**BEREA CITY COUNCIL REGULAR MEETING JUNE 19, 2018**

The Berea City Council met in a regular session, Tuesday, June 19, 2018; 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, D. Rowlette, J. Little, S. Caudill, C. Wilson, R. Terrill

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

**INVOCATION & PLEDGE**

**APPROVAL OF AGENDA:**

Caudill moved, Little seconded to approve the agenda; Terrill moved to amend by adding Jacqulyn Bowling after the City Administrator’s report, Little seconded; all ayes.

**APPROVAL OF MINUTES: JUNE 5, 2018**

Caudill moved, Fraley seconded to approve the minutes of June 5, 2018; all ayes.

**RANDY STONE, CITY ADMINISTRATOR; BUDGET PRESENTATION:**

The council and city staff have worked diligently during the past four months to prepare the 2018-2019 Fiscal Year Budget. KRS defines the governmental budget as a proposed plan for raising and spending for special programs, functions, activities and objectives during the year. The financial stability of this city is something we have been, and will continue to be proud of into the future. We have been very fortunate to have industry; have educational facilities; small business, and local proprietors involved in our economy here within the city. To be able to present a budget that has between six and seven million dollars left in the ending fund balance after budgeting for the prospect for a number of projects is something we are very proud of. The eleven million dollars we bring forward as a beginning fund balance is largely attributed to our department heads because of their careful spending each day. We operate each day on a cash flow basis, and we discuss each purchase before it is made. Some of the highlights in this budget has to do with our “Fund Balance Reserve”, we set up a Capital Sinking Fund and few years ago, and currently it has $2,700,000. In this budget we have set aside $2,850,000 for future purchase of capital equipment, both funds have to be approved by council before they can be spent. Our revenue sources come from the insurance premium tax, franchise fees, net profits, and property taxes. Our largest revenue comes from our occupational license fees, in this budget we have budgeted $5,500,000. In our last audit, it reported we received $6,766,000 in occupational license fees, we always under-estimate our revenues, the 1.2 million dollars is our buffer in case we lose a large industry.

We accessed our personnel cost this year in our general fund and gave our employees a 2 percent raise, with many employees moving up in rank. Our biggest focus this year was our first responders, we compared surrounding cities and we were able to give them a percentage of raise and move them up in their respective classifications, which gave them a substantial raise. This budget also includes some new employees; a full-time position in the Business Development Office and two hires in the Public Works Department, one for general maintenance, and a diesel mechanic. We preform 90% of our vehicle repairs in house, and a diesel mechanic would be a good asset to the department. In the police department, a position for a social worker, this is dependent on a federal grant, if we receive the grant, we will bring it before the council for approval.

Much of our yearly goals during the budget process is to upgrade the Infrastructure in our city. Fund 66 in the budget is the US25 North Project which is currently on-going, and will continue thru June of 2019. This project will increase the viability of the North end of town, this project is something we, and past city council has worked on for more than twelve years. This project is seven million dollars of State monies. The By-Pass continues in this budget with money placed in there for any possible changes in design. We started out as one the first cites to start building trails with our 595 Project, our trails are part of our infrastructure. Progress is taking place on the Phase !!! of the Indian Fort Trail, it is a $426,000 project and is expected to be completed this fall. It will connect the trail going from the Utility parking lot, to the the trail at the end of Short Line, to the parking lot at Indian Fort. We have $100,000, along with a $50,000 contribution from Tourism for the Brushy Fort Trail in this budget, we plan to do in-house and begin this fall. The other trial project in this budget will be the Scaffold Cane Trail, we will place a bid out soon for the design.

A large drainage project is in this budget; the Cherry Road Project. This project will be approximately $500,000; we have placed $300,000 to begin the Rights-of-Way easements and prepare the project to be placed out for bid in early spring next year. We have two parking lots in the budget to be paved; the Berea Community School main lot, and Fire Station II. We have $80,000 in the budget to upgrade the camera system in our council/court chambers, and an additional $145,000 to work on the exterior of this building. Our employee insurance is changing beginning July 1, we will be going from Bluegrass Family Health to Humana. This change to Humana will save our employees 5.6% on the family/dependent plans. Our property/casualty insurance will also be changed, we are going back with the Kentucky League of Cities, this change will incur a $13,000 savings in our premium cost. They are already reaching out to us with some offers of training for our police department; we will work closely with them for other employee training opportunities. This budget also includes $25,000 for the Volunteer Fire Dept., $75,000 for Animal Shelter, and $187,000 will be contributed from the three governments for our 911 Operations to help defray the cost of proper equipment and training people at the center.

We have placed $350,000 in our Municipal Road Aid monies that will cover various projects we have; $240,000 will go to a limited number of street over-lays, and $100,000 will used if needed on Short Line after the trail is completed. The Berea Crafts Fair is standalone budget, with the receipts we receive from the fair keeps their bank account maintained. Our Tourism is also well funded in this budget in both their revenues and expenditures, as they continue their outlook for growth and the economic impact they expect in arts, history, sustainability and outdoor recreation. $400,000 is placed in their budget for the renovation of the Tolle Building.

Berea Municipal Utilities have many projects going on with their day to day support, and training of the employees. The largest project there will be the Owsley Fork Damn Project; with the help and input Mr. Fortner has put forth for this project, we received news we will receive $950,000 grant for the design phase. We will have to wait for the federal funds to be approved, and the paper work signed, but this gets us one step closer to getting this project underway.

These are only some of our highlights in this budget; I am very proud of our staff for putting this budget together. Our biggest goals are to improve our infrastructure of this town so that all people can call it home. In this budget and going forward there is monies for building of community activities; parks planning, which will include future upgrades and changes in the park, and the shared use paths. Thanks to the council for their work on this budget, and thanks to our staff and Ms. Meeks for how the budget was put together and presented.

