

PURCHASE AREA DEVELOPMENT DISTRICT

BOARD OF DIRECTORS MEETING

December 17, 2018

The Purchase Area Development District Board of Directors met on Monday, December 17, 2018, at 3:00 p.m., in the conference room of the PADD office. Board members in attendance (asterisk denotes absence):

Ballard
Judge/Executive Todd Cooper
Kenneth Rowland, proxy for Mayor George Lane
Justin Puckett

Graves
Judge/Executive Jesse Perry*
Mayor Teresa Rochetti-Cantrell, Chair
Mayor Charles Shelby*
Tamie Johnson
Pete Galloway
Deric Todd*

Calloway
Judge/Executive Kenny Imes
Mayor Jack Rose
Sue Outland*
Brad Davis, proxy for Mark Manning

Hickman
Judge/Executive Kenny Wilson, Secretary
Mayor Phyllis Campbell*
Judy Stephens
Howard Dillard*

Carlisle
Judge/Executive Greg Terry, Treasurer
Nancy Henley
Bill Fraser

Marshall
Judge/Executive Kevin Neal*
Mayor Rita Dotson
John Ward
Danny Holt*

Fulton
Judge/Executive Jim Martin
Mayor David Prater*
Mayor David Lattus*
Perry Turner
Greg Curlin

McCracken
Judge/Executive Bob Leeper
Josh Sommer, proxy for Mayor Brandi Harless
Frances Hamilton
Arthur Boykin, Vice-Chair
Lee King
Pam Wright
Bill Bartleman

Guests Present:
Martie Wiles, Congressman Comer's office
Jim Osborne, City of Murray
Sheila Clark, West KY Workforce
Bob Rogers, Mayor-Elect City of Murray
Morgan Alvey, Senator Mitch McConnell's office

Dee Felts, McCracken County
Jana Turner, Fulton County
Rachel McCubbin, Senator Paul's office
Randy Bridges, State Representative Elect
Chris Freeland, State Representative Elect
Richard Heath, State Representative
Mary Beth Imes, Calloway County
Ben Teer, Williams, Williams, & Lentz

I. CALL TO ORDER

Mayor Teresa Rochetti-Cantrell, Chair of the PADD Board of Directors, called the meeting to order at 3 PM and introduced the proxies and guests.

II. OLD BUSINESS

- A. Chair Cantrell asked for approval of the November 19, 2018, Board Meeting minutes. **Mr. Bill Fraser motioned for approval, Mr. Pete Galloway seconded, and the motion passed unanimously.**
- B. Next, Chair Cantrell called on Ms. Beth Caldwell, the PADD's Associate Director of Finance, who summarized the Budget-to-Expense Report for the month ending October 2018.
- C. Chair Cantrell called on State Representative Richard Heath for an update on the upcoming legislative session. Representative Heath shared that the Governor had called a special session to begin 8:00pm, that night, with Senate Bill 151 on the agenda. Representative Heath then gave a brief description of upcoming items on the 2019 legislative agenda, before heading to Frankfort.

Next, Chair Cantrell introduced Representative Elects Randy Bridges and Chris Freeland and asked them to address the group. The Representative-Elects introduced themselves and expressed their appreciation for having been elected to represent west Kentucky and both said they would have an open-door policy.

- D. Chair Cantrell presented the PADD Board with the previously approved schedule of PADD Board Meetings in 2019, moving them from the 3rd Monday of the month to the 4th Monday of the month. Chair Cantrell asked for a motion to amend the PADD Bylaws to include this change from the 3rd Monday to the 4th Monday, she stated that a link with the Bylaws had been included in the Board Meeting notice email and in the meeting handout packet. **Mr. Arthur Boykin made the motion to approve the amendment in Article III, Section II of the PADD Bylaws, Judge/Executive Todd Cooper seconded the motion and the motion passed unanimously.**

Next, Chair Cantrell asked for a motion to cancel the May and December Board of Directors' Meetings in 2019, due to holiday schedule conflicts. She noted that should there be business that needs to come before the Board in either of these months, the PADD Bylaws allow for the Chairman to call an Executive Committee Meeting or a Special Called Meeting of the full Board. **Mr. Pete Galloway made the motion to cancel the May and December PADD Board of Directors Meetings, Judge/Executive Todd Cooper seconded the motion and the motion passed unanimously.**

