Southpark Circle, Littleton, Colorado 80120 for the purchase of workstations for the Primary and Backup Dispatch Centers, in the total amount of \$98,706.02, in strict accordance with their bid as submitted pursuant to Bid Reference 16-22.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills: _____	Commissioner Royster: _____
Commissioner Johnston: _____	Mayor Austin: _____
Commissioner Hite: _____	

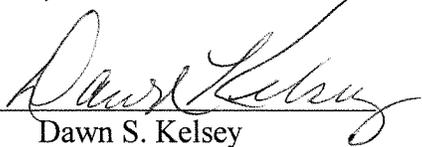
INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING and Mayor Austin, affixed his signature and the date thereto and ordered that the same be recorded.

ATTEST:

Steve Austin, Mayor
Date: _____

Maree Collins, City Clerk

APPROVED AS TO FORM AND LEGALITY THIS 19 DAY OF AUGUST, 2016.

By: 
Dawn S. Kelsey
City Attorney

City Commission Memorandum
16-178

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners

FROM: Russell R. Sights, City Manager *RS/ld*

SUBJECT: Near Site Clinic Contract

The accompanying municipal order accepts the agreement for services between the City, Community Methodist Hospital, and Edumedics and authorizes the Mayor to execute said agreement and any other related documents.

The attached Human Resources Memorandum recommends entering into a contractual agreement with Methodist Hospital and Edumedics to provide clinical services to employees, spouses, and eligible dependents that are covered by the City of Henderson health insurance program. Also attached is a memorandum from Mr. Benji Marrs, Senior Vice-President, Benefit Insurance Marketing, the City's health benefit broker recommending the same and explaining the highlights of the agreement. The clinic services would provide employees, spouses, and dependents covered by the City of Henderson health insurance program a low- or no-cost option for high-quality primary or basic acute care needs with a clinician who is also trained in wellness techniques and promoting healthy lifestyles. Clinic services will not replace a primary care physician.

BIM, Methodist Hospital, and City staff will be in attendance to answer any questions you may have. Your approval of the attached municipal order is requested.

c: Connie Galloway
Dawn Kelsey

Human Resources Memorandum
16 - 74

August 18, 2016

TO: Russell R. Sights, City Manager

FROM: Connie Galloway, Human Resources Director
Dawn Kelsey, City Attorney

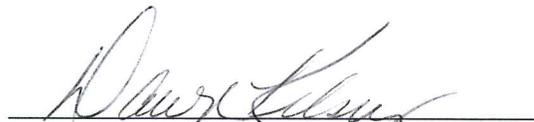
SUBJECT: Recommendation on Near Site Clinic Contract

The City's employee benefits' broker, Benefits Insurance Marketing (BIM), recommends the City of Henderson enter into a contractual agreement with Methodist Hospital and Edumedics to provide clinical services to employees, spouses, and eligible dependents that are covered by the City of Henderson health insurance program. Please find attached both BIM's executive summary supporting their recommendation and the near site clinic proposed agreement.

City staff, BIM and legal counsel specializing in benefits law reviewed and discussed the proposed agreement with Methodist Hospital and Edumedics. Staff recommends entering into the agreement as presented by Benefits Insurance Marketing. BIM and City staff will be present at the board of commission meeting to answer questions.



Connie Galloway



Dawn Kelsey

Attachments

MEMO

DATE: August 18, 2016

TO: Russel Sights
Dawn Kelsey, Connie Galloway

From: Benji Marrs, SVP

RE: Near Site Clinic Contract

It is our recommendation the City of Henderson enter into a contractual relationship for the combined services of Henderson Methodist Hospital and Edumedics to provide clinical services to employees, spouses, and eligible dependents who are covered by the City of Henderson health insurance program. Edumedics is a population health management company which currently manages 19 clinics across the state of KY focusing on chronic condition management services. Henderson Methodist will provide the physical site location, Nurse practitioner, and additional clinical resources to focus on health improvement, as well as serve acute care needs of those covered by the health plan.

Proposal Highlights

- The location will be the Convenient Care clinic location on 2nd St. The Nurse Practitioner, dedicated solely to those covered by the City of Henderson health plan, will be available 30 hours per week with a strategically timed block schedule to focus on disease management and health improvement opportunities within the COH population.
 - There will be no cost to access the dedicated Nurse Practitioner:
 - Preventative screenings
 - Diagnose & treat acute & general care illnesses and concerns
 - Education & coaching to reduce risks and improve healthy behaviors
 - Prescribe clinically appropriate medications
 - Conduct point of care (POC) lab tests or collect lab specimens to send for diagnoses
 - Refer patients into proper disease management programs

- Provide disease management services using Edumedics proprietary protocols in place for diabetes, COPD, high blood pressure, and cholesterol management
 - Biometric screenings and health risk assessments
- Methodist Hospital will provide access to a 2nd NP during regular business hours. There will be a \$0 co-pay to access coverage for any services typically rendered by a NP when the dedicated NP is unavailable. Claims for these services will be billed through normal insurance channels.
- Edumedics will provide data analytics, reporting, and the model through which the NP will fully engage the population through disease management and prevention programs. Edumedics will also provide regular reporting metrics to the COH and collaborate with HM on population health improvement strategies.
- MH will provide the City of Henderson an agreed upon reduced fee schedule for all outpatient labs ordered through the clinic or other physician's office and processed at MH. Employees will pay \$0 for routine preventative care labs and a \$20 co-pay for all other diagnostic labs. Point of Care (POC) labs such as A1C, glucose, and basic cholesterol will be performed at the clinic at \$0 cost.

Investment

There are two general categories of expense for implementation of the proposed near site clinic. First, there is an annual fee payable to Edumedics/ Methodist Hospital in exchange for the services specifically outlined in their proposal. Second, there is a claims impact cost. Not considering any potential ROI, there is a claims impact for waiving co-pays to access the 2nd NP at the Convenient Care location, as well as a claims impact cost for the MH lab arrangement. We are estimating the total cost impact to the COH health insurance plan to range \$215,000 to \$230,000. We project the net impact of implementing this strategy to be cost neutral in the first year.

Timeline to Implementation

- Upon contract execution, anticipated Days to launch 90-120
 - Henderson Methodist and Edumedics to hire & train the dedicated Nurse Practitioner
 - Benefit Insurance Marketing to assist UMR:
 - Custom lab fee schedule integration with UMR
 - \$0 copays for accessing clinical care arrangement
 - \$20 copays for diagnostic lab tests for HM outpatient lab
 - Employee Communication strategy and rollout

AGREEMENT FOR SERVICES

This Agreement for Services (the "Agreement"), effective _____ is by and among (i) City of Henderson, Kentucky, (hereinafter "Client"), (ii) **EDUMEDICS LLC**, with its principal office at 201 E. Jefferson Street, Suite 102, Louisville, Kentucky 40202 (hereinafter "Edumedics"), and (iii) **COMMUNITY UNITED METHODIST HOSPITAL, INC. d/b/a METHODIST HOSPITAL**, 1305 N Elm Street Henderson, Kentucky 42420 (hereinafter "Hospital") (Edumedics and Hospital may be hereinafter jointly referred to as "Service Providers"). Where the term "Service Providers" is used, Edumedics and Hospital shall each be responsible for fulfilling the obligations imposed or shall each have the rights afforded by the applicable provision.

