

The Berea Council met in a regular session, Tuesday, November 21, 2017; Mayor Steven Connelly presiding. A quorum being present, the meeting was called to order at 6:30 p.m.

COUNCIL PRESENT: J. Davis, B. Fraley, T. Schultz, B. Wooten, J. Little, S. Caudill, C. Wilson. R. Terrill

OFFICIALS: J. Gilbert, R. Stone, C. Chasteen, D. Gregory, S. Sandlin, S. Meeks, E. Fortner, P. Bloom, D. Isaacs, A. Haney, D. Brindley

VISITORS: Kelly McKinney, Virginia Bland, Jacqueline Bowling, Bill Old, Tim Taylor, Ed Lafontaine, David Rowlette, Bill Sutters, Ray Decker, Scott Tussey, Donna Pingleton

INVOCATION & PLEDGE

APPROVAL OF AGENDA:

Caudill motioned, Little seconded to approve the agenda; all ayes.

APPROVAL OF MINUTES; NOVEMBER 7, 2017

Schultz motioned, Fraley seconded to approve the minutes of November 7, 2017; all ayes.

5-YEAR SOLID WASTE MANAGEMENT PLAN

Scott Tussey, Director of Environment and Animal Care for Madison County informed the council that the plan is a document required by the State of Kentucky Division of Waste Management to summarize and track the practices of solid waste management in the county as a whole. A resolution for the years of 2018-2022 is to be signed by each government which is part of the annual requirement.

RESOLUTION #10-2017; SOLID WASTE MANAGEMENT PLAN 2018-2022 UPDATE

Corporate Counsel read the resolution in its entirety. Caudill motioned, Terrill seconded to approve the resolution; all ayes.

ORDINANCE #12-2017; AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, CHANGING THE ZONING CLASSIFICATION OF PROPERTY DESCRIBED OWNED BY BEAUMONT DEVELOPMENT, INC. HEREIN FROM R-IT (TOWNHOUSE RESIDENTIAL DISTRICT) TO R-3 (MULTI-FAMILY RESIDENTIAL DISTRICT) – 2ND READING

Corporate Counsel read the ordinance in its entirety. Davis motioned, Fraley seconded to approve and adopt the ordinance. Roll call vote, all ayes.

ORDINANCE #13-2017; AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, CHANGING THE ZONING CLASSIFICATION OF PROPERTY DESCRIBED OWNED BY BEAUMONT DEVELOPMENT, INC. HEREIN FROM R-IT (TOWNHOUSE RESIDENTIAL DISTRICT) TO R-3 (MULTI-FAMILY RESIDENTIAL DISTRICT) – 2ND READING

Corporate Counsel read the ordinance in its entirety. Fraley motioned, Caudill seconded to approve and adopt the ordinance. Roll call vote, all ayes.

ORDINANCE #14-2017; ZONE CLASSIFICATION CHANGE – AGRICULTURAL TO RESIDENTIAL – 1ST READING

Corporate Counsel read the ordinance in its entirety.

ORDINANCE #15-2017; AMENDING ORDINANCE NO. 21-98; CLERICAL ERROR – 1ST READING – 1ST READING

Corporate Counsel read the ordinance in its entirety.

ED LAFONTAINE – POWER

He stated he recently submitted two open records request for any communications between AMP and KYMEA; he questioned capacity and due diligence. From his research he determines that it is not normal for municipalities to purchase capacity. If Berea purchases capacity we would be buying an insurance policy with AMP as a beneficiary. He asked about the mayor performing due diligence, he feels his due diligence should have been done before the contracts were signed, and before cancelling the agreement. He feels this is a scare tactic to provoke fear and to motivate the citizens of Berea into acceptance of something we do not need, it is wrong. He asked the city to place an emphasis on demonstrating through justification for capacity in the period preceding his initial request back to the first communications with AMP and KYMEA. What level of due diligence occurred in consideration and review of contracts with AMP and KYMEA before they were signed. In addition he asked videos of council meetings be kept current and include significant past meetings, a meeting from early September is no longer available.

