**BEREA CITY COUNCIL REGULAR MEETING AUGUST 16, 2016**

The Berea City Council met in a regular session, Tuesday, August 16, 2016, Mayor Steven Connelly, presiding. A quorum being present the meeting was called to order at 6:30 p.m.

**COUNCIL MEMBERS PRESENT**: Powell, Little, Farmer, Wagers, Caudill, Hembree, Terrill

**ABSENT**: Kerby

**OFFICIALS:** JT Gilbert, R. Stone, C. Chasteen, D, Gregory, S. Sandlin, S. Meeks, E. Fortner, P. Bloom, D. Isaacs

**VISITORS:** Over thirty-five people were present.

* A council work session was held at 5:30 p.m.; Paul Garcia and Utility Director, Ed Fortner reviewed the recent Utility Rate Study. The 2016 Ad Valorem Tax rate was also discussed and set.

**APPROVAL OF MINUTES; AUGUST 2, 2016**

Little motioned, Farmer seconded to approve the minutes of August 2, 2016; all ayes.

**PROCLAMATION – BEE FRIENDLY BEREA**

Mayor Connelly read the proclamation declaring Berea as a “Bee Friendly Community”. Richard Olsen, director of the Berea Urban Farm announced the upcoming workshops that will include classes, tours, and events for children. He distributed small jars of local honey to each council member. He invited everyone to attend the “Celebrate the Harvest Event” on September 10th.

Mayor Connelly recognized the Utility Department Employees; Utility Director Ed Fortner announced the Water Distribution Crew recently attended and KY/TN Water Works Association Conference and won the annual award in the small systems category. Pablo Franatez was recognized for his artwork design on our water tank.

**ORDINANCE #12-2016; AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY AUTHORIZING THE ISSUANCE OF CITY BEREA, KENTUCKY GENERAL OBLIGATION PUBLIC PROJECT BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED $10,402,000 TO FINANCE THE ACQUISITION, IMPROVEMENT AND CONSTRUCTION OF A CITY HALL WITHIN THE CITY OF BEREA; AUTHORIZING THE ISSUANCE OF A CITY OF BEREA, KENTUCKY GENERAL OBLIGATION PUBLIC PROJECT BOND ANTICIPATION NOTE IN ONE OR MORE SERIES IN A PRINCIPAL AMOUNT NOT TO EXCEED $10,402,000 TO PROVIDE INTERIM FINANCING IN ANTICIPATION OF THE ISSUANCE OF THE BONDS; APPROVING FORMS OF THE NOTE AND BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTE AND BONDS; PROVIDING FOR THE PAYMENT AND SECURITY OF THE NOTE AND BONDS; CREATING A BOND PAYMENT FUND AND NOTE PAYMENT FUND; ESTABLISHING A SINKING FUND; AUTHORIZING ACCEPTANCE OF THE BIDS OF BOND PURCHASES FOR THE**

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**PURCHASE OF THE BONDS AND AUTHORIZING THE COMPETITIVE OR NEGOTIATED SALE OF THE NOTE, WHEN, AS IF ISSUED; AND REPEALING INCONSISTENT ORDINANCES – 2ND READING.**

Corporate Counsel read the ordinance by title and summary. Little motioned, Wagers seconded to approve the ordinance. Roll call vote; Powell-yes, Little-yes, Farmer-yes, Wagers-yes, Caudill-yes, Terrill-no; ordinance adopted.

**ORDINANCE #13-2016; AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, DECLARING CERTAIN EQUIPMENT TO BE SURPLUS AND AUTHORIZING IT TO BE DONATED TO THE CITY OF PARIS, KENTUCKY – 2ND READING.**

Corporate Counsel read the ordinance in its entirety. Farmer motioned, Caudill seconded to approve the ordinance. Roll call vote; Powell-yes, Little-yes, Farmer-yes, Wagers-yes, Caudill-yes, Hembree-yes, Terrill-yes; ordinance adopted.

**ORDINANCE #14-2016; AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, DECLARING CERTAIN PROPERTY TO BE SURPLUS AND AUTHORIZING IT TO BE DONATED TO NOVELIS, BEREA, KENTUCKY - 2ND READING**.

Corporate Counsel read the ordinance in its entirety. Caudill motioned, Little seconded to approve the ordinance. Roll call vote; Terrill-yes, Hembree-yes, Caudill-yes, Wagers-yes, Farmer-yes, Little-yes, Powell-yes; ordinance adopted.