WHEREAS, Service Providers offer consulting and management services to businesses to provide clinical, wellness and care management services and programs to encourage good health among employees (the "Services");

WHEREAS, Client desires that Service Providers provide Services to Client, in accordance with the terms and conditions set forth herein;

WHEREAS, Edumedics and Hospital have entered into an agreement to provide various management, administrative and clinical services to Client which will be provided in a seamless manner at Methodist Convenient Care, 110 Second Street, Henderson, Kentucky; provided, however, that certain educational, wellness or care management services may be provided at the Client's designated locations.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereto agree as follows:

1. SERVICES BY SERVICE PROVIDERS

1.1 **ESTABLISHMENT OF A CLINIC**. The Service Providers shall provide the following Services to Client and to participants in the Client's employee health plan, known as the City of Henderson Group Benefit Plan ("Medical Plan"):

1.1.1. Hospital shall provide licensed and certified clinician(s) who are employed by Hospital to provide professional services consistent with reasonable and appropriate standards of community-based primary care providers (singly, a "Clinician," and collectively, the "Clinicians"). Hospital shall be responsible for providing a physician ("MD"), who is a Clinician and is responsible for supervising the other Clinician(s) and operating a clinic for the benefit of Medical Plan participants inside the Methodist Convenient Care location at 110 Second Street, Henderson, Kentucky ("Clinic"). Hospital shall provide a licensed physician (an MD who is also a Clinician) to serve as the medical director of the Clinic (the "Medical Director"). The Clinic shall be open not later than October 2016 to provide primary, convenient and urgent care services in accordance with applicable state law. Medical Director shall supervise each Clinician that is employed or contracted

by Hospital. Each Clinician shall be certified in his/her specialty and shall meet all requirements for continuing education and peer review. Each Clinician shall remain in good standing with the State licensing authority governing his/her specialty within the state where each Clinic is located. The Clinic shall be open for a minimum of fifty (50) hours per week. For thirty (30) hours each week (schedule to be agreed upon by Hospital and Client before the Clinic opening and may be changed on their mutual agreement without further amendment to this Agreement) (the "Exclusive Hours") a Clinician who is a nurse practitioner will be exclusively available to provide Services in the Clinic to participants in the Medical Plan (except for children under two (2) years of age) and the Services will not be subject to a co-pay or deductible and will not be billed to the Medical Plan; provided, however, that educational, wellness or care management programs may be provided by Service Providers at the Client's designated locations if the Clinic clinical, educational, wellness or care management hours provided during the Exclusive Hours are not being fully utilized. It is the intent of the parties that Client and/or Medical Plan participants receive at least thirty (30) hours per week of Services from the Service Providers, which time shall be documented. The participants in the Medical Plan may utilize the services of the Clinic during hours outside of the designated thirty (30) hour time period, but these services shall be billed to the Medical Plan but not subject to co-pays and deductibles. Point of care laboratory tests will be provided at no cost to the participants in the Medical Plan. (See Paragraph 3.1)

- 1.1.2. Consulting Services: Service Providers shall provide consulting services to analyze and understand health care cost trends for Client; consulting services to the near-site Clinic; assistance in the design and implementation of educational, wellness and care management programs ("Educational, Wellness and Care Management Programs") to address major health care cost drivers at Client and for Client's Medical Plan; consulting services in connection with the oversight and management of all programs; consulting services on employee wellness activities; and shall be responsible for the provision of aggregate reports on clinic operations and program results to the Client, all of which are included in the Services.
- 1.1.3 Clinic Management Services: The Hospital shall oversee all operations of the Clinic, including, but not limited to, the provision of a licensed Clinician(s), scheduling, procuring supplies, maintaining all policies and procedures, generating and maintaining documentation, generating and maintaining electronic medical records, maintaining licensing and certification, and the overall management of the facility.
- 1.1.4 Medical Director: Hospital will provide a Medical Director. The Medical Director shall be responsible for overseeing the day-to-day operation of the Clinic. The Medical Director shall be responsible for supervision of all Clinicians and Clinic staff, including without limitation the Clinic's nurse practitioners, physician assistants and other staff.

- 1.1.5 Disease Management Services: The Service Providers shall provide Educational, Wellness and Care Management Programs for the management of conditions such as hypertension, diabetes and hyperlipidemia at no cost to Medical Plan participants. Educational, Wellness and Care Management Programs will require the approval of Client. Launch dates for Educational, Wellness and Care Management Programs shall be upon mutual consent and are subject to Client approval and Client cooperation. Client cooperation shall mean the communication necessary to introduce the Educational, Wellness and Care Management Program(s) to all employees on the Medical Plan and ongoing promotion of the Educational, Wellness and Care Management Program(s). Educational, Wellness and Care Management Programs shall be provided at the near-site Clinic or at the Client's designated locations.
- 1.1.6 Claims Data Procurement, Analysis, and Integration: Edumedics shall procure and analyze Client's Medical Plan health care claims and biometric data. Such data shall include twenty-four months of historical data and shall be generated on a monthly basis thereafter. The data analysis is for the purposes of analysis, identification and return on investment calculations. Edumedics shall facilitate the initial and ongoing procurement of data and shall obtain all the necessary permissions and agreements, including valid HIPAA authorizations from Medical Plan participants where necessary.
- 1.1.7 Staffing: The Hospital shall staff the Clinic with appropriate resources. A dedicated nurse practitioner(s) shall be available for the hours as outlined. Edumedics shall provide a program director to serve as the direct liaison to Client, and to work closely with the clinical delivery team, outreach and enrollment team, data procurement and analysis team, and Hospital ("Program Director"). The Program Director will serve as the primary point of contact between the Service Providers and Client.
- 1.1.8 Employee Education: The Service Providers shall conduct education sessions promoting the Clinic and its benefits at least twice a year, and during benefit enrollment sessions. The Service Providers shall use their best efforts to promote the Clinic to new employees, including education on the benefits of the Services available. The Service Providers shall make Program Director and Clinicians available to promote Clinic services and programs to increase awareness and encourage appropriate utilizations.
- 1.2 REPORTING. Edumedics shall report on the following metrics on at least a semi-annual basis to the Client. All clinical information shall be reported in the aggregate, and shall not be presented in any way to disclose Protected Health Information ("PHI") of any individual, although it is expected that PHI will be used by Edumedics to create the following de-identified information:
- 1.2.1 Health care claims: Claims review to monitor the impact of the Educational, Wellness and Care Management Programs to the cost outlays of the Educational, Wellness and Care Management Programs and the Client's Medical Plan costs,

beginning with health care services rendered thirty (30) days from the Educational, Wellness and Care Management Program launch date.

- 1.2.2 Clinical indicator reports demonstrating the baseline and updated clinical outcomes of the Educational, Wellness and Care Management Programs.
- 1.2.3 Monthly Clinic utilization reports, summarizing the Services provided at the Clinic, in a de-identified format.
- 1.2.4 Enrollment and participation in all Educational, Wellness and Care Management Programs.
- 1.2.5 Health risk assessment and biometric results, if applicable.
- 1.2.6 Satisfaction survey results of participants in Educational, Wellness and Care Management Programs, as well as general Clinic users.

The parties intend that this information be de-identified by Edumedics, but only in accordance with 45 CFR 164.502(d) and 45 CFR 164.514(a)-(c) and in compliance with the Guidance Regarding Methods for De-identification of Protected Health Information in Accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, November 26, 2012 (available at: http://www.hhs.gov/sites/default/files/ocr/privacy/hipaa/understanding/coveredentities/De-identification/hhs_deid_guidance.pdf) and any supplemental/amended guidance issued by the Secretary. Such de-identified information may be used and disclosed by Edumedics only in accordance with 45 CFR 164.502(d), provided that said information in no way refers to Client and that Client gives prior written approval to such use or disclosure.

The parties also intend that Edumedics will perform Data Aggregation (as defined in 45 CFR 164.501) services for Client. However, the Service Providers are prohibited from using PHI for purposes unrelated to the services to be provided hereunder except as specified in their respective business associate agreements with Client.

2 **TERM OF AGREEMENT**

2.1 **TERM.** The initial term of this Agreement shall be for three years and shall begin on _____, 2016 and end on _____, 2019, unless sooner terminated as provided in this Agreement or in accordance with one of the Business Associate Agreements referred to in Section 2.5 of this Agreement. During the first year of this Agreement, this Agreement may be amended by a mutual written amendment signed by all parties; provided, however, that the methodology of calculating the compensation of the Service Providers may not be amended during the first year of this Agreement. The Agreement may be terminated by any party upon 365 days' written notice after the conclusion of the first year of the Agreement. This Agreement shall be renewable upon written agreement among the parties; provided, however, that payment terms and the obligation to develop new care programs or provide additional Services are subject to

the mutual agreement of all parties.

2.1 Events of Default. Any one or more of the following events in Sections 2.1.1-2.1.3 shall constitute an event of default under this Agreement:

2.1.1 Any failure by Client to pay Service Providers in accordance with Section 4 of this Agreement;

2.1.2 Any material failure by any party to promptly and fully perform its obligations or comply with the terms of this Agreement and provided that such default is not a willful violation of applicable law or a threat to the health and safety of the Client's employees or participants in the Medical Plan (which failures must be remedied immediately), the defaulting Party shall have sixty (60) days to remedy such default after written notice of such default by the aggrieved party to the defaulting Party specifying in detail the nature of the default, and provided further that the defaulting Party shall have up to ninety (90) days to cure such default if it has commenced to cure such breach within thirty (30) days of receipt of such notice and is continuing to diligently pursue a cure of such breach; and

2.1.3 A party appoints a custodian, liquidator, trustee or receiver or a material portion of its assets become subject to a custodian, liquidator, trustee or receiver or if a party files a voluntary petition in U.S. bankruptcy court; or a party is generally not paying its debts as they become due or makes an assignment for the benefit of creditors; or bankruptcy, reorganization, or insolvency proceedings or other proceedings for relief under any bankruptcy or similar Law or Laws for relief of debtors are instituted by or against a party and are not dismissed within sixty (60) days.