Chair Cantrell then called on Judge/Executive Greg Terry for the PADD Nominating Committee Report. Judge Terry reported that Ms. Frances Hamilton and Mayor Teresa Rochetti-Cantrell had joined him at 2:45 PM on December 17th and prepared the following slate of PADD Board Officers to become effective January 1, 2019: Chairman, Mr. Arthur Boykin; Vice Chairman, Judge/Executive Kenny Wilson; Secretary, Mayor Rita Dotson; and Treasurer, Judge/Executive Greg Terry. There being no further nominations from the floor, **Judge Terry made the motion to approve the presented slate of officers, Mr. Bill Fraser seconded the motion, and the motion passed unanimously.**

- E. Chair Cantrell called on Mr. Arthur Boykin for the PADD Personnel & Finance Committee Report. He shared that the Committee met on December 17th, at 2 pm at the PADD office, and reviewed the Executive Director's monthly travel voucher, timesheet, office credit card bill, and the 12 page monthly budget-to-expense report. Mr. Boykin then called on Beth Caldwell, Associate Director of Finance, to introduce the auditor to present the audit report.

Ms. Caldwell introduced Mr. Ben Teer, CPA, from Williams, Williams & Lentz, to present the PADD FY 2018 audit. Mr. Teer reviewed the results of the PADD's FY2018 audit and noted that the audit report expresses an unmodified opinion with no questioned cost. Mr. Boykin reported that the Personnel and Finance committee met on December 17th, 2018 at 2 pm and the Committee received and reviewed the FY2018 Audit. He again pointed out that the audit report expressed an unmodified opinion with no audit findings and **motioned to approve the FY18 Audit as presented, Judge/Executive Todd Cooper seconded the motion, and the motion passed unanimously.**

Mr. Boykin then called on Ann Ponder Simpson, the PADD's Associate Director of Aging, to report on the six contract modifications found on page 30 of the board packet. Following Ms. Simpson's summary of the contract modifications, Mr. Boykin called on PADD Executive Director, Jennifer Beck Walker, to report on the FY19 Joint Funding Administration (JFA) Dispute Resolution Final Determination Letter from the Department for Local Government (DLG) and the PADD's Response, as well as the JFA FY19 contract. Ms. Walker shared that all board members had received a copy of the letter earlier in the month. Ms. Walker reported that the ADDs had asked for Dispute Resolution hearings with the Commissioner of DLG after receiving the JFA contract amendment in the 11th month of the fiscal year that removed all unmatched state funding. Ms. Walker and Chair Cantrell met with the Commissioner's staff in early June of 2018 and a lawsuit was filed later in June 2018. She noted the lawsuit was dismissed because the PADD didn't follow the resolution process in the contract. She then referred to page 34 of the packet for a copy of the Dispute Resolution Final Determination. Ms. Walker noted that before she responded to the Commissioner, she sent a draft of her response to the Personnel and Finance Committee and to the PADD's attorney for review. She directed the Board to find a copy of the response letter that was submitted to Commissioner Dunahoo on December 7th, on page 31 of the packet. Ms. Walker noted that Dispute Resolution Letters from DLG were received by 14 ADDs, with the Bluegrass and the Purchase ADDs receiving the most colorful the letters. Ms. Walker said that in regards to next steps, the contract states the Dispute Resolution process is the first step, with the hearing and determination letter now having been received. The second step is to appeal to the Governor and the Personnel and Finance Committee had approved for the PADD Executive Director to submit the appeal to the Governor. She noted that the contract says the Governor's decision is final and that she did not expect a different outcome from the Governor than what had been received from the

Commissioner but recommended that the Board follow the Dispute Resolution process in the contract.

Next, Ms. Walker stated she had attended her monthly ADD Directors' Meeting in conjunction with the Newly Elected Officials Training in Louisville the previous week where Commissioner Dunahoo had delivered the FY19 JFA contracts to the ADD Directors after 6 months of operating without a contract and without reimbursement. She noted the PADD received less money than they would have been allocated had the formula the legislators included in the 2018 budget bill been used. She also noted that there was a \$5,000 cut in work with Special Purpose Governmental Entities and a 5% cut from the Economic Development Administration because DLG will be holding this money for the first time for administration fees. The PADD's attorney has been asked to review the contract and new language inserted in the contract. One example of this new language says that if the ADDs sue DLG during a contract year, the ADDs are responsible for all legal fees. Since legal counsel still is reviewing the contract at this time, Ms. Walker asked the PADD Board of Directors to give her the authority to sign the contract pending attorney review and recommendation, Ms. Judy Stephens asked what benefit is to filing an appeal to the Governor. Ms. Walker responded that the appeal letter fulfilled the Dispute Resolution process in the contract and that the judge who had dismissed the legal action said this was the process the ADDs needed to follow.