JERRY LITTLE – PROFESSIONAL SERVICES & PURCHASE ELECTRIC

Councilman Little stated the citizens and the council has questions concerning two budget line items; 54.090, other professional services; 54.600, for the purchase of electric from KU and AMP, in the 17-18 Budget. In 54.600, we paid \$28,000 to KYMEA in 2016, we had only signed the contract on Sept. 6th, we paid this within 4 months of signing the contract for assessment with KYMEA. We paid another \$20,000 in May of the 2016-17 Budget year, totaling \$48,000 in that year's budget. In the 17-18 Budget, account 54.090 professional services, we have already paid over \$23,000 for KYMEA transmission assessment and KYMEA general administration. The contract states that we are only to pay 8% of the transmission or administration only, which is to be around 12% of KYMEA's total administrative cost only, we are only a transmission customer, we are not an all requirements customer. It looks like our council has no choice but not to amend line 54.090 so that when the city spends the balance left, possibly \$10,000; there won't be any money to pay KYMEA, then we will get our contract straighten up. All contracts, agreements, and obligations entered into that exceed existing budget line accounts, appropriations, are void; KRS. 91A.03013. We need to look at the

transmission contract with KYMEA, who knows what the total cost may be, we may be in violation of our line item because we only budgeted \$35,000. He had placed a call to our auditor, but has not been able to speak with her concerning some questions he has. He feels the council is going to have to cut some money out of the budget. He doesn't understand the contract and no one has explained it to him, and he is very troubled.

Councilman Fraley added that he appreciated Mr. Little for trying to help all the council to better understand this issue; there is a lot to it. He assured everyone that there are no problems with our electricity, or our purchase of electricity in the future. The bottom line is we are changing from Kentucky Utilities to a new purchase of power, transmission, and capacity; capacity is in the contract with AMP. It is the council's job to make sure we have the most reliable electric service for the BMU customers with the least amount of risk, while providing the BMU electric customers with the very best value possible.

Councilman Wooten stated on November 15th KYMEA voted to change their termination agreement from 30 days to 180 days; he asked why it was changed despite the fact that the council had voted to terminate the agreement with KYMEA. Then the mayor entered a due diligence process, he assumed all contracts would cease? Mayor Connelly stated that he had asked our utility director to ask the KYMEA Board whether they would offer us an amended contract, thinking that this had been identified as an issue that the council said was troubling. The council had indicated at the last council meeting of pursuing the possibly of acceptance of changes, as an offer only; the mayor wasn't aware that the board has voted to offer the extension to the city, if they wanted it. Wooten asked if a representative of KYMEA would be available to come answer some of the council's questions. Little requested Tom Trotter, the electric consultant, to come in reference to a conversation he and Mr. Little had previously had at a BMU meeting referencing the contract. Mr. Little had requested the contract to spell out what the BMU would be charged; he was concerned because they said we would have to sign the Inter-local Agreement to be able to get the transmission contract. His concern was that we would be charged for the assessment, for the administration on the Inter-Local Agreement, as it stated on page 11, we are to pay 8% of the 12% total administration cost of KYMEA, allowed to the transmission only members; we are not an all requirements member. The contract says, the only reason BMU has signed the transmission contract is for the limited purposes of saving money for our transmission services from the KYMEA agency. Tom Trotter did put the language he had requested to be placed in the contact, but the assessment and the contract doesn't agree. Councilman Terrill asked are we being over-charged. Council person Wilson asked if there was a conflict of interest, she asked if the consultants and KYMEA are the same people, it doesn't look right? What are we paying them for, she doesn't understand it? Wooten added that this is the reason he would like for someone from KYMEA to help answer their concerns. City Administrator Stone stated the city attorney is reviewing the contract and the concerns, which have been raised. Councilman Caudill expressed his concerns of being beyond the point of no return, the city is not using capacity as a scare

tactic; every municipality in MISO requires capacity. KU historically has always had enough to cover us, let's not confuse capacity with KYMEA; they are not the same thing; he would like to look at our options and see what AMP will do for us for full capacity, but we shouldn't be wasting our time. Further discussion was held among the council to get all questions and concerns resolved; City Administrator stated that yes, KYMEA needs to be come before the council, and Mr. Little wants the budget issue answered.

COMMITTEE REPORTS:**Audit & Finance – Caudill**

The committee discussed placing an RFP out for audit firms; it will go out early in 2018 at which the point the committee and staff will review the proposals. The proposed CERS pension plan was discussed; we will continue to monitor it and determine what we will need to do moving forward.

Economic Development – Davis

The sewer project in the Industrial Park is moving along well, and is expected to be completed in the next 60 days. The contract has been let for a grocery feasibility report. We are continuing to work with the two gentlemen from Somerset about them locating their business in Berea. The AIR institute workshop will be Nov. 29th through Feb. 28th; and a business seminar will be held Jan. 4th in the Tolle Bldg. The job fair will be held April 10th at the Berea Church of God. Novelis Ribbon Cutting will be Wed. Dec. 6th at 10:30.