**ORDINANCE #15-2016; 2016 AD VALOREM TAX RATE – 1ST READING**

Corporate Counsel read the ordinance by title and summary setting the rate at 10.2 cents, 0.102 upon each $100 assessed value.

**ORDINANCE #16-2016; INTERLOCAL COOPERATION AGREEMENT – 1ST READING**

Corporate Counsel read the ordinance by title and summary.

**RESOLUTION #19-2016; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEREA, KENTUCKY, AUTHORIZING THE MAYOR TO APPLY FOR MEMBERSHIP IN AMERICAN MUNICIPAL POWER, INC. (AMP), AND TO NEGOTIATE THE TERMS AND PROVISIONS OF A MASTER SERVICES AGREEMENT AND A POWER SERVICES AGREEMENT WITH AMP.**

Corporate Counsel read the Resolution by title and summary. Little motioned, Wagers seconded to approve Resolution #19-2016; all ayes.

Councilman Little stated on June 7th, 2016 the council voted to accept a five-year contract with American Municipal Power, and join AMP as a member, now, 70 days later we have not signed the contract to lock in our contract price, which can change daily. As of June 5th the cost per kilowatt hour was $39.78; on August 8th, the cost had increased to $40.76. Based on the cities figures for 2015; (usage of 127,494 hours) our yearly cost has increased $124,944. Our increase cost is now $624,720 due to us not

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signing and locking in our rate. We need to move along and get our contract signed. City Administrator Stone stated the city council had to pass the Resolution as a first step, and as part of the process; we have been working with Mike McClure of AMP on a daily basis to get this done and once we get the pricing locked in, we will know which is the best option for us, a three or five year contract. Powell asked if the five year was $40.76 and the three year was $38.00. Little stated the council approved a five year contract; a five year contract offers the best savings; he has been tracking the daily rate with AMP Ohio. Mr. Little read the minutes of the June 7th meeting with the council voting to approve the five year contract. We are going to save our electric rate payers over a million dollars on their electric rate. Stone stated we have turned in our application and our financials to AMP to start the negotiations to approve us as a member, but it has to be brought before their company’s board meeting for approval. Once they lock in the rate with Next Era, we start the negations. Terrill asked if he will be asking for a five year contract. Stone stated we will ask for a cost study for both a three and five year contract to see what we get. Little stressed the vote was for a five year contract only, we have to work together to get this resolved!

Little motioned to approve AMP Ohio to do all our transmissions; and to start a power study immediately on the LG&E transmission part that we have to pay for, and to sign any transmission contracts that we need with AMP Ohio. Mayor Connelly stated the motion was out of order without amending the agenda to create an action item for a vote. Little motioned to amend the agenda; Terrill seconded, all ayes. Little restated his motion; Terrill seconded. Further discussion was held among the council of who would pay for the study and the capacity mega-watt. Mayor Connelly called Utility Director, Ed Fortner to clarify the capacity question. Mr. Fortner stated the original offer to Berea was based on a 35 mega-watt capacity purchase, which is in line with our peak demand for the BMU; our peak is during the winter months. After studying our numbers, and due to the fact that the KYMEA had already completed their transmission study, AMP amended their offer to lower the capacity purchase to 25 mega-watt at a savings of approximately $350,000. The reason it was lowered (KYMEA) had submitted an application for transmission on Berea’s behalf, (the study has already been paid completed and paid for), within that study there is an added benefit for the additional 10 mega-watts that we would potentially need during our winter months for reliability, to make sure our lights will come on. The value of the additional 10 mega-watts on a monthly basis is approximately $30,000 which is $360,000+ per year, (the value of the 10-mega-watts). This is given to us at no cost due to the KYMEA transmission application which has already been approved and paid for. Little feels we don’t have to purchase capacity if we don’t want it; so we can buy 25 or 35 mega-watts from AMP, if we get the 10 from KYMEA it’s not free? Fortner stated no, there is no additional charge; KYMEA applied for two-hundred mega-watts capacity which has to be purchased in blocks, we are part of the group, it is there for us at no additional charge, the value is $30,000 per month. Little stated capacity is like an insurance policy, we

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have never used it, and AMP has never had a problem with capacity, they have been in business for 45 years. Fortner stated he would never recommend to not buy capacity.