After more discussion, Mr. Boykin moved to give the Executive Director approval to sign the DLG contract, pending the review and recommendation of the attorney. Mayor Jack Rose seconded the motion and the motion passed unanimously.

Mr. Boykin next shared that the Personnel and Finance Committee had approved salary adjustments for PADD staff, effective January 1, 2019. He stated this increase was no more than 3% of the PADD's total salaries and that the Associate Directors would be able to allocate these raises in their departments based on the results of annual performance evaluations done earlier in the month. He further noted that the executive director would approve these individual amounts and report back to the Personnel and Finance Committee in January. Mr. Boykin concluded by saying the Personnel & Finance Committee was happy to be able to provide these salary increases, the first since January of 2016.

Mr. Boykin stated that the Personnel and Finance Committee had received no Code of Ethics Violations to report.

Mr. Boykin presented Chair Cantrell with a gift of appreciation from the PADD Board and Staff for her years of leadership and term as Chairperson.

Next, Chair Cantrell presented Calloway County Judge/Executive Kenny Imes with a Legislative Champion Award in appreciation for his legislative service to the region.

III. NEW BUSINESS

A. STANDING COMMITTEE

1. AGING COMMITTEE

Chair Cantrell called on Ms. Lee King, the Aging Committee Chairperson, to give the Aging Committee Report. Ms. King began with ~~the~~ Medicare Open Enrollment had just concluded, and on page 52 of the handout packet the final counts were

announced. Ms. Carissa Roberson reported that the State Health Insurance SHIP program served a total of 659 with a total savings of \$128,356.08. The number of people served was exactly 200 more than those served in FY 18.

Next, Ms. King shared that the unduplicated persons serviced through the PADD office and the persons served directly through the programs administered in house by the PADD staff during the month of October. Also included in the handout packet on pages 46 and 47 the Unduplicated Number of persons served through the subcontracted agencies for the month of October, these include Senior Centers, West Kentucky Allied Services, Help At Home, and Legal Aid. On pages 48 through 50, details of the Aging and Independent Living reports, and on pages 51-64 the Payment Reports for each of the Subcontractor, the percentage of allocation spent July-October, and the target percentage at which to be spent by October of 2018 were made available for review.

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2. REGIONAL TRANSPORTATION COMMITTEE

Chair Cantrell called on Judge Kenny Wilson to give the Regional Transportation Committee's report. Judge Wilson reported that the Kentucky Transportation Cabinet recently announced \$7 million in grants from the Federal Transit Administration for rural Kentucky transit agencies. A press release was included in the handout packet. Judge Wilson congratulated Fulton County Transit Authority, which received \$854,000 to purchase new vehicles and purchase/renovation of administrative facilities. Also, congratulations to Paducah Area Transit System, who received \$850,000 for purchasing new vehicles.

Next, Judge Wilson shared that the Kentuckians for Better Transportation asked the Area Development Districts to consider passing a resolution to support transportation funding mechanisms to address funding needs throughout the Commonwealth. PADD Staff prepared a resolution, which was approved by the Regional Transportation Committee during the December 12 meeting. A copy of the resolution was included on page 67 of the handout packet. It is being recommended for approval by the PADD Board of Directors. **Judge Kenny Wilson moved that the PADD Board of Directors endorse the support Resolution being recommended by the PAD Regional Transportation Committee, Mr. Arthur Boykin seconded the motion and it passed unanimously.**

Judge Wilson shared that the Fulton County offered a New Year's Eve transit service for \$5.00 per person within their service area (Fulton, graves, Carlisle and Hickman counties) on December 31st to January 1st, from 6 pm to 2 am.

In conclusion, Judge Wilson announced that earlier in December that KY was awarded \$59.5 million in Better Utilizing Investment to Leverage Development (BUILD) grant Funds to improve infrastructure. Congratulations to Calloway County which received 23 million for reconstruction and widening of US 631.

3. COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

Chair Cantrell called on Mr. Bjarne Hansen for the Community and Economic Development Committee report. Mr. Bjarne Hansen shared that the department was working on the Kayser Project and waiting on Fulton County Economic Development

Center/ATA to complete an audit of the 2015 project to proceed with Community Development Block Grant (CDBG) process. LaCenter is working on a CDBG water project with a conference call with Kentucky Infrastructure Authority in process.