2.1.4 Since the Service Providers' duties are delineated in this Agreement and circumstances may arise that either of the Service Providers may not be able to fully perform those duties, for whatever reason, it is agreed that the other Service Provider shall have the right, as a remedy to an alleged default, to provide that service in lieu of the failure to perform being considered an event of default. In such case, the Client and the performing Service Provider may elect to enter into a new agreement for the Services to be performed hereunder (which may involve one or more third parties) that would reflect the same terms herein, subject to the approval of the Client's City Commission and the performing Service Provider.

2.2 Remedies

2.2.1 Subject to the terms and conditions of this Agreement, if there is any event of default under this Agreement triggered by the action or inaction of one or both of the Service Providers which is not cured under Section 2.1.2 or if one or both of the Service Providers is subject to Section 2.1.3, Client may, at its option, (i) suspend further payment to the Service Providers for Services which

are specifically associated with such default, (ii) pursue any and all remedies that may be available at law or in equity and/or (iii) terminate this Agreement.

2.2.2 Subject to the terms and conditions of this Agreement, if Client triggers an event of default under Section 2.1.1, fails to cure a material breach in accordance with Section 2.1.2, or becomes subject to Section 2.1.3, the Service Providers may jointly agree to (i) suspend further Services under this Agreement, (ii) pursue any and all remedies that may be available at law or in equity and/or (iii) terminate this Agreement.

2.2.3 These remedies are subject to the “in lieu of default” provision in paragraph 2.1.4.

2.3 Termination Events

2.3.1 This Agreement may be terminated by either party pursuant to section 2.1 or 2.2.

2.3.2 This Agreement may be terminated by a written agreement signed by an authorized individual from each party.

2.4 Consequences of Termination

2.4.1 Termination under any section of this Section shall not cause a party to waive any rights it may have to exercise any remedies available to it under any other section of this Agreement or applicable law.

2.4.2 In the event this Agreement is terminated by reason of a party’s default, the defaulting party shall be liable for all direct costs, fees, expenses and damages and/or other amounts, including reasonable attorney’s fees, expenses and damages and/or other amounts, including reasonable attorneys’ fees, which the non-breaching party(ies) may incur or sustain which are directly due to such default. Parties shall not be liable for incidental or consequential damages resulting from any breach of this Agreement.

2.5 **COMPANION AGREEMENTS.** Each of the Service Providers will enter into or have contemporaneously entered into Business Associate Agreements with the Medical Plan, which they intend to perform simultaneously herewith; provided that some of the terms of the Business Associate Agreements may survive the termination or expiration of this Agreement.

3 **HOSPITAL SERVICES** Edumedics shall engage the Hospital to provide clinical and ancillary services that are part of the Services provided for under this Agreement.

3.1 Hospital shall provide point of care laboratory services on an as needed basis at no cost to Medical Plan participants; however, such services shall be billed to the Client at an approximate cost outlined in Exhibit A and shall be specifically reported on the invoices to client (e.g., total number of a particular type of laboratory test done the previous month at \$x/test).

3.2 The parties acknowledge that some blood or other specimens might be collected or drawn at the Clinic but might be sent to Hospital’s reference laboratory for testing. Such

reference laboratory services will not be billed to the Client under this Agreement but will be billed by the Hospital to the Medical Plan (less any applicable co-payment/co-insurance/deductible owed by the Medical Plan participants) in accordance with a reference laboratory fee schedule agreed upon by Client, the third-party administrator of the Medical Plan, and Hospital.

4 PAYMENT AND INVOICING TERMS

4.1 PAYMENT FOR SERVICES. As payment in full for the Services hereunder (except for claims billed to the Medical Plan by Hospital), Client shall pay Edumedics as follows, with the understanding that Edumedics shall be responsible for paying Hospital any amounts Hospital claims are its due hereunder:

- **Implementation Fee:** An implementation fee of \$7,500.00 shall be paid to Edumedics upon execution of the Agreement to cover implementation costs for the establishment of the Clinic.
- **Management/Operation Fees:** These fees are itemized on Exhibit A attached hereto and incorporated by reference.
- **Performance Metrics:** The Service Providers shall be evaluated by the Client at the end of the first year of the Agreement and every six (6) months thereafter by using the performance metrics and methodology provided in Exhibit B, which is attached hereto and incorporated by reference.

Any changes to Exhibits A and B concerning calculation of payment for Services shall be upon mutual written agreement after the first year of the Agreement.

4.2 INVOICING:

4.2.1 Invoices for all Services hereunder shall be submitted monthly by Edumedics for payment by Client (the parties acknowledge that the Hospital's reference laboratory services discussed in Section 3.2 above and any visits to the Clinic initiated outside of the Exclusive Hours are not provided pursuant to this Agreement). Payment is due within thirty (30) days from date of receipt of the invoice. If Client has any valid reason for disputing any portion of an invoice, Client will so notify Edumedics within seven (7) calendar days of receipt of such invoice by Client, and if no such notification is given, the invoice will be deemed valid, and Client shall pay in full. The portion of Edumedics' invoice that is not in dispute shall be paid in accordance with the procedures set forth herein.

4.2.2 A finance charge of 1.5% per month on the unpaid amount of an invoice, or the maximum amount allowed by law, shall be charged on past due accounts. Payments by Client will thereafter be applied first to accrued interest and then to the principal unpaid balance. Client shall pay any attorney fees, court costs, or other costs incurred in the collection of delinquent accounts. If Client fails to

timely pay any invoice, then the Service Providers may utilize the remedies set forth in Section 2.2.2.

5 PROFESSIONAL CONDUCT OF CLINICIANS (INCLUDES MEDICAL DIRECTOR AND NURSE PRACTITIONER(S))

The professional conduct of each Clinician is governed by applicable state laws and supervised by Hospital. Neither Hospital nor Client shall exercise any control or direction over the method or manner in which a Clinician performs clinical professional services at the Clinic. It is understood between the parties that the traditional, customary, usual and confidential relationship between a health care provider and a patient exists between Clinician and all authorized persons seeking the professional services of Clinician (persons who are participants in the Medical Plan).

The parties have an expectation that the clinical services will be provided in a professional manner, and that the Clinicians will treat all Medical Plan participants with courtesy and respect. In the event that the Client has concerns that clinical services are not being provided at the standard expected, then Client shall have the right to meet with Hospital and Edumedics to express its concerns and seek a mutually agreeable resolution. In the event the parties are unable to reach a mutually agreeable resolution, Hospital shall replace the Clinician in a reasonable amount of time.

6 CONFIDENTIALITY

(a) Edumedics and Hospital shall maintain the confidentiality of health and other personally identifiable information of participants in the Medical Plan as provided for in the attached Business Associate Agreements.

(b) Client agrees that the pricing terms outlined in Section 4 shall remain confidential and shall not be disclosed to a third party without the Service Providers' written consent or as required in accordance with Open Records requests.

(c) Client agrees that the documentation created by the Service Providers and provided to Client in connection with the Educational, Wellness and Care Management Programs provided for hereunder are proprietary to one or both of the Service Providers and distribution and use of such materials other than by the Service Providers for the sole purposes of implementing and administering its care programs to Client is prohibited unless required in accordance with Open Records requests.

(d) The Service Providers acknowledge that the Client and/or the Medical Plan and/or one or more of their vendors has or will disclose Personal Information (as that term is defined in KRS 61.931 and the attached Exhibit C) to one or both of them, and that such Personal Information is protected by KRS 61.931-.934. The Service Providers further acknowledge that they will have access to, collect, or maintain Personal Information on behalf of Client and/or the Medical Plan. The Service Providers agree to implement, maintain, and update security and breach investigation procedures that are appropriate to the nature of the

Personal Information disclosed, that are at least as stringent as the security and breach investigation procedures and practices attached hereto and incorporated herein as Exhibit C, and that are reasonably designed to protect the Personal Information from unauthorized access, use, modification, disclosure, manipulation, or destruction. If the Personal Information is also subject to the protection of other laws/regulations, then the Service Providers will, whenever possible, comply with all the applicable laws and regulations and will also comply with any Business Associate Agreements that relate to this Agreement.