Farmer questioned the advantages to joining AMP? Little stated AMP will be less cost effective; we have to join an inter-local agreement that we have turned down twice, but we don’t know what the cost is or who is running the company, but it might be a good company. Maybe in five years, KYMEA might be a good company. The document we have says nothing about a transmission agreement. Fortner stated the transmission is a separate agreement and cost. Stone stated it we pass an ordinance to join KYMEA; we will joining KYMEA as a transmission customer only; the estimated administrative cost for transmission is estimated 12% of their total administrative cost. We would pay 8% of the 12% which means our cost to be a continued KYMEA customer is approximately $9,600 to $12,000 per year for the purpose of transmission. The KU/L&GE Transmission study has been done, our portion was $8,600 on a $30.000 study; the MISO study, no matter the cost, if AMP does it working through KYMEA, they pay the total charge. Our estimated cost to be a member of KYMEA is an average $12,000 per year. Little questioned as to why we haven’t received fixed numbers for the council’s review, as per his request. Stone stated we need to become a member of KYMEA first, and then we will be a transmission customer. Little stated we need firm and reliable service.

Caudill asked if we can change the KYMEA agreement so that the Inter-local is different so that it doesn’t have the wording that bothers Mr. Little so much. And, the voting on the transmission doesn’t keep us from signing an agreement that will lock in our rates for a three or five year rates? Stone stated that is a correct statement. Caudill requested the council to specifically work on the issue of the Inter-local agreement for transmission, to help the city save money. Terrill questioned who we would have to contact for our transmission? KU will still be our transmission provider. Fortner stated if there is an issue with transmission, KU will be responsible for repairs. Little stated two years ago we voted to leave KU, now 2 years later we still have not signed anything? Powell stated he wants to sign the agreement with AMP, but he wants to wait until further discussion is held among the council on the transmission agreement. Then we will have time to see which the best option is; the three or five year contract. Now we are getting in a hurry instead of doing before what we should have done tonight. He doesn’t care to sign the five year contract, if it is right. Farmer stated that we could wait and discuss this further once we get more facts and numbers, and not feel rushed. Caudill motioned to table the motion until the next meeting, so that further discussion could be held, Powell seconded; all ayes with Terrill voting no. Little asked for a work session to be held prior to the next council meeting with the cost reflecting what our savings would be. Stone stated this has been one of the hardest decisions any city council has had to make in the past years; we are on unchartered waters for all us. If we go with KYMEA for our transmission we will save money on the upfront with the KU study. The MISO is paid for by AMP Ohio, and knowing that during our winter peak months, we do need to carry (as an insurance) 35 mega-watts. When AMP came in and

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looking at us as a member of KYMEA, they quoted us, and suggested to buy (as insurance), to cover capacity, 25 mega-watts hours, then we would have the draw of the 10 mega-watts, during the winter, based on the load carried and paid for by KYMEA.

Yesterday, we got a cost estimate of approximately 9,600 to 12,000 a year, or around 1,000 per month from KYMEA as a transmission customer only. We have argued about a three-year or a five-year contract, (and we are playing the market); we are buying market price electric, something that we have done never done before. If we do a three-year contract, based on market price today, we could save $880,000 per year. If we do the five-year, we are betting we could lose that money in two years. When we were quoted for a three-year contract, it was $38, 80; today’s market price from AMP is lower than that, it changes daily, and we have to lock it in. A five year price is higher. These are the combinations that we have looked as an administration, to see which the better interest is; either could be good, but it is the reason we are supporting the transmission through KYMEA. Little requested to have fixed numbers to look at in two weeks, and to show us what our transmission is actually going to cost us, and if it will save us money. The mayor called for the vote on tabling the motion until the next meeting; all ayes with Terrill voting no.

Little requested a work session prior to the next city council meeting and the item be placed back on the next agenda.

**COMMITTEE REPORTS:**

**Audit & Finance – J. Little;** we have selected a good rate on our taxes.

**Personnel – V. Farmer**; Elliott Witt starts in the Electric Department, Monday, August 22nd.

**Public Works – C. Powell**; the committee will meet on Monday, Sept. 5th at 5pm.

**Economic Development – C. Hembree**; the committee met recently. He recognized our Business and Development Director, Danny Isaacs. Mr. Isaacs reported the Berea Business Workshops Series will start on August 29th and will last approximately ten months. The series will focus on starting, and managing a business. Mr. Hembree added that there are “Help Wanted” signs posted all over town and PGW is looking to hire about 75 people. Next meeting Oct. 17th.

Mayor Connelly requested a motion for an executive session to hear pending litigation.