Mr. Hansen reported that Delta Regional Authority (DRA) announced the official 2019 LDD training, Paducah River Port will be getting Delta Regional Authority Reimbursement Assistance, the City of Hickman will be getting program reporting assistance. Paducah Pump Station #2 will be getting reimbursement assistance from DRA. Transportation Alternatives Program (TAP) KYTC Program is in process for administrative costs for the Mayfield Bikeway project. PADD staff met with Troy Hearn with the KY Transportation Cabinet Bicycle-Pedestrian Plans.

Mr. Hansen announced that the Kentucky League of Cities (KLC) Official Academy will be meeting in Lexington on January 16-18, 2019

Next, Mr. Hansen shared reported that information in the handout packet included a listing of projects in the region that were submitted to the state clearinghouse in November.

C. ADVISORY COUNCIL/TASK FORCE/BOARD REPORTS

1. COMMODITY AND FOOD BANK TASK FORCE

Chair Cantrell called on Ms. Frances Hamilton for the commodity report. Ms. Hamilton shared that the CSFP (Commodities and Supplemental Food Program) disbursed a total of 51,398 lbs. of commodities to 1,746 seniors in the 8 counties of the Purchase. The TEFAP (The Emergency Food Assistance Program) disbursed a total of 111,163 lbs. of commodities for the month to 3,003 households. In addition, 2,886 meals were served through one soup kitchen. The Feeding America program disbursed 85,765 lbs. of commodities for November. In addition, a monthly average of 3,046 meals were served through 3 Soup Kitchens. Backpacks were distributed weekly to 313 children in the participating counties.

2. WATER MANAGEMENT COUNCIL

Chair Cantrell called on Mr. Mark Davis for the Water Management report. Mr. Davis reported that the Water Council met last Thursday to approve New projects, Discuss Projects seeking State Revolving Fund loans for Fiscal year 2020 and Finally to Rank all the projects in our region that the systems felt were the most important. New projects that were approved, City of Wingo - Wastewater System Improvements – Cost \$566,900, Calvert City - Influent Lift Station and Plant Improvements - Cost \$2,955,000. City of Mayfield - Cuba Road Gravity Relief Sewer – Cost \$520,400, City of Murray - North End Expansion – Cost \$1,700,000, City of Mayfield - Mayfield Outfall Relocation – Cost \$100,000, City of Hickman - Water Treatment Plant Modification – Cost \$397,000, City of Murray - WTP Switchgear – Cost \$1,705,000

Next Mr. Davis shared the Projects applying for SRF Funds, Calvert City - Influent Lift Station and Plant Improvements - Cost \$2,955,000. Graves County - -KY 80 North, Fancy Farm Interconnect – Cost \$2,101,000, City of Mayfield

- Cuba Road Gravity Relief Sewer – Cost \$520,400, City of Mayfield - Mayfield Outfall Relocation – Cost \$100,000, JSA - Outfall 003 Fine Screening - Phase One – Cost \$3,750,000, City of Wingo - Wastewater System Improvements - Cost:\$566,900, City of Benton-Line Replacement Along Main Street – Cost \$125,550, Dexter-Almo Heights Water District- Boggess Drive Loop – Cost \$180,000 . City of Hickman - Water Treatment Plant Modification - Cost \$397,000, Mayfield Electric & Water-WTP Clearwell Rehabilitation – Cost \$250,000, City of Murray WTP Switchgear – Cost \$1,705,000, For a Total of \$12,650,850 Seeking SRF Loans

The Council also reviewed and approved the regions priority in terms of Projects. There are 197 projects for both water and waste water currently in the WRIS portal, of that the Water Management Council identified 29 of the most important to be ranked and sent to Frankfort. A complete list of the projects were available online and in the handout packet.

3. BUSINESS LENDING REPORT

Chair Cantrell called on Mr. Mike Maxwell for the Business Lending Report. Mr. Maxwell reported that the business lending team is scheduled to have the December Loan Review Committee on Thursday, December 20th at 9 a.m. Since the last Loan Review Committee met on November 15th, the business lending team has received 5 new SBA 504 applications totaling \$931,600 in potential loans. In addition, the business lending team has received 4 additional small business applications in the amount of \$219,000. These loans are in underwriting and have yet to be presented to the loan review committee.

Next, Mr. Maxwell shared information about the “Murray State, Technology Council of West KY. and Key Partners to Lead Region’s Innovation Efforts”. The Commonwealth of Kentucky Governor’s Office has announced that a grant of \$428,684 has been awarded to support the KY Innovation office’s efforts to promote entrepreneurship efforts within the region. This partnership will “establish a regional hub to serve, attract and cultivate more innovative entrepreneurs and startup businesses to west Kentucky”.