The Service Providers will notify the Client and/or the Medical Plan (as appropriate) in the most expedient time possible and without unreasonable delay but within seventy-two (72) hours of determination of a Security Breach (as that term is defined in KRS 61.931) relating to the Personal Information in the possession of the Service Providers. The notice to the Client and/or the Medical Plan shall include all information the Service Providers have with regard to the Security Breach at the time of notification. This notice may be delayed if a Law Enforcement Agency (as that term is defined in KRS 61.931) notifies the Service Providers that notification will impede a criminal investigation or jeopardize homeland or national security. If notice by the Service Providers to the Client and/or the Medical Plan is delayed due to a Law Enforcement Agency request, the Service Providers shall request the Law Enforcement Agency to specify in writing the necessary length of the delay, and the notification to the Client and/or the Medical Plan shall be given as soon as reasonably feasible by the Service Providers. If federal law or regulation specifies the length of the delay and it is shorter than what the Law Enforcement Agency has requested, then that law or regulation shall control.

(e) The Kentucky Open Records Act and Freedom of Information Act (including their exemptions) as they apply to Client in the matter of open records shall supersede any statement pertaining to confidentiality in this Agreement.

7 CHANGE ORDERS

Client may, with the approval of the Service Providers, request changes in some aspect of the Services that would require additional work not provided for under this Agreement or that result in a change in a program already established under this Agreement. Such changes (a "Change Order") shall be agreed to in writing by all parties.

8 LIABILITY AND INSURANCE

8.1 Limitation.

Each of the Service Providers will indemnify, defend and hold Client, its elected and appointed officials, and its employees, as well as the Medical Plan (the "Indemnified Parties"), harmless from and against any and all demands for personal injury, death, or direct damage to tangible property, or any other liability, losses, damages, demands, claims, proceedings, assessments, judgments, awards, penalties, settlements, suits, actions, causes of action and all costs and expenses (including investigation costs, notification costs, costs of cooperation with various governmental and credit agencies and costs of answering the questions of affected individuals and the media, credit/identity

theft monitoring costs, advertising/media costs, interest, court or hearing costs, mediation costs, and reasonable fees and expenses of attorneys and expert witnesses) (collectively, a "Claim"), which may be asserted or accrue against, or are imposed upon or incurred by any of the Indemnified Parties, directly or indirectly, to the extent caused by the negligence of Service Provider, its subcontractors, or any of Service Provider's or subcontractors' managers, members, partners, directors, officers, employees, subcontractors or agents, while performing or failing to perform their duties under this Agreement or under the applicable Business Associate Agreement, or for a violation of this Agreement, the applicable Business Associate Agreement, a Security Breach under this Agreement or Breach (as defined in the applicable Business Associate Agreement) or other violation of an applicable data privacy or security law or regulation in connection with the Services to be rendered under this Agreement (including without limitation failure to de-identify PHI correctly) by the Service Provider, its subcontractors, or any of Service Provider's or subcontractors' managers, members, partners, directors, officers, employees, subcontractors or agents, if Client gives Service Provider prompt, written notice of any such Claim. Client will cooperate with Service Provider in its defense or settlement of the Claim.

8.2 Insurance. At all times hereunder Client, Edumedics and Hospital will each maintain a minimum of the following insuring agreements:

- CGL, occurrence based general liability insurance with a minimum of \$2,000,000;
- Standard Auto/Vehicle coverages with a minimum of \$1,000,000 each accident;
- Statutory Workers' Compensation insurance;
- Employment Practices Liability coverages with a minimum of \$1,000,000 in limits;
- Professional liability insurance in the amount of \$1,000,000 per claim/\$3,000,000 in the aggregate; and
- Cyberliability insurance in the amount of \$1,000,000 per claim/\$3,000,000 in the aggregate for first and third party risks, to include without limitation coverage for:
 - Security and privacy liability, including privacy breach response costs, regulatory fines and penalties;
 - Media liability, including infringement of copyright, trademark and trade dress; and
 - Cyber extortion.

9 MISCELLANEOUS

9.1 Severability. If any provision of this Agreement or its application is invalid, illegal, or unenforceable in any respect, such provision or its application shall be enforced to the

fullest extent permissible under the law, and this Agreement shall be deemed to be amended accordingly. The validity, legality, and enforceability of all other applications of the provision in question and of all other provisions and applications shall not in any way be affected or impaired.

9.2 Modification and Waiver. Waiver of breach of this Agreement by either party shall not be considered a waiver of any other subsequent breach.

9.3 Independent Contractor. The parties acknowledge and agree that Edumedics and Hospital are independent contractors of Client.

9.4 Notices. All notices or other communications hereunder shall be in writing, and shall be deemed given when delivered to the address specified below or such other address as may be specified in a written notice in accordance with this Section.

If to Edumedics or Hospital:

Edumedics LLC
201 East Jefferson Street, Suite 102
Louisville, KY 40202
Attn: COO
Methodist Hospital
1305 North Elm Street
Post Office Box 48
Henderson, KY 42419
Attn: CEO

If to Client:

Russell Sights, City Manager
City of Henderson
PO Box 716
Henderson, Kentucky 42419

With Copy to:

Benjamin Marrs, Senior Vice President
Benefit Insurance Marketing
1151 Red Mile Rd
Lexington, KY 40504

If to Medical Plan:

Privacy Officer
City of Henderson Group Benefit Plan
PO Box 673
222 First St.
Henderson, Kentucky 42419-0673

Any party may, by notice given in accordance with this Section to the other parties, designate another address or person or entity for receipt of notices hereunder.

9.5 Assignment. No party may assign or transfer any right or obligation under this Agreement without the written consent of the other parties.

9.6 Disputes & Non-Binding Mediation.

Except as provided in the paragraph below with respect to disputes involving a Security Breach, any party to this Agreement may require a dispute arising out of or relating to this Agreement be submitted to non-binding mediation with the exclusive location for said mediation to be located in Henderson, Kentucky, Owensboro, Kentucky or Evansville, Indiana. The parties to this Agreement shall select a mediator by agreement and, if no agreement can be reached, each party shall select one mediator who will then, in turn, agree to a mediator. The costs associated with the mediation shall be divided equally amongst the parties, excluding expenses incurred by each party, such as each parties' attorney fees. Non-binding mediation shall not be the sole means to settling any such dispute. Once non-binding mediation has been unsuccessful, any party shall be entitled to file suit in any court sitting in Henderson County, Commonwealth of Kentucky, that has general jurisdiction of the subject matter.

Specifically, and without changing any of the terms of the immediately preceding paragraph with respect to mediation, costs, and where suit may be filed, if the dispute relates to a Security Breach, and either of the Service Providers contends that neither it nor its managers, members, partners, directors, officers, employees, subcontractors or agents caused the Security Breach through any of their actions or omissions, then the Security Provider(s) may initiate discussions with the Client and/or the Medical Plan's representative to see if the Client and/or the Medical Plan's representative and the Service Provider(s) can agree upon a resolution as to the costs incurred by the Client/Medical Plan with respect to the Security Breach. If a resolution cannot be reached, then the parties agree to submit the dispute non-binding mediation to a mediator under the terms of the immediately preceding paragraph who will apportion fault for the Security Breach and make specific findings as to the amount, if any, owed by the Service Provider(s) to the Client and/or the Medical Plan for the notification and investigation requirements under KRS 61.933. If non-binding mediation is unsuccessful, then the parties may proceed to court as described in the immediately preceding paragraph.

9.7 Section Headings. Title and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

9.8 Representations; Counterparts. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party, with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder. This Agreement may be executed (by original, electronic mail, or facsimile signature) in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

9.9 Residuals. Subject to Section 6, nothing in this Agreement or elsewhere shall prohibit or limit the Edumedics or Hospital's ownership and use of ideas, concepts, know-how, methods, models, techniques, skill knowledge and experience that were used, developed or gained in connection with this Agreement. Edumedics shall have the right to use and disclose de-identified information generated under this Agreement pursuant to Section 1.2, subject to its continuing obligations under its Business Associate Agreement. Client and/or the Medical Plan shall have the right to use and disclose all data collected or generated under this Agreement, subject to applicable HIPAA standards and other applicable laws or regulations.