Little motioned, Farmer seconded to go into executive session; regular business adjourned at 7:41. Reconvened at 8:02 with the mayor reporting no action taken.

**VISITORS:**

Randy Coffey stated what he had seen here tonight is a lack of trust between the city council, administration and the mayor; he suggested the council hire a lawyer to advise them on legal questions, and they won’t have to be guessing all the time.

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Ali Blair announced the upcoming musical events coming up in Berea. She invited everyone to attend the final “First Friday” event on Sept. 2nd from 5pm-11pm; there will be lots of musician’s, food, handmade arts and crafts, and events for the kids. Many other events will take place during September, check out the web-site for more information. Berea College is also hosting live music during the month.

Ray Decker, resident of Berea for 53 years; he is ashamed of the council; 70 days went by after the vote was took and passed, and nothing has took place. It was important at the time to tell KU that we “Berea” were going after another electric. You guys and ladies passed it, and then somebody sat on it? There is 25 people running for city council this year; I hope for a big shake-up all the way, and I hope in two years there is another shake up in this town!

Virginia Bland resident of Berea for 14 years came to discuss a letter she wrote to the editor of the Berea Citizen on the August 4th concerning problems she was having with the Berea Human Rights Commission. She contacted them about being harassed in text massages, Facebook, the street they live on, in Wal-Mart, and at the city park. The HRC countered her letter with a letter in the Berea Citizen on August 11th. She came before the council to dispute their claim and prove that what the HRC says, and what they say they do, and what they actually do, are not the same. She claimed she contacted the HRC during August and September of 2015, and no one offered to assist her, she was told contact the police or a lawyer. She used the internet and contacted the Madison County Victim’s Advocate who filed charges on the behalf of her minor children. The HRC never followed up with her to provide further assistance. Since she has been in contact with the Department of Justice Civil Rights Division she knows what the HRC is tasked to do, and they are not doing so. They have effectively become a special interest group focusing on a small portion of our community and not all the protected classes. She was told that since her case didn’t involve housing or employment that could not help her because they have a narrow scope of action, however when they have choose to get involved in other cases similar to hers, they broadened their scope, evidence on their FB page. When they choose not to help her, they decimated against her. According to the DAJ Civil Rights Division under the American’s with Disability Act, any government agency commissioned to fight for civil rights must do so equally and justly or it is considered crimination.

Mayor Connelly asked Ms. Bland if she is requesting for the council to do anything. She requested the HRC be disbanded, she feels they are a special interest group and tax dollars should not go to fund them.

David Schroyer, Vice Chairman of the Berea Human Rights Commission responded to Ms. Bland’s statements. The HRC did response to her letter in the August 11th edition of the Berea Citizen. He stated the HRC does strongly affirm everything in the letter with one detail that is different. At the time Ms. Bland contacted them, they did not have

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the capability to accompany people to the police department, they have since been able to hire a part-time administrative assistant, and they can now offer that type of assistance. He made the statement to Ms. Bland that every single member on the commission deeply regretted the fact that they were unable to respond to her complaint, because they are not authorized to deals with matters that are covered under criminal statutes. They operate under the Civil Rights Laws of KY and the US; of which establishes certain protected classes including persons with physical disabilities of any type. The HRC is empowered to address issues under discrimination in employment, housing and in public accommodations. Issues pertaining to harassment, no matter how serious, under the KRS statutes is a police matter, the HRC has no authority to do so. We are happy that she was able to work with the court system to remedy her situation. The three areas of discrimination that the HRC are allowed to deal with are likely the most vital areas that affect most people’s daily life; many areas of discrimination we cannot act on but we do offer information to direct them to a source of help. He introduced two other members of the commission that were present; Ali Blair and Marian Pride. The HRC welcomes anyone to attend their monthly meetings which are held the first Monday of the month at 6:30.

Ed Lafontaine stated the basis of the HRC rest in their Charter, and their Charter includes a broad range of issues that they are empowered to respond to, which includes harassment. They tell us their field of action is limited to three areas; what gives them the authority to cherry pick the items that they are supposed to respond too and limit their responses to just three? Do they have that authority; who gives them that authority? Who is responsible to monitor their actions in our community to ensure us that they are fulfilling their responsibilities? He sees no link for oversight, there is no link between them and our governing body for oversight? Ms. Bland would have got a proper response from our city; there is no reason for anybody in our town to deal to experience harassment at the hands of a neighbor or anybody. What are we doing to respond to a call for help from our own city members to ensure that those incidents decrease and they go away, and those people that create those situations are discouraged from continuing that. Who is responsible for that? Mayor Connelly stated the city oversees and funds the board. Mr. Lafontaine then requested evidence that some measure of oversight have taken place.

