

**MINUTES OF THE  
DANVILLE CITY COMMISSION**

The Board of Commissioners of the City of Danville, Kentucky convened in a Regular Commission Meeting in the Public Meeting room at City Hall/Police Station on Monday, March 26, 2018 at 5:30 p.m.

**COMMISSIONERS PRESENT:**

Mayor Perros  
Commissioner Terry  
Commissioner Serres  
Commissioner Atkins  
Commissioner Caudill

**OTHERS PRESENT:**

Ron Scott, City Manager  
Donna Peek, City Clerk  
Stephen Dexter, City Attorney  
Tony Gray, Police Chief  
Ken Pflug, Fire Chief  
Earl Coffey, City Engineer  
Alex Carney, IT Tech  
Bridgette Lester, Codes Director  
Joyce Collins, Administrative Asst.  
Steve Hunter, P&Z Director  
Ben Kleppinger, Advocate Messenger  
Janet Hamner  
Wilma Brown  
Jennifer Kirchner  
Randy Graham  
Lauren Newman  
Janet Nash  
Steve Cline  
J.P. Brantley  
Jane Brantley  
Timothy Kitts, Housing Authority  
Aleah Stigall, Little Miss Ky. U.S.  
Dana Stigall  
Maria Montgomery  
Ms. Brogle, Asst. Principal – KSD  
Mandy Byrne, KSD Teacher  
KSD – DefChefs Team  
John Caywood  
Martha Caywood  
Margaret Calhoun  
Laurie K. Moore  
Steve Knight  
Others

Mayor Perros announced that a quorum was present and called the meeting to order the time being 5:30 p.m.

Commissioner Atkins began the meeting with a prayer. Little Miss Kentucky United States Aleah Stigall and KSD DefChef's Culinary team members led the Commission in the pledge of allegiance.

**AGENDA APPROVAL:**

The Commission approved the agenda as presented.

**HEAR THE PUBLIC:**

No comments.

**1. APPROVAL OF THE MINUTES OF 03/12/2018:**

Commissioner Terry made a motion to approve the minutes of 03/12/2018 as presented. The motion was seconded by Commissioner Serres and unanimously approved upon voice vote.

**2. PROCLAMATION – LITTLE MISS KENTUCKY UNITED STATES 2018:**

Commissioner Terry read a proclamation into the record recognizing Aleah Stigall as Little Miss Kentucky United States 2018 and presented Ms. Stigall with a plaque. Commissioner Atkins made a motion to approve the proclamation as presented. The motion was seconded by Commissioner Caudill and unanimously approved upon voice vote.

**3. PROCLAMATION – CHILD ABUSE PREVENTION AWARENESS MONTH 2018:**

Commissioner Caudill made a motion to approve the Child Abuse prevention awareness month proclamation as presented. The motion was seconded by Commissioner Terry and unanimously approved upon voice vote.

**4. PROCLAMATION – KSD CULINARY TEAM RECOGNITION:**

Commissioner Serres read a proclamation into the record congratulating KSD's DefChef's on their accomplishments at the culinary bowl in San Francisco. The Commission introduced the members of the team and presented them with a proclamation and plaque. Commissioner Serres made a motion to approve the proclamation as presented. The motion was seconded by Commissioner Caudill and unanimously approved upon voice vote.

**5. PROCLAMATION – AUTISM AWARENESS MONTH 2018:**

Commissioner Atkins made a motion to approve the Autism Awareness month proclamation as presented. The motion was seconded by Commissioner Terry and unanimously approved upon voice vote.

**6. BRASS BAND FESTIVAL BANNER REQUEST:**

Commissioner Serres made a motion to approve the request from the GABBF to place a banner at City Hall for two weeks prior to the festival in June 2018. The motion was seconded by Commissioner Caudill and unanimously approved upon voice vote.

**7. RESOLUTION #2018-03-26-01 – HEALTH INSURANCE FY2018-2019:**

City Manager Ron Scott addressed the Commission and presented a self-funded proposal for employee health insurance for fiscal year 18/19. After much discussion, Commissioner Caudill made a motion to approve Resolution #2018-03-26-01 as presented. The motion was seconded by Commissioner Terry and unanimously approved upon voice vote.

**8. CITY MANAGER REPORT:**

City Manager Ron Scott presented a report to the Commission. (see attached report)

**HEAR THE PUBLIC:**

John Caywood addressed the Commission and discussed a recent insurance claim he filed with the City of Danville.

Randy Graham addressed the Commission and discussed several items including the use of consultants and the TIF district.

Steve Knight addressed the Commission and said he opposed the potential TIF district.