9.10 No Solicitation of Employees. During and for one (1) year after the term of this Agreement, Client will not solicit the employment of, or employ Edumedics or Hospital's personnel, without the Edumedics/Hospital's prior written consent.

9.11 Cooperation. Client shall cooperate with Edumedics and Hospital in making decisions, attending meetings, being available for consultation, taking actions, executing documents, among other types of cooperation, as appropriate, to achieve the objectives of this Agreement. Client agrees that the performance of the Service Providers is dependent on Client's timely and effective cooperation with the Service Providers. Accordingly, Client acknowledges that any delay by Client may result in the one or both of the Service Providers being released from an obligation or scheduled deadline or in Client having to pay extra fees for the agreement by one or both Service Providers to meet a specific obligation or deadline despite the delay. Client shall utilize the Program Director as the primary point of contact with the Service Providers.

9.12 Governing Law and Construction. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to the principles of conflicts of law. The language of this Agreement shall be deemed to be the result of negotiation among the parties and their respective counsel and shall not be construed strictly for or against any party.

9.13 Entire Agreement. This Agreement, including any Exhibits, states the entire Agreement between the parties and supersedes all previous contracts, proposals, oral or written, and all other communications between the parties respecting the subject matter hereof, and supersedes any and all prior understandings, representations, warranties, agreements or contracts (whether oral or written) among the parties respecting the subject matter hereof. Subject to Section 2.1, this Agreement may only be amended by an agreement in writing executed by the parties hereto.

9.14 Force Majeure. The Service Providers shall not be responsible for delays or failures (including any delay by the Service Providers to make progress in their obligations in regard to any Services) if such delay arises out of causes beyond their control. Such causes may include, but are not restricted to, acts of God or of the public enemy, fires, floods, epidemics, riots, quarantine restrictions, strikes, freight embargoes, earthquakes, electrical outages, computer or communications failures, and severe weather, and acts or omissions of subcontractors or third parties.

9.15 Use By Third Parties. This Agreement shall not create any rights or benefits to any person or entity other than to the parties to this Agreement, except with respect to the Indemnified Parties' indemnification rights as set forth in Section 8 above, as well as the Medical Plan's rights under Section 9.6.

9.16 Survival. Sections 6, 8 and 9 shall survive the expiration or termination of this Agreement; provided that with respect to Section 9.11, only the second sentence shall survive.

EXECUTION OF THIS AGREEMENT IS ON A SEPARATE PAGE.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

CITY OF HENDERSON

By: _____

Title: _____

Date: _____

EDUMEDICS LLC

By: _____

Title: _____

Date: _____

METHODIST HOSPITAL

By: _____

Title: _____

Date: _____

61533488.1

EXHIBIT C:

[Exhibit C is a copy of the City of Henderson, Kentucky Administrative Policy and Procedure Manual C-500, Information Security – Protection of Personal Information Policy, and is attached]

Administrative Policy and Procedure Manual

City of Henderson, Kentucky

Subject	Number
Information Security - Protection of Personal Information	C-500

Effective Date	Revision	Page	of
June 20, 2016	1	1	8

- 1.0 POLICY STATEMENT:** The purpose of this policy is to provide guidance to City personnel to minimize the risk of improperly disclosing personal information, and to set practical guidelines for effectively responding to security incidents pursuant to KRS 61.932, in order to:
- 1.1 Identify vulnerabilities in the storage of personal information, and eliminate or mitigate those vulnerabilities;
 - 1.2 Recognize when an incident has occurred;
 - 1.3 Notify appropriate personnel in the event of an incident;
 - 1.4 Respond to information security threats; and
 - 1.5 Recognize events that require special handling due to their potential impact or special reporting due to legal or other concerns.

This policy requires City personnel to enact appropriate measures to protect personal information stored on media, both digital and non-digital, during the entire term of its use, until its destruction in accordance with the records retention and destruction policy.

- 2.0 PROCEDURES:** Personal information stored on non-digital media shall be physically controlled and securely stored in a manner that ensures that the media cannot be accessed by unauthorized individuals. Methods may include storage in locked cabinets and drawers, or in locked rooms, if unauthorized individuals could gain unescorted access to areas where personal information is stored.

Personal information stored in an electronic format shall be protected from access by unauthorized individuals by means of software that prevents unauthorized access. If personal information is transmitted via e-mail or other electronic means, transmission will use appropriate encryption mechanisms.

2.1 Definitions:

- 2.1.1** *“Authorized personnel”* means City of Henderson full-time, part-time and temporary employees and unpaid interns; elected and appointed officials; attorneys who are representing the City of Henderson or City of Henderson personnel or elected or appointed officials in their official capacity with the City; City of Henderson’s auditors; and approved contractors or consultants.

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- 2.1.2** “*Computer security incident*” or “*incident*” means a violation or imminent threat of violation of computer security policies, acceptable use policies, or standard security practices.
- 2.1.3** “*COT*” means the Commonwealth Office of Technology.
- 2.1.4** “*Digital media*” means physical, electronic media, used to store information, including, but not limited to: diskettes, magnetic tapes, desktop computers, laptops, hard drives, random access memory, read only memory, compact discs, network equipment, other forms of optical and magnetic media, and any other electronic media on which information may be stored. This definition includes forms of media existing at the time these regulations are promulgated and also any such forms or formats as may be invented.
- 2.1.5** “*DLG*” means the Department for Local Government.
- 2.1.6** “*Non-digital media*” means a hard copy or physical representation of information, including, but not limited to, paper copies, printer ribbons, drums, microfilm, platens, and other forms of preserved or preservable information.
- 2.1.7** “*Personal Information*” means an individual's first name or first initial and last name; personal mark; or unique biometric or genetic print or image, in combination with one (1) or more of the following data elements:
- 2.1.7.1** An account number, credit card number, or debit card number that, in combination with any required security code, access code, or password, would permit access to an account;
 - 2.1.7.2** A Social Security number;
 - 2.1.7.3** A taxpayer identification number that incorporates a Social Security number;
 - 2.1.7.4** A driver's license number, state identification card number, or other individual identification number issued by any agency;
 - 2.1.7.5** A passport number or other identification number issued by the United States government; or
 - 2.1.7.6** Individually identifiable health information as defined in 45 C.F.R. sec. 160.103

2.1.8 “*Portable computing device*” means electronic devices on which personal information is stored, or may be stored, designed, used or intended to be used in multiple physical locations or capable of being used while traveling, such as laptops, tablet computers, personal digital assistants (PDAs), digital cameras, portable telephones, and similar devices.

For purposes of this policy, all terms not otherwise defined are used consistent with the definitions set forth in KRS 61.932.

3.0 POLICY: Media containing personal information shall be physically controlled and securely stored in a manner meant to ensure that the media cannot be accessed by unauthorized individuals. This may require storing media in locked containers such as cabinets, drawers, rooms, or similar locations if unauthorized individuals have unescorted access to areas where personal information is stored. Department Heads will determine the appropriate location for storing media with personal information in areas where unauthorized individuals have unescorted access. If personal information is stored in an electronic format, it shall be protected from access by unauthorized individuals. Such information must be protected by software that prevents unauthorized access. If personal information is transmitted via e-mail or other electronic means, it must be sent using appropriate encryption mechanisms.

3.1 Software Security software used to protect personal information must provide user identification, authentication, data access controls, integrity, and audit controls.

Security software should be adequately tested to confirm functionality and to ensure that it is minimally disruptive to all associated operating systems, communications, applications, and other associated software systems. Contractual provisions must also ensure that the supplier’s software, by design or configuration, will not introduce any security exposures.

The level of protection afforded by security software should be commensurate with the sensitivity of the data. For example, if data resides in a database that is deemed highly confidential, stringent access controls to the database should be employed. The level of protection along with the methods to implement that protection should be addressed before any personal information is stored on a device.

Systems, networks and application software used to process personal information must adhere to the highest level of protection reasonably practical. The City shall use Intrusion Detection and Prevention software which provided that provides comparable, or superior, protection to Software approved by the Commonwealth Office of Technology.

