**BEREA CITY COUNCIL REGULAR MEETING DECEMBER 20, 2016**

The Berea City Council met in a regular meeting, Tuesday, December 20, 2016; Mayor Steven Connelly presiding. A quorum being present, the meeting was called to order at 6:30 p.m.

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

**ABSENT:** Hembree, Kerby, Powell

**OFFICIALS:** J. Gilbert, R. Stone, C. Chasteen, D. VanWinkle, D. Isaacs, S. Meeks, D. Brumley, S. Sandlin, D. Gregory, D. Brindley, P. Bloom

**VISITORS:** Bill Robinson, Tim Taylor, David Rowlette, Ray Decker, Jim Davis, Bruce Fraley, Tom Schultz, C. Ford, Beth Meyers, Cora Wilson, Mike Farmer, Cindy Farmer, Stephen Farmer

**OPEN BIDS: SOUTH CUMBERLAND STREET DRAINAGE PROJECT**

Seven bids were received:

1. ASL Excavating – Flemingsburg; $395,821.50
2. Weddle Enterprises, Inc. – Somerset; $356,678.70
3. The Allen Company – Lexington; $382, 990.50
4. Bluegrass Contracting – Lexington; $373,162.25
5. JAVE LLC – Lexington; $388,291.00
6. Ford Contracting – Lancaster; $227,585.00
7. Grant Excavating – Richmond; $355,530.00

Bids will be turned over to the Public Works Superintendent for review and a recommendation.

**ORDINANCE #22-2016; AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, AMENDING THE 2016-2017 FISCAL YEAR BUDGET FOR THE CITY OF BEREA, ORDINANCE #10-16 REVENUES AND EXPENDITURES. – 2ND READING**

Corporate Counsel read the ordinance by title and summary. Little motioned, Farmer seconded to approve the ordinance; roll call vote, all ayes.

**COMMITTEE REPORTS:**

**Audit & Finance** – no report.

**Personnel** – V. Farmer; the committee met Dec. 12th to interview candidates for open positions. Troy Truitt and Doug Poynter were hired as police officers, Quincy Essex was hired as Program Director in Parks and Rec, and Brianna Daughterly was hired as a welcome center coordinator.

**Public Works** – no report.

**Economic Development** – no report.

**VISITORS**: none

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

* The contract is being prepared for the purchase of the Fire Apparatus; total cost is $746,520.00. If we pay it in full, we will receive a pre-paid discount of $27,753.00, which will make the cost $718,767.00. With council’s approval, we will sign the contract and send it to them, they will then send us a performance bond. In order for us to get the discount a check must be written to them before the end of the year to get the discount. $400,000.00 is coming from CSEPP, our ending portion will be $318,767.00. Farmer motioned, Little seconded approval to pay in advance, in order to get the discount; all ayes.
* My thanks to Chad Hembree, Billy Wagers, VI Farmer, Chester Powell, and Diane Kerby for their service they gave us working for the city; and the help to me, in my position.
* Merry Christmas and Happy New Year to everyone and our staff; the 2016 year for the city has been very good.

**MAYORS COMMENTS:**

* In his obligation to report on the conditions and needs of city government; Mayor Connelly gave a brief update on Economic Development in Berea, dating back to the 1950’s. Our first manufacturing plant opened in 1951, and the first interstate exit opened in 1966, which began the change of our local economy. Over the last forty years many small businesses left, but one group did invest in Berea. It consisted of studio artist, individuals, and companies whose products and services originated in artistic, cultural, creative, authentic, and/or esthetic content. This created industry adapted to the changes in our small town economy. Kentucky has lost one-fourth of its manufacturing jobs since 2000, of these jobs, most were lost between 2007 and 2010. In June of 2015 it was reported that KY added manufactory jobs at three times the rate nationally, but still remained below the numbers we had in 2007. Since 1951 Berea has recruited a variety of manufacturing companies that now employee over 3,000 workers. Economic Development cannot solely focus on recruited manufactory jobs, we must deploy a strategy that works to develop and maintain local infrastructure, as many of our council members have advocated over the years; for existing and future manufacturing companies while concurrently pursuing nitch opportunities in Tourism and local entrepreneurship, with programs like the “Learn Shops” and “Artist Accelerator”. Such a dual strategy will provide job diversity and a better chance in economic resilience.
* Local Government became involved in Tourism in 1982 when the city council adopted the motel tax, and created a Tourism Commission. The commission was only marginally effective until 2007 when a 3% Restaurant tax provided the financial capacity to brand, and advertise, Berea as a town “Where Art’s Alive”, and to develop the learn shops, and accelerator program. This difference can be seen by comparing operating revenue before, and after 2007. Tourism did not have a revenue stream, and was subsidized from the General Fund at around