**CITY ADMINISTRATOR’S REPORT – R. STONE**

* D.W. Wilburn has moved onto the construction sight for our new Police/Fire/City Hall project; all the pavement and concrete has been removed from the sight, and the Fire Department has relocated to the Volunteer Station on Melody Lane.
* Windstream and Time Warner will be removing their infrastructure from the poles; BMU has sat two temporary electric services for the construction.
* The city has the responsibility to move the underground fiber-optic infrastructure from the communication tower located at the rear of the lot to Chestnut Street to

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an easement provided by the Christian Church, we expect this to be completed during the next two weeks.

* Carter Johnson’s crew has installed a sewer main from the newly installed man hole on the site to an existing man hole on Parkway and High St. The elevation of the new sewer main is in direct conflict with a storm sewer that must be put in on the parking lot area of the new site; we hope to have this resolved soon.
* The city is required to carry Builders Risk Insurance on the site, the cost is $15,000 per year.
* The Eternal Flame that was previously in front of City Hall has been relocated to the front of the Folk Center, it will remain there permanently.
* The pre-closing for the Rural Development Grant we received for our new Police/Fire facility and the closing of the PNC financing will be on Sept. 1st.
* Carrol McGill is on the job monitoring the construction process for the city; he has an office location in the Tolle Bldg; he is giving us updates daily. Ean Batty is the associate director of field services from Brandstetter-Carroll, he is also monitoring the project.
* The three-way stop sign has been installed on Taylor Lane/East Haiti; the police department is continuing to monitor the area for speeders and other crime concerns.
* We are experiencing increased traffic concerns at both Silver Creek and Shannon Johnson Schools; we are working with the schools administrators and parents, we ask patience to all involved.
* Parrett Brothers have been given notice for the restoration of the walking path around the park.
* The Parks Department will begin restoration of the ball fields next week.
* We met last week with Banks Engineering to review the progress on the Rash Road drainage project and the South Cumberland/Hughes Avenue drainage/ resurfacing project. We hope to begin the Cumberland/Hughes project this fall.
* A letter has been sent to Mike Hogg to resolve the future of Duerson Stadium, I hope to have a report for the council soon.
* Jones Signs remains in town placing the informational signs and banners, they expect to be complete by the end of the week.
* We will have a meeting on Thursday with Bell Engineering to discuss the Walnut Meadow Sewer Collection lines on the West end of town; we are having a lot of development in this area and the lines are too small for the capacity. A new 21 unit complex development has been approved on Kaye Street and a 36 unit on Queensboro. In the earlier discussion of the rate increase, part of that was based on a three-year capital improvement of our sewer system, this is an immediate need that we now have and will need to address.
* The Public Works Department has ordered two one-ton trucks equipped with snow plows; lead time is 14 weeks.
* We have been working on two grant applications for the Kentucky Work Ready Skills Initiative with the Madison County School System, Berea Chamber of

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* Commerce, Richmond Chamber of Commerce, and the Madison County Government to build a facility on Duncannon Lane. We are placing a grant application towards a facility in Berea.
* The auditors will be on site next week for 2016 audit.
* Cash balances for the week of August 15th; General Fund had $1, 763,236, Tourism had $406,134.
* The Parks Department will continue the concert series this Friday, it will be tied in with the Celtic Festival that place this week-end.
* The Poff Carting drop box has been relocated to the Berea Municipal Utility Building parking lot.

**COUNCIL COMMENTS:**

**Hembree** – grateful for the conversation and education on the Honey Bee’s; Mr. Olson requested people to leave out water for the bee’s, but recently we heard from the Health Department says don’t leave out water because of the mosquito’s.

**Caudill** – this has been a really good meeting this evening, we’ve had some discourse, but very few things move forward without it, he thanked Councilman Little for bringing up the Utility issue so that the council can work through it instead of just randomly voting. He commended our Business Development officer Danny Isaacs; he is doing a fantastic job towards our Economic Development.

**Farmer** – thanked the Utility Director for his presentation on the Electric issue, and commended the Water Department guys for their award.

**Little** – echo what Steve said about Danny Isaacs.

**Powell** – be sure and get a picture of city hall before it changes.

Meeting adjourned; 8:33 p.m.

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Mayor Steven Connelly

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 City Clerk