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- 3.2 Encryption** Information stored on digital media shall be encrypted in accordance with contemporary standards.
- 3.3 Access Control** Only authorized individuals are permitted access to media containing personal information. In addition to controlling physical access, user authentication should provide audit access information. Any access must comply with applicable regulatory requirements.
- 3.4 Portable Computing Devices** This policy prohibits the unnecessary placement (download or input) of personal information on portable computing devices. However, users who in the course of City of Henderson business must place personal information on portable computing devices must be made aware of the risks involved and impact to the affected person/entities in the event of actual or suspected loss or disclosure of personal information. If personal information is placed on a portable computing device, reasonable efforts must be taken, including physical controls or encryption, to protect the information from unauthorized access. Additionally, each person using the portable computing device must sign a form approved by the City of Henderson indicating acceptance of the information and acknowledging his/her understanding of the responsibility to protect the information. (If a person is using a smartphone or tablet, a separate Agreement must be signed). In the event the portable computing device is lost or stolen, the City should be able to accurately recreate the personal information and must be able to provide notification to all affected persons/entities.

When it is determined that personal information must be placed on a portable computing device, every effort should be taken to minimize the amount of information required. If possible, information should be abbreviated to limit exposure (e.g., last 4 digits of the social security number).

- 3.5 Physical Security Procedures** Each Department Head is responsible for determining what non-digital media is in its department and determining the appropriate measures to ensure that non-digital media is protected from physical security needs and threats, such as natural disasters, electrical outages, fire, or other physical threats to personnel or information resource. If a Department Head determines that it does not have non-digital media with personnel information in its department, then it should provide a statement to that effect to the Point of Contact (POC). The Department Head is responsible for keeping the POC aware of any changes in the personal information that it keeps.

The POC is in charge of determining the appropriate measures to ensure that digital media is protected from physical security needs and threats, such as natural disasters, electrical outages, fire or other physical threats.

- 3.6 Protection of Personal Information** The City shall secure and, when applicable, appropriately dispose of non-digital media. Non-digital media containing

personal information must be properly stored and secured from view by unauthorized persons. **Individual employees are responsible for security of personal information in their possession or stored within their workspaces or on their electronic devices.**

Secure measures will be employed by the city and all permissive users to safeguard personal information contained on all City's technology resources.

Department Heads shall ensure that all authorized personnel are familiar with and comply with the Information Security Policy. The City shall ensure that only authorized personnel may hold and have access to personal information.

3.7 Types of Incidents Threats to the security of personal information arise in many different ways. City employees are encouraged to be aware of the different types of threats and to enact reasonable measures to protect against each. Attacks on personal information may arise from:

3.7.1 External/Removable Media—an attack executed from removable media (e.g. flash drive, CD) or a peripheral device.

3.7.2 Attrition—An attack that employs brute force methods to compromise, degrade, or destroy systems, networks, or services.

3.7.3 Web—An attack executed from a website or web-based application.

3.7.4 Email—An attack executed via an email message or attachment.

3.7.5 Improper usage—Any incident resulting from violation of an organization's acceptable usage policies by an authorized user, excluding the above categories.

3.7.6 Loss or Theft of Equipment—The loss or theft of a computing device or media used by the organization, such as a laptop or smartphone.

3.7.7 Other—an attack that does not fit into any of the other categories.

3.8 Destruction of Records Containing Personal Information A media retention schedule shall be defined for all media in accordance with regulatory requirements. The City of Henderson has adopted a retention schedule consistent with the Kentucky Department of Libraries and Archives General Records Retention Schedule for State Agencies.

When records containing personal or confidential information are ready for destruction, the City shall destroy the information completely to ensure that the information cannot be recognized or reconstructed. In addition, any personal or confidential data contained on the computer media must be obliterated and/or made indecipherable before disposing of the tape, diskette, CD-ROM, zip disk, or other type of medium.

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The methods set forth below are listed in priority order with the most highly recommended safeguard listed first. One of the following safeguards will be implemented:

3.8.1 Hire a document disposal contractor to dispose of the material. The contractor should be certified by a recognized trade association and should use disk sanitizing software and/or equipment approved by the United States Department of Defense. The Point of Contact should review and evaluate the disposal company's information security policies and procedures. The Point of Contact should review an independent audit of a disposal company's operations and/or its compliance with nationally recognized standards.

3.8.2 Secure and utilize shredding equipment that performs cross-cut or confetti patterns.

3.8.3 Secure and utilize disk sanitizing or erasing software or equipment approved by the United States Department of Defense.

3.8.4 Modify the information to make it unreadable, unusable or indecipherable through any means

3.9 Reporting of Incidents Involving Personal Information An employee who suspects or knows of an actual loss or disclosure of personal information will report it to their Department Head, Department's Point of Contact, or the Point of Contact as soon as practical, but in no event longer than two (2) business days, including if the portable computing device is lost or stolen. The City will disclose a security breach in which personal information is disclosed to, or obtained by, an unauthorized person. Notification of the incident must be made in the most prompt and expedient manner after the incident has been discovered. Within thirty-five (35) days, a letter notifying affected individuals of actual or suspected loss or disclosure of personal information will be sent by the City describing the types of information lost and recommended actions to be taken to mitigate the potential misuse of their information.

3.9.1 Further, within three (3) business days, when the City identifies that a security breach has occurred in which personal information has been disclosed to, or obtained by, an unauthorized person, it shall notify Kentucky State Police, the Auditor of Public Accounts, the Attorney General and the Commissioner of the Department for Local Government and complete form COT-F012 documenting the following:

3.9.1.1 Preliminary Reporting and description of the incident;

3.9.1.2 Response, including evidence gathered;

3.9.1.3 Final Assessment and corrective action taken; and

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3.9.1.4 Final Reporting

3.9.2 Incident Response procedures can be a reaction to security activities such as:

3.9.2.1 Unauthorized access to Personnel, Data, or Resources;

3.9.2.2 Denial of Service Attacks;

3.9.2.3 Actual or Anticipated Widespread Malware Infections;

3.9.2.4 Data Breaches;

3.9.2.5 Loss/Theft of Equipment;

3.9.2.6 Significant Disruption of Services

3.9.2.7 Significant Level of Unauthorized Scanning Activity to or from Hosts on the Network

3.10 Investigation: The City shall make reasonable efforts to investigate any security breaches in which personal information is disclosed to, or obtained by, an unauthorized person and shall take appropriate corrective action.

3.11 Disclosure Communications: The City will comply with all federal and state laws and policies for information disclosure to media or the public. In some circumstances, communication about an incident is necessary, such as contacting law enforcement. The City will use discretion in disclosing information about an incident. Such information includes network information, type of incident, specific infection type (if applicable), number of assets affected, specific detail about applications affected, applications used to employ corrective action/investigate, etc. the City may proactively share relevant incident indicator information with peers to improve detection and analysis of incidents. Within the parameters of the law, minimal disclosure regarding incidents is preferred to prevent unauthorized persons from acquiring sensitive information regarding the incident, security protocols and similar matters, in an effort to avoid additional disruption and financial loss responsible for updating this, if it does receive personnel information.

4.0 RESPONSIBILITY: The Finance Director shall be the Point of Contact (POC) under this policy. The POC shall serve the following functions:

4.1 Maintain the City of Henderson' adopted Information Security Policy and be familiar with its requirements;

4.2 Ensure the City of Henderson's employees and others with access to personal information are aware of and understand the Information Security Policy;

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- 4.3 Serve as contact for inquiries from other agencies regarding its Information Security Policy and any incidents;
- 4.4 Be responsible for obtaining from Department Heads' their department security policy;
- 4.5 Be responsible for ensuring compliance with the Information Security Policy; and
- 4.6 Be responsible for responding to any incidents.

Department Heads shall be responsible for developing their department's physical security policy which will include appointing a POC for their Department. The Department POC will report changes to the Department's policies and any possible breaches to the City's Point of Contact (Finance Director). Department Head shall report any changes in the Department's keeping of personal information to the Department's POC and to the City's Point of Contact.

5.0 **AGREEMENT WITH NONAFFILIATED OUTSIDE PARTIES:** For any Agreement with an outside, nonaffiliated party (person, agencies, or company) that the City of Henderson enters into or modifies on or after January 1, 2015, wherein as part of that Agreement personal information will be provided to that outside party, then the Agreement shall required that the outside, nonaffiliated party implement, maintain and update security and breach investigation procedures that are appropriate to the nature of the information disclosed, that are at least as stringent as this policy and that are reasonably designed to protect the personal information from unauthorized access, use, modification, disclosure, manipulation or destruction. Further, the Agreement must provide that the nonaffiliated outside party must notify the City in the most expedient time possible and without unreasonable delay, but within seventy-two (72) hours of determination of a security breach relating to the personal information in possession of the nonaffiliated, outside party. A delay in notification may be allowed if law enforcement notifies the nonaffiliated outside party that notification will impede a criminal investigation or jeopardize homeland or national security - see KRS 61.932(2)(b)(2). The notice to the City shall include all information has regard to the security breach at the time of notification. The Agreement must specify how the cost of the notification and investigation requirements under KRS 61.933 will be apportioned when a security breach has occurred

MUNICIPAL ORDER ACCEPTING THE AGREEMENT FOR SERVICES BETWEEN THE CITY OF HENDERSON, COMMUNITY UNITED METHODIST HOSPITAL, INC AND EDUMEDICS, LLC AND GIVING THE MAYOR THE AUTHORIZATION TO EXECUTE THE AGREEMENT AND ANY OTHER RELATED DOCUMENTS INCLUDING BUSINESS ASSOCIATES AGREEMENTS BETWEEN THE PARTIES.