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thirty to sixty thousand a year. In 2004 the Motel Tax revenue had reached $120,000, but the subsidy from our General Fund had increased to $72,500, by 2006 it totaled $186,000. Even with the subsidy, Tourism had no comprehensive advertising campaign and very few projects. The Restaurant tax was passed in part to diversify our revenue stream. In 2008 motel and restaurant taxes together, brought in $918,000, our most recent audit ended June 30, 2016, reported a transit room tax of over $176,000, and, a restaurant tax of just over one million dollars, with total Tourism Revenue of 1.4 million, and an ending fund balance 1.1 million dollars. As of November 30, 2016, Tourism’s checking account was over $308,000, and CD investments totaled $760,000 plus. In summary, he reminded the council how important is to remember we need diversity in our city, to minimize the inevitable job loses when a manufacturing plant closes and leaves. We must plan now for our future and look at what opportunities for job creation we have.

* Mayor Connelly read a Proclamation recognizing Violet Farmer for her years of service to the Berea City Council. She has served for 33 (thirty-three) years, and has served on various committees, and endured five city administrators and two mayor’s while helping to guide the city in growth, development and financial integrity. We sincerely appreciate her years of service, she was presented with a framed painting of city hall.

**COUNCIL COMMENTS:**

**Terrill –** wished everyone a Merry Christmas and a Happy New Year, and be safe!

**Caudill** – Merry Christmas and Happy New Year; thanks to Chad, Billy, Vi, and Chester for their service to the city, they have put in countless hours to the city. This is an interesting job which I have discovered during the last two years. It’s a job often thankless due to worrying and hoping you are doing the very best for our city. Thank you for everything you have done over the years.

**Wagers** – I’ve been here eight years, something feels like thirty-three, but I have met and made a lot of good friends; Merry Christmas and Happy New Year!

**Little** – I have enjoyed working with this council, we learn something at every meeting it seems, and I look forward to all of us working together and having a great 2017. Merry Christmas and Happy New Year!

**Farmer** – thanked everyone for the recognition and the picture of the “former city hall”. She shared some of the highlights the many accomplishments that she was part of during the past plus three plus decades;

* In 1993 the retirement plan for the city employees was implemented
* The vision of an Industrial Park from the purchase of a corn field, which now hold most all of our cities industries and jobs.
* In 1988 Berea was designated at the “Folk Arts and Crafts Capital of KY”.
* In 1990 our park complex was designed and city pool opened.
* The mandated, but unfunded landfill closure that took place at a cost of nearly five million dollars, the city did not borrow any money to do so.

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* The many streets have been built, or rebuilt over the years, along with a new sidewalk plan being implemented.
* Our Intergenerational Center was built with the help of grant to house our Head Start program and Senior Citizens facility.
* In 2005 the city purchased the water and electric utilities from Berea College at a cost of twenty-million dollars; our electric and water utilities have been upgraded and is over half paid for at this point, and I am very proud that we did this.
* The Park expansion then took place and made possible with a lease from the college to add out Skate Park, soccer fields and additional walking trails were made possible and well used, and will be paid for within the coming year.
* The city purchased another farm to expand our Industrial Park, and the new Farristown Elementary School is now located there with more growth potential to come.
* It took two years to agree on a new electric purchase, but we came out with the best possible outcome; a contract that will save the city two million dollars a year, or ten-million dollars over the five year contract, which ironically is the cost of our police and fire facility joined to our existing city hall that is currently under construction, something that I think all citizens will be very proud of and will be seen as a wise investment in city services for Berea’s future.
* All these accomplishments are the results of joint efforts of lots of people; she publically thanked all the dedicated city employees, the departments, the administration for what they do on a daily basis. It has been a privilege to work with each and every one.

She feels the new 2017 council will continue the work of the many on-going projects, and will work together to get future projects and challenges completed, she wished them every success possible. She thanked her family for all their support and encouragement and most all their tolerance for the past 33 years. She thanked her friends, colleagues and supporters that she has served with, and for over the years. She thanked the mayor and Randy Stone for all their hard work guiding the city throughout the years! She will continue to make Berea a better place for our children, grandchildren, and their children.

Meeting adjourned: 7:20 p.m.

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Mayor

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 City Clerk