Jacqulyn Bowling, a concerned citizen expressed her concerns about the budget; she wanted to attend the meetings to see firsthand how the citizens money is spent. She has concerns about the Tourism Budget, first it must be established if Tourism is a department part of the city? It is a part of the city when an audit is done, but it is not when the exchange of money occurs. Tourism “by law” should stand alone but “city officials here in Berea” play a role that is evident when questions are asked to the tourism members and they cannot answer. She would certainly be embarrassed if these people were in public representing Berea. She became very concerned how the money for advertising is being spent; the most recent budget shows there is $379,000, but the Brand Advertising Budget meeting, it was $350,000, where did the $29,000 go? Now in 18-19 budget, they are asking for $390,000, where will the extra $11,000 go? This is a total of $40,000 extra dollars that are not accounted for. Very little was said about the Spoonbread Festival, nothing was mentioned about the US25 Yard Sale, or the Guild Artist Fair, these were the top three tourism draws and little, if any were mentioned. $70,000 was mentioned for a Celebration of Artist, suggested by our mayor, no city involvement here? She thinks our failing infrastructure should be addressed first, crumbling curbs, flooding, and obstructed pathways and completion of the trails should be fixed before investing in murals, flags and benches. Why are we paying rent, insurance, and utilities on building we don’t own, and not paying loans down on building we do own, or will own? Why are funds being given to people who receive grants and donations privately and have suits of violations pending? Why are monies being given to individuals who are already receiving government money; $10,000 dollars here, $8,000 dollars there, these are the people who are sucking the life out of the tax payers and show no respect for our government or our flag! Sustainable Berea; they rent from the city for a dollar a year, we rent buildings for thousands. Garden Blitz was supposed to be funded for one year, but years after, it is still be funded, and for more money, now they want monies for a matching grant they have not received, “she has heard”, to have “four addicts” to learn how to garden. We need to address our Opioid epidemic, but she feels that teaching someone to garden is the answer, or to spend money toward. The Accelerated Artist Program; $140,000 each year for a program that has produced two artist out of 20, only one remained in Berea. It should be called the “Triple A Program”, Altered-Accelerated-Artist Program. Jeffery Carpenter, has done more for the program than any other, new manager, new direction. Why is HRC giving money to events that are not representative of their by-laws. The Parks and Recreation is the most underfunded programs that does the most to draw tourist, example; Swing for a Cure, and Swim Conference. Bike, hiking and shared use paths that are a great tourist draw and would be greater if they were complete and connected. Tourism has given very little compared to the impact Parks and Recreation has made in Berea. Tourism has had approximately nine million dollars plus to spend since the restaurant tax has been collected; what do we have to show for this? Certainly not beatification, not outstanding parks, not adventure Tourism, not finished trails, not buildings that have paid for. We could be here all night if she started a conversation about KYMEA! She asked when are the citizens going to be heard, as citizens, we must be more involved, better involved and certainly vote on November 6th. She urged the council to think long and hard on the their vote on the budget and quoted a bible verse.

**ORDINANCE #08-2018; AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, ADOPTING THE ANNUAL BUDGET FOR THE FISCAL PERIOD JULY 1, 2018 THROUGH JUNE 30, 2019, BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE OPERATIONS OF CITY GOVERNMENT AND PROVIDING FOR A LONG RANGE CAPITAL IMPROVEMENT PROJECT AND PUBLIC FACILITIES IMPROVEMENT PROGRAM BUDGET AND PLAN – 2ND READING**

Corporate Counsel read the ordinance by title and summary; Finance Committee Chair Caudill motioned to approve the ordinance, Little seconded. Davis motioned to amended the ordinance: #1) Reduce line item 540000 “other professional services”, in Fund 200, the electric section of the utilities budget, which is the line item containing funding for assessment payments to KYMEA, from $40,000 to $12,000; 2) reduce line item 54100, “advertising,” in Fund 28, the tourism budget, from $390,000 to $379,000; 3) and reduce line item 55228 “Artist Accelerator Program,” in Fund 28, the tourism budget from $140,000 to $120,000, Little seconded the motion. Wilson commented the reason we amended the Artist Accelerator Program is the lease is up on the Hayes Building, it is going to be up in March of 2019, and since the program moved to the Tolle Building, they are doing four-times the sales. She would like to see them stay there as part of the Welcome Center or be at the Depot, and not rent a building. Roll call vote: Terrill-yes, Wilson-yes, Caudill-yes, Little-yes, Rowlette-no, Schultz-no, Fraley-yes, Davis-yes. Ordinance adopted as amended.

**ORDINANCE #09-2018; 400 HWY 1016: ZONE CHANGE B-1 (MINOR BUSINESS) TO B-2 (MAJOR BUSINESS) – 1ST READING**

Corporate Counsel read the ordinance in its entirety.

**ORDINANCE #10-2018; 269 BLUE LICK RD; ZONE CHANGE FROM R-1 (SINGLE FAMILY RESIDENTIAL TO A (AGRICULTURE) – 1ST READING**

Corporate Counsel read the ordinance by its entirety.

**APPROVAL OF RE-APPOINTMENT TO THE ETHICS COMMITTEE**

Mayor Connelly informed the council that the term of Peggy Baker has expired on the Ethics Board, she has indicated that she is willing to serve another term. Fraley motioned, Davis seconded her re-appointment; all ayes.

**COMMITTEE REPORTS:**

**Audit & Finance – Caudill**

He thanked the department heads for all their work in getting the budget together, and Mr. Stone for developing it; there are many good projects that are crucial and time sensitive, glad to see we passed the budget.

Economic Development – Davis

The committee met last evening; heard a presentation from Laura Wick