WHEREAS, the City of Henderson (hereinafter "City") desires to enter into an Agreement for Service to provide near site clinic services and disease management program to employees, spouses, and eligible dependents who are covered by the City of Henderson health insurance program.

WHEREAS, Benefit Insurance Marketing (hereinafter "BIM"), the City's employee benefits broker, prepared a Request for Proposal for these desired near site clinic and disease management programs on behalf of the City.

WHEREAS, in response to the RFP, Community Methodist Hospital, Inc. (hereinafter "Hospital") and Edumedics, LLC (hereinafter "Edumedics") submitted a proposal wherein the two entities will enter into an agreement to provide various management, administrative and clinical services to City which will be provided in at Methodist Convenient Care, 110 Second Street, Henderson, Kentucky and some educational, wellness or care management services may also be provided at City's facilities.

WHEREAS, the clinic and the educational, wellness and care management services will promote wellness and overall improved health for the city's health insurance participants.

WHEREAS, the Agreement should reduce the overall city's health plan costs, provide more convenience to the employees for their health care and laboratory needs and reduce employee's out-of-pocket health care expenses.

WHEREAS, both BIM and the City Manager recommends that the City enter into this agreement.

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF HENDERSON, KENTUCKY, that the recommendation of BIM and the City Manager is approved, and the Mayor is hereby given authority to execute into the Agreement for Services on the condition that the Laboratory Fee Schedule referenced in Paragraph 3.2 is agreed upon by Methodist Hospital, the City and the City's Third Party Administrator, and the Mayor is also given authority to execute other related documents including Business Associates Agreements.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Resolution be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills: _____
Commissioner Johnston: _____
Commissioner Hite: _____

Commissioner Royster: _____
Mayor Austin: _____

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING and Mayor Austin, affixed his signature and the date thereto and ordered that the same be recorded.

ATTEST:

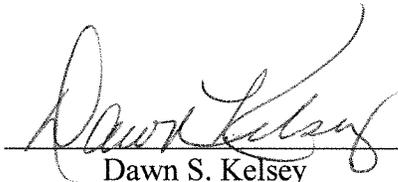
Steve Austin, Mayor

Date: _____

Maree Collins, Acting City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 17 DAY OF
AUGUST 2016.**

By:



Dawn S. Kelsey
City Attorney

**City Commission Memorandum
16-188**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners
FROM: Russell R. Sights, City Manager 
SUBJECT: Purchase of Property – Airport Board

The accompanying resolution authorizes the joint purchase with Henderson County of land to be managed by the Henderson City-County Air Board. The purchase consists of 56.2 acres.

The land will be used for future expansion and improvement to the airport. The Air Board negotiated the purchase terms of this property. Henderson Fiscal Court is expected to approve the purchase at an upcoming meeting. Mr. Allen Bennett, Airport Manager, and Mr. Chris Hopgood, Attorney, will be present at the August 23, 2016 Commission meeting to answer any questions you might have.

No new funding is required of either the City or the County. The Air Board will utilize reserves for payment of this purchase. Your approval of the attached resolution is requested.

c: Buzzy Newman
Allen Bennett
Chris Hopgood
Brad Schneider

Interdepartmental Memorandum

August 18, 2016

TO: Russell Sights, City Manager

FROM: William L. Newman, Jr., Assistant City Manager *WLN*

SUBJECT: Henderson City/County Airport Land Purchase Agreement

The Airport Master Plan calls for a runway extension project to be completed in phases. The first phase is property acquisition, and the attached agreement is for the purchase of land for the project.

Funding for the Federal Aviation Administration is typically a federal, state and local match; however, the Airport Manager has leveraged previous land acquisitions for the Airport Project and there will be no matching costs to the City for Phase 1.

I have asked Mr. Allen Bennett to attend the meeting to brief the Board of Commissioners on the phases of construction and time frame of each.

REAL ESTATE PURCHASE AND SALE CONTRACT

THIS CONTRACT, made and entered into this the _____ day of August, 2016, by and between **JOHN MICHAEL DOSSETT** and wife, **BRENDA K, DOSSETT; CHRISTOPHER D. DOSSETT** and his wife, **SHIRLEY A. DOSSETT**; and **DAVID V. DOSSETT** and his wife, **NINA B. DOSSETT**, collectively at 8297 Martin-Martin Road, Henderson, KY 42420, parties of the first part, **SELLERS** and **HENDERSON CITY-COUNTY AIRPORT BOARD**, 2154 Hwy. 136 W., Henderson, KY 42420, governmental agencies, parties of the second part, **BUYER**;

WITNESSETH: For the purchase price herein specified and in accordance with the following terms and conditions the Sellers agree to sell to the Buyer, who agrees to buy from the Sellers, the hereinafter described real property located in the Henderson County, Kentucky, and being 56.2 acres as described in "Exhibit A" attached hereto, and a portion of Sellers' property conveyed to them from Franklin Real Estate by deed dated January 14, 1998, of record in Deed Book 474, page 315, Henderson County Clerk's Office.

All minerals and mineral rights owned by Sellers are included herein but Sellers do not warrant same.

The parties do further mutually **AGREE, PROMISE and UNDERSTAND** as follows:

1. PURCHASE PRICE, PAYMENT AND

CONTINGENCY: The purchase price for the above described real property is \$710,000.00. Buyer has this day paid to Sellers \$4,000.00, receipt of same being hereby acknowledged by Sellers. The balance of \$706,000.00 shall be paid to Sellers at the closing. Buyer's obligation is contingent upon approval and funding of a pending runway extension project with the Federal Aviation administration.

2. CLOSING:

The closing of this transaction shall be held on Friday, September 30, 2016, at 1:30 P.M. at the law offices of Dorsey, Gray, Norment & Hopgood, 318 Second Street, Henderson, Kentucky, or at such other time and place as mutually agreed upon by the parties.

3. DEED:

At the closing, upon the purchase price being paid as above provided, Sellers shall deliver to Buyer a deed conveying to Assignees, City of Henderson and County of Henderson, equally as tenants in common good and marketable title to said real property with covenant of General Warranty, subject to all easements, restrictions, rights-of-way and prior mineral reservations and mineral conveyances of record. Should the title to said property appear defective, the Buyer herein shall extend to the Sellers a reasonable time in which to correct any defect at the cost of the Sellers.

4. POSSESSION; "AS IS" CONDITION OF

PROPERTY: Possession of the property is to be given at the time of closing. Buyer

and its Assignees agree to accept property in "as is" condition, subject to reasonable wear and tear between date hereof and closing.

5. REAL ESTATE TAXES: The 2016 taxes shall be prorated between the parties. Future taxes shall be the responsibility of the Buyer.

6. SELLERS' AND BUYER'S EXPENSES: Sellers shall pay usual and customary closing costs being deed preparation and transfer tax. Buyer shall be responsible for payment of contract preparation, deed recording fee, title examination charges, and closing costs.

7. DEFAULT: If either party fails to carry out the terms of this contract or refuses to perform their or its obligations hereunder upon proper tender of the other party to close, then: If Buyer be the party in default Buyer shall forfeit its deposit to the Sellers who may at their option treat this contract as null and void and retain said deposit as liquidated damages or to apply on any claim for further damages which may arise; or if Sellers be the parties in default, Sellers shall forfeit their right to the deposit money made to the Buyer who may at Buyer's option treat this contract as null and void and be entitled to receive the return of deposit made by Buyer; or, the party not in default may sue to require specific performance of this contract by the defaulting party, or may pursue any other remedy available to that party at law or equity.

8. RISK OF LOSS: The risk of loss shall remain with the Sellers until closing and delivery of deed. Sellers shall be responsible for keeping the improvements on the above described real property insured against fire or other casualty in at least the amount of the purchase price.