Parks – Schultz

No meeting this month, the next meeting will Dec. 28th at 5:30.

Personnel – Wilson

The committee met in October to discuss Supervisor evaluations; we reviewed surrounding city and counties evaluations. They encouraged the Mayor's suggestion to hire Veteran's.

Public Works = Little

No report.

DEPARTMENT HEADS:

No additional reports.

PUBLIC COMMENT:

Anthony Carpenter stated we have a good council now; but ask as what point do they make their votes and recommendations, and this mayor continue to snub them; throw his thumb at them? It goes back to the KYMEA thing; the council voted to get rid of it, but yet he has the final authority. He recommended for the council to slow down anything he wants, when they hear these readings for zone changes, say no, at some point he has to start showing some respect to you guys. People want change, we can't do anything until next November of next year. He applauds the council because they are trying.

CITY ADMINISTRATOR'S REPORT:

- General Fund this week has \$2,373,087; Tourism has \$498,957, we will not be making any payables this week due to the holiday short week. Last week we made the final payment on the Park Bond, this means General Fund has no outstanding bonds.
- The Public Works Department and the Utility Department placed all the Christmas lights up throughout town yesterday.
- There are a number of streets we are hoping to take into the city's maintenance plan, that in several of our subdivisions; many have not had the final black topping complete to be accepted under our maintenance.
- The new building has seen a lot of progress in the past two weeks; sod has been laid and the flag pole will go up tomorrow. Approximately seven rooms on the 2nd floor are completed. The extra basement work has caused our delay in completion. We expect one final change order to make the completion of all payouts, the change order should be around \$130,000.
- We met with Mike Hogg this morning and we have come to an agreement on the replacement and rebuild of the stadium at Berea Community School. The stadium will be aluminum bleachers, with a press box, and will seat 862 people. We have \$200,000 in the budget but the anticipated cost is \$226,269. Toadvine Industries has the State Contract for stadium seating; we hope to get the project underway in early spring. We will work with the school on a field lease agreement to help cover the new press box and concrete.
- We are currently working on the RFP for our Solid Waste Contract; it will go out in early Dec. and be up for review in January, current contract will be up March 1. We will either renew our current contract, or change contractors.

MAYOR'S COMMENTS:

There will be a vacancy on the Tourism Commission after Dec. 13th for a restaurant representative, please let him know if they have anyone interested.

The council was elected about a year ago; this is your council; twice a month they have the collective opportunity to start a movement, alter a trend, and rectify a wrong. They can seize an opportunity, take the initiative, or assess the blame. They can envision the future, inspire the willing, heal the divide, your choice is not fight, or flight, rather it is to talk, listen, reach out, and to remember that none of us has a monopoly on righteousness. With this in mind, he reaches out to join them in moving forward in our community.

COUNCIL COMMENTS:

Caudill – wished everyone a good Thanksgiving; he encouraged everyone to participate in the Christmas Parade on Dec. 2nd, it's the highlight of the year to ride on the Fire Truck and throw out candy to the kids.

Wilson – wished everyone a Happy Thanksgiving, enjoy their families and eat a lot. Come out to the Chamber Parade.

Terrill – wishes everyone a safe and Happy Thanksgiving; everyone show up at the Dec. 2nd Chamber Parade.

Schultz – thanks to everyone that spoke today; wishes everyone a Happy Thanksgiving. He thanked the Chamber for a wonderful Christmas Parade, people doesn't realize how much work goes into it. He thanked Jerry for his due diligence and he requested a representative from KYMEA to come and speak to the council and tell us what the contract is about; see why we being overcharged

Fraley – he recently attended two events, one being the Business Feast at Berea College spearheaded by Dr. Billy Wooten, there were many local business there to present their products to the students faculty and staff. There were several council members there, and the Chamber was there, it was outstanding event. Second, he attended the Makers Market at the Folk Center during the week-end, it was a treat to see all the handmade items, and it was packed, most all of the vendors were from Berea and everyone seemed to have a good time.

Davis – next meeting of the Economic Development is Dec. 18th at 5:30. He too, attended the Business Fest at the college, there were so many vendors that some had to set-up out in the hallway, the students seemed to enjoy it, congratulations on a successful event. Happy Thanksgiving.

Meeting adjourned: 7:59 p.m.