Because the Purchase Area Development District provides technical assistance to business owners and startup businesses through the Purchase Area Development District’s business lending and economic development team, the PADD has been selected as one of the key partners to support this initiative. The KY Innovation Network hosted a workshop on December 12th, in Frankfort to review how the RISE program will be administered throughout the state. Representatives from both the Purchase Area Development District and the Pennyriple Development District have partnered with Murray State and the Small Business Development Team to deliver small business services to entrepreneurs in western Kentucky.

4. WORKFORCE INNOVATION & OPPORTUNITY REPORT

Chair Cantrell called on Ms. Dee Taylor for the Workforce Innovation and Opportunity report. Ms. Taylor Ms. Taylor announced that Secretary Ramsey from the Workforce Ramsey visited with staff at the Breathitt Career Center in Hopkinsville, on Thursday, December 13th, at 1:30 to discuss center activities.

Next, Ms. Taylor shared information on the press release for Phoenix Paper Mill in Wickliffe, the Kentucky Career Center located in Paducah started taking applications for maintenance and productions pool.

Ms. Taylor referred to page 84 of the handout packet for information regarding the reapproval of the Medicaid Wavier know as Kentucky Health (Helping to Engage and Achieve Long Term Health). The Center for Medicare and Medicaid Services (CMS) provided guidance that approved program can begin as soon as April 2, 2019.

5. REGIONAL HAZARD MITIGATION COMMITTEE

Chair Cantrell called on Mr. Mark Davis for the Hazard Mitigation Report. Mr. Davis shared that the planning staff at the PADD worked with each City and County in the region to assess potential threats by looking at historic data and applying local knowledge to generate a prioritized listing of threats, which can be used to develop long term mitigation strategies/projects. The final step in FEMA's approval process is for the committee to approve the plan therefore Mr. Davis requested authorization for Chairman Rochetti-Cantrell to sign the Committee's resolution adopting the 2018 Purchase ADD Regional Multi-Jurisdictional Hazzard Mitigation Plan, **Judge Todd Cooper made the motion to approve for Chair Cantrell to sign the resolution, Judge Greg Terry seconded the motion and it passed unanimously.**

D. PROGRAM IMPLEMENTATION/CORPORATION REPORTS

1. PURCHASE AREA HOUSING CORPORATION - No Report
2. JACKSON PURCHASE LOCAL OFFICIALS ORGANIZATION

Chair Cantrell called on Mr. Stacey Courtney for the Jackson Purchase Local Officials Organization report. Mr. Courtney reported that the Committee met on November 19, 2018 and due to election, Mayor Philip King was recommended to be the Treasurer. The committee also voted to place two of the PADD vehicles to be declared surplus and to be bid on and then replaced. The draft minutes of the meeting were included in the handout packet on page 86 and 87.

E. ANNOUNCEMENTS

Chair Cantrell called on PADD Executive Director, Jennifer Beck Walker, for her announcements. Ms. Walker reminded the Board of the report required by HB189, a spreadsheet of aggregate budget information, that is required to be submitted to the Kentucky Legislative Research Commission (LRC) by December 31st, 2018. She noted that she also would send a copy to all PADD Board members.

Ms. Walker next thanked the state legislators for all their hard work and responsiveness to the PADD's requests throughout the year.

She reminded everyone that the January PADD Board of Directors meeting would be on the 4th Monday, January 28th.

Next, Ms. Walker shared that at their meeting the previous week, the 15 ADD Directors had met with KY Auditor of Public Accounts Mike Harmon and his chief of staff, Sarah Beth Gregory, along with Michelle Ellison of the US Census Bureau. Ms. Ellison will be holding a census training at the PADD office in the upcoming year.

Ms. Walker then thanked the PADD Board of Directors, on behalf of the staff, not only for the salary increases, but also for working with the PADD Staff throughout the year. She then thanked Mr. Mark Davis for his service to the PADD over the past 30 years and wished him the best in retirement.

In conclusion, Ms. Walker asked all the Judge/Executives to meet with her in the Executive Director's conference room for a Workforce Board Interlocal Agreement Consortium meeting.

IV. ADJOURNMENT

Mr. Pete Galloway moved to adjourn, Mr. Bill Fraser seconded the motion, and the motion passed unanimously.

Chair, Mayor Teresa Rochetti-Cantrell

Secretary, Judge/Executive Kenny Wilson