9. PARTIES BOUND: Upon execution of this contract same shall become binding upon and inure to the benefit of the Sellers and the Buyer, and their heirs, successors and assigns. Sellers consent to Buyer's assignment of the right to purchase hereunder to the City of Henderson and County of Henderson, Kentucky, jointly and equally. This Real Estate Purchase and Sale Agreement may be executed in counterparts.

IN TESTIMONY WHEREOF, witness the hands of the parties hereto this day and date first above written.

SELLERS:

JOHN MICHAEL DOSSETT

BRENDA K. DOSSETT

CHRISTOPHER D. DOSSETT

SHIRLEY A. DOSSETT

DAVID V. DOSSETT

NINA B. DOSSETT

BUYER:

**HENDERSON CITY-COUNTY AIRPORT
BOARD**

By _____
Richard Wham,
Chairman

STATE OF KENTUCKY
COUNTY OF HENDERSON

The foregoing was signed and acknowledged before me by JOHN MICHAEL DOSSETT and wife, BRENDA K, DOSSETT; CHRISTOPHER D. DOSSETT and his wife, SHIRLEY A. DOSSETT; and DAVID V. DOSSETT and his wife, NINA B. DOSSETT, this ____ day of _____, 2016.

My commission expires _____

Notary Public, State of Kentucky at Large

(seal)

STATE OF KENTUCKY
COUNTY OF HENDERSON

The foregoing was signed and acknowledged before me by RICHARD WHAM, Chairman, Henderson City-County Airport Board, for and on behalf of said city, this ____ day of _____, 2016.

My commission expires _____

Notary Public, State of Kentucky at Large

(seal)

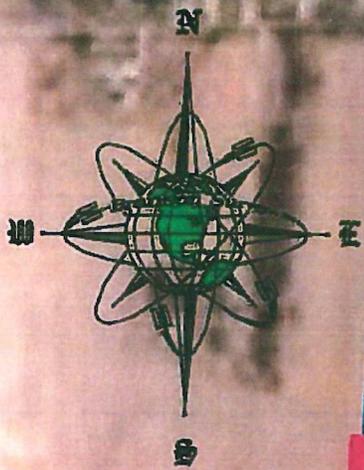
This instrument was prepared by

DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, Kentucky 42420



Branson Surveys, Inc.

330 SECOND ST., HENDERSON, KY 42420



KY HWY 136 W.

OLD CORYDON-GENEVA RD.

AVIGATION EASEMENT
DB 475 PP 132

AVIGATION EASEMENT
DB 361 PP 519

BUILDING RESTRICTION LINE

E - RPZ

210'

TAXIWAY

56.2 ac.

E - RPZ

TRIGG - TURNER ROAD

HENDERSON CITY-COUNTY AIRPORT

CORYDON - GENEVA RD.

400 0 400 800 1200



RESOLUTION NO. _____

RESOLUTION APPROVING REAL ESTATE PURCHASE AND SALE CONTRACT AND THE PURCHASE BETWEEN THE HENDERSON CITY-COUNTY AIRPORT BOARD, JOHN MICHAEL DOSSETT, BRENDA K. DOSSETT, CHRISTOPHER D. DOSSETT, SHIRLEY A. DOSSETT, DAVID V. DOSSETT AND NINA B. DOSSETT IN THE AMOUNT OF \$710,000.00; AND DIRECTING MAYOR TO EXECUTE ALL DOCUMENTS WHICH ARE DEEMED NECESSARY TO EFFECTUATE THE SALE AND CONVEYANCE OF THE PROPERTY

WHEREAS, the Henderson-Henderson County Airport Board recommends that the City of Henderson and the Fiscal Court of Henderson County enter into a real estate purchase and sale contract with John Michael Dossett, Brenda K. Dossett, Christopher D. Dossett, Shirley A. Dossett, David V. Dossett and Nina B. Dossett , (hereinafter the "Dossetts") to purchase property located in Henderson County and containing Fifty Six and Two Tenths (56.2) acres more or less, which is generally depicted on the attached plat marked Exhibit "A", for the airport runway expansion project; and

WHEREAS, all parties agree that the purchase price of the property is \$710,000.00, which will be funded by grant from the Federal Aviation Administration (FAA), and the City Manager and the Henderson-Henderson County Airport Board recommends that said Real Estate Purchase and Sale Contract be approved.

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky that the recommendation of the City Manager and the Henderson-Henderson County Airport Board is accepted, and the purchase of the "Dossetts" real estate is hereby approved ; and the Mayor is hereby authorized and directed to execute all documents as may be necessary to effectuate the sale and conveyance of the aforesaid property.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Resolution be adopted, the vote was called. On roll call the vote stood:

Commissioner Mills _____
Commissioner Johnston _____
Commissioner Hite _____

Commissioner Royster _____
Mayor Austin _____

WHEREUPON, Mayor Austin declared the Resolution adopted, affixed his signature and the date thereto and ordered that the same be recorded.

ATTEST:

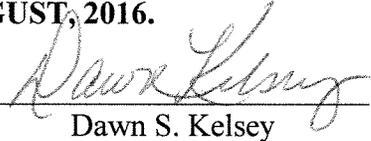
Steve Austin, Mayor

Date: _____

Maree Collins, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 16 DAY OF
AUGUST, 2016.**

By: _____



Dawn S. Kelsey
City Attorney



Branson Surveys, inc.

330 SECOND ST., HENDERSON, KY 42420



KY HWY 136 W.

OLD CORYDON-GENEVA RD.

AVIGATION EASEMENT
DB 475 PP 132

AVIGATION EASEMENT
DB 361 PP 519

BUILDING RESTRICTION LINE

TAXIWAY

HENDERSON CITY-COUNTY AIRPORT

56.2 ac.

TRIGG - TURNER ROAD

CORYDON - GENEVA RD.

E - RPZ
210'

E - RPZ

E - RPZ



**City Commission Memorandum
16-190**

August 19, 2016

TO: Mayor Steve Austin and the Board of Commissioners

FROM: Russell R. Sights, City Manager *RS*

SUBJECT: City Manager's Report

Attached are two invoices from the Henderson County Tourist Commission, both due August 30, 2016. One invoice is for the sum of \$10,000.00 for investment in the Community Wide Branding Initiative, stating this is the last payment due from the City. The other invoice is for the sum of \$5,000.00 for investment in the Sports and Meetings Space Feasibility study, which will be completed by October 2016. The FY 2017 budget has adequate funds available in the Visionary Plan account for payment of both invoices, if approved by the Board of Commissioners.

Your approval of these payments is requested.

c: Buzzy Newman
Robert Gunter



— travel light —

HENDERSON
COUNTY
TOURIST COMMISSION

TO: CITY OF HENDERSON
P O BOX 716
HENDERSON, KY 42419

FROM: HENDERSON COUNTY TOURIST COMMISSION
101 N. WATER ST., B
HENDERSON, KY 42420

DATE: JULY 18, 2016

INVOICE

The sum of \$10,000 is **due August 30, 2016** for investment in the Community Wide Branding Initiative. The project began in September 2016 and will be completed on August 4, 2016. This is the last payment due from the City of Henderson.

TOTAL AMOUNT DUE \$10,000



— travel light —

HENDERSON
COUNTY
TOURIST COMMISSION

TO: CITY OF HENDERSON
P O BOX 716
HENDERSON, KY 42419

FROM: HENDERSON COUNTY TOURIST COMMISSION
101 N. WATER ST., B
HENDERSON, KY 42420

DATE: JULY 18, 2016

INVOICE

The sum of \$5,000 is **due August 30, 2016** for investment in the Sports and Meetings Space Feasibility study. The study began in April 2016 and will be completed by October 2016.

TOTAL AMOUNT DUE \$5,000

UPCOMING
BOARD APPOINTMENTS

<u>BOARD</u>	<u>EXPIRATION DATE</u>	<u>TERM</u>
--------------	------------------------	-------------

BOARD OF APPEALS (Housing & Building)

	<u>Current Term Expires</u>	<u>Term</u>
Gray Hodge	06/22/2016	4-Year

HENDERSON-HENDERSON COUNTY HUMAN RIGHTS COMMISSION

	<u>Current Term Expires</u>	<u>Term</u>
Darlene Ware	06/30/2016	3-Year

MUNICIPAL HOUSING COMMISSION

	<u>Current Term Expires</u>	<u>Term</u>
Amy Taylor	09/30/2016	4-Year