Margaret Calhoun addressed the Commission and asked about the 2<sup>nd</sup> Street bridge repairs, informed the Commission that there is a strong sewer smell in the second street area and asked about the possibility of a stop light being placed in the area.

**COMMISSIONER COMMENTS:**

Commissioner Serres congratulated the KSD culinary team on their accomplishments and recognized that March is deaf history month.

Mayor Perros mentioned that EDP board will be having an all-day retreat on Saturday with Kyle Talente to further discuss the implementation of the study and recommendations that was completed earlier in the year.

Commissioner Atkins discussed the dedication and renaming of Batewood Park. He also discussed that April 4<sup>th</sup>, would be the 50<sup>th</sup> anniversary of the assassination of Martin Luther King Jr. and announced that a march would be held on Sunday April 15<sup>th</sup> in Danville to honor Mr. King. He encouraged everyone to participate in the event.

**9. PAYMENT OF THE BILLS:**

Commissioner Atkins made a motion to approve the bills as presented in the amount of \$117,016.59. The motion was seconded by Commissioner Serres and unanimously approved upon voice vote. A breakdown of departments is as follows: General fund - \$27,200.53; Utility Fund - \$59,084.07; Non-departmental - \$5,149.20; Capital - \$15,458.85; Parking fund - \$483.00; Storm water fund - \$4,725.00; Garbage fund - \$4,325.00; and water refunds - \$590.94.

**10. RESOLUTION #2018-03-26-02 – CEMETERY LOT BUYBACK (ARNOLD):**

Commissioner Caudill made a motion to approve resolution #2018-03-26-02 as presented. The motion was seconded by Commissioner Terry and unanimously approved upon voice vote.

**11. RESOLUTION #2018-03-26-03 – KU PLANT THE PLANET GRANT:**

Commissioner Serres made a motion to approve resolution #2018-03-26-03 as presented. The motion was seconded by Commissioner Caudill and unanimously approved upon voice vote.

**12. MUNICIPAL ORDER #03-26-01-2018 – LIABILITY INSURANCE REQUIREMENT:**

Commissioner Terry made a motion to approve Municipal order #03-26-01-2018 as presented. The motion was seconded by Commissioner Caudill and approved upon roll call. Commissioner Serres voted no.

**13. EPHRAIM MCDOWELL PARKING LEASE REQUEST APPROVAL:**

City Attorney Stephen Dexter addressed the Commission and explained that Ephraim McDowell had requested that the hospital be authorized to sub lease parking spaces to Farmers National Bank as presented. Commissioner Caudill made a motion to approve the request as presented. The motion was seconded by Commissioner Atkins and unanimously approved upon voice vote. Prior to the vote Commissioner Caudill disclosed that he is related to an individual at Farmers National Bank.

**14. PROPERTY DEMOLITION LIST DISCUSSION:**

City Attorney Stephen Dexter presented a list of properties and comments for each to the Commission for action. Mayor Perros made a motion to proceed with the recommendations on the properties as presented. The motion was seconded by Commissioner Terry and discussion continued. After further discussion of the properties, Mayor Perros withdrew his motion and Commissioner Terry withdrew her second. The Commission said they would like to have additional time to review the material and would bring the list back to the next City Commission meeting for further discussion and action if necessary.

**EXECUTIVE SESSION:**

Commissioner Caudill made a motion to go into executive session at 7:31 p.m. pursuant to KRS 61.810 1(b) for the discussion of property acquisition when discussed publically would likely affect the value of the property. The motion was seconded by Commissioner Serres and unanimously approved upon voice vote.

**REGULAR SESSION:**

Commissioner Serres made a motion to move back into regular session at 8:20 p.m. The motion was seconded by Commissioner Caudill and unanimously approved upon voice vote. No action taken after executive session.

**ADJOURN:**

Commissioner Atkins made a motion to adjourn at 8:21 p.m. The motion was seconded by Commissioner Terry and unanimously approved upon voice vote.

To view the meeting in its entirety please go to [www.danvilleky.org](http://www.danvilleky.org) and search for videos.

APPROVED:

  
MAYOR G. MICHAEL PERROS

ATTEST:

  
DONNA PEEK, CITY CLERK

Memorandum

To: Mayor and City Commissioners  
From: Ron Scott, City Manager  
Date: March 26, 2018  
Re: City Manager Report



Tonight, I want to mention a few administrative matters...as well as provide a brief overview of the city's effort to promote economic development by the formation of a Tax Increment Financing (TIF) District.

Regarding administrative matters:

- 1) On this Thursday, March 29, the city commission will hold a special-call meeting at 5:30 pm in City Hall to hear public comments regarding suggestions or needs of the city that are requested be addressed in our next year's budget. In addition, I will present the findings of the National Citizens Survey that was conducted in Danville earlier this year, which relates to services now being provided by the City and other aspects of livability in Danville. The public is encouraged to attend this meeting.
- 2) Last week, we heard presentations from community agencies and city-county agencies regarding their requests for funding from the City for the next fiscal year. All of these agencies/city-county agencies provide meaningful services to our community. However, the city's ability to fund these requests will be significantly limited if the 2018 Kentucky General Assembly fails to take action to provide pension contribution rate relief to cities and counties. Unless modified by the General Assembly, the administrative decision of the Kentucky Employees Retirement System (KERS) will require Danville to contribute about \$700,000 more beginning July 1, 2018 and in total about \$2.1 million next fiscal year. SB 66 would limit year-to-year contribution rate increases to a rate increase of not more than 12% over the previous year; the rates to be placed in effect on July 1, 2018 are close to 50% increase from the prior year. The Kentucky League of Cities (KLC) is seeking passage of SB 66, and I would encourage everyone in Danville to contact their legislators to support that effort.
- 3) The Wayfinding Report is anticipated to be completed during the next month, and will likely be presented to the city commission at the second meeting in April.

Overview, Economic Development by Tax Increment Financing

Each year state and local governments invest in economic development strategies to promote growth in their local economies. Locally, we do so through incentives provided by the Danville and Boyle County our joint efforts provided by the Economic Development Partnership (EDP) and with the Heart of Danville. These strategies focus on job creation, increased economic activities, and ultimately creation of a broader economic base that can support needed government services to benefit our entire community.

We now have a strategic economic development plan to further guide our efforts. In part, that adopted 2017 Strategic Economic Development Plan recommended the EDP or its partner organizations pursue as part of the larger economic development strategy the development of a downtown hotel (as well as other facilities) in a manner that balances the economic and fiscal needs of the community with minimizing impacts to residential areas and natural assets (i.e., in accordance with “Smart Growth” principles). An independent study conducted by the Convention and Visitors Bureau concluded that it was feasible to attract and financially support a boutique hotel in downtown Danville (and also without adversely affecting other hotels currently operating).

Our Strategic Economic Development Plan also noted that “Sharing the financial benefits of business expansion and recruitment with the prospect has become a reality for communities. ... These sharing arrangements come in the form of tax abatements/reimbursements... among others.”

Governments in forty-nine (49) states are authorized to employ tax increment financing (TIF) to promote economic development and redevelopment. By capturing future incremental revenue in an area targeted for development or redevelopment, the sponsoring government is able to undertake economic development activities or provide subsidies that otherwise might not be possible. The Government Finance Officers Association (GFOA) 2005 publication “An Elected Officials Guide to Tax Increment Financing” cites tax increment financing as the preeminent tool used by local governments throughout the United States for achieving local economic development goals. Much of the information contained in this statement tonight is taken from that publication.

The City of Danville recently contracted with an attorney/law firm that specializes in Tax Increment Financing to aid our economic development efforts. We recently had Mr. James Parsons make a presentation to the City Commission and the public regarding the fundamentals of creating a Tax Increment Financing District (as many other Kentucky Cities have done) and the benefits of doing so. These local efforts at creating a TIF are not always successful. Based upon Mr. Parsons’ presentation, it seems they are more often successful when the development is driven by the private sector than when driven by the public sector. But the financing technique has been successful in promoting economic development or redevelopment projects which increases local revenues that strengthen the tax base. The use of TIF’s as a financing tool has three significant benefits:

- 1) **Self-Financing**- Tax increment financing offers a way to dedicate a specific revenue source to pay for economic development subsidies. The incremental revenue expected to occur after businesses move into a TIF district provide the resources needed to carry out TIF projects, thus alleviating the need to establish a separate tax levy or increase tax rates upon local residents outside the TIF district.
- 2) **Local Control** – Tax increment financing project initiation and management is carried out at the local level. TIF projects are not dependent upon federal or state funding (although in some cases, they may qualify for reimbursement of state revenues collected, such as property and sales taxes);

- 3) **Flexibility in project activities** – Partly because it is not subject to many federal or state requirements, tax increment financing can be used for a broad array of activities, such as land assembly, demolition, or environmental remediation and other in-kind subsidies. Tax increment financing can also be used to subsidize a developer directly through discounted land sales or donations, for example. Moreover, TIF subsidies can be layered upon non-TIF subsidies offered by the city or state government.

The work related to the possible establishment of a TIF District will continue over the next several months. I have provided this “overview” with the goal of keeping the community informed of our efforts to promote economic growth in our city. I hope it has been helpful.