**BEREA CITY COUNCIL REGULAR MEETING JUNE 5, 2018**

The Berea City Council met in a regular session, Tuesday, June 5, 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, S. Meeks, D. Gregory, S. Sandlin, D. Brumley, D. Isaacs, E. Fortner, A. Haney

**INVOCATION & PLEDGE**

**APPROVAL OF AGENDA:**

Little moved to add Electric Transmission to agenda; Terrill seconded; all ayes. Fraley moved to approve the agenda, Little seconded; all ayes.

**APPROVAL OF MINUTES; SPECIAL CALLED MEETING; MAY 15, 2018**

Caudill moved, Fraley seconded to approve the minutes of May 15, 2018; all ayes.

**ORDINANCE #08-2018; 2018-2019 BUDGET – 1ST READING**

Corporate Counsel read the ordinance by title and summary. City Administrator, Randy Stone stated this ordinance reflects the new format as requested by council, and the recent ordinance; included are the changes requested during the Audit & Finance Committee meeting. Caudill requested a committee meeting to review the budget ordinance be held prior to the second reading.

**ELECTRIC TRANSMISSION – COUNCILMAN J. LITTLE**

Councilman Little referred to an article from the Paducah Sun concerning de-pancaking and the cost implications from KU. He asked Utilities Director, Ed Fortner to speak in reference to it. Mr. Fortner stated LG&E filed with FERC to eliminate/end the de-pancaking agreement; the agreement began back in the mid-nineties, shortly after KU merged with LG&E, (they had been a member of MISO), (Midcontinent Independent System Operator). The municipals were members of KU at that time, as wholesale customers, and they benefited with all things associated with MISO. Shortly after the merger, KU decided they did not want to be a member of MISO, they filed with FERC (Federal Energy Regulatory Commission) to remove themselves, which then cost them to a sustainable amount of money. Within the negotiation process, they met with the municipals who had been wholesale customers with KU for decades. The municipals objected to their filing, and will be fighting FERC, it is very unfair for KU to do this and will cause the customers to pay two sets of transmission charges, both to KU and MISO. The agreement did not have a termination date; it stated that KU would reimburse the cities any MISO transmission fees, roughly 95% of the transmission charges coming from MISO into KU are reimbursed. Started about this time next year Berea will be taking their power from AMP (who is in the MISO System), as well as KYMEA, who also gets the majority of their power from MISO System. If FERC agrees with KU’s request to be removed from the agreement, it could cut our cost savings we initially had agreed to. We are doing our best to plan for the city’s power future to deliver safe, reliable, least expensive energy and capacity that we can arrange.

**COMMITTEE REPORTS:**

**Audit & Finance – S. Caudill**

The committee met last week, changes have been made as requested, the committee will schedule a meeting next week to review those changes.

**BEREA CITY COUNCIL REGULAR MEETING JUNE 5, 2018**

 **Page 2**

**Economic Development – J. Davis**

The next meeting will be June 18th; two new businesses have opened in town. Hitz Barbecue at Exit 77, and Always Growing; a children’s clothing store, located in Boone Square.

**Parks – T. Schultz**

The committee met May 17th to hear public comment on the Dog Park; a new location near the Solar Panels is being considered. Banks Engineering will present a proposal soon; next meeting will be June 28th.

**Personnel – C. Wilson**

No report.

**Public Works – J. Little**

The committee met last evening; the Cherry Road drainage project is scheduled for next spring; work on the connector for the Indian Fort Trail Project has begun; completion expected by late summer, or early fall. The next meeting will be August 6th, no meeting in July due to the holiday.

Mayor Connelly requested all committee’s to summit the minutes of their meetings to the City Clerk.

**DEPARTMENT HEADS:**

No reports.

**PUBLIC COMMENT:**

Ed LaFontaine questioned the mayor’s due diligence marathon; Mr. Goss reported it was possible KYMEA was not formed legally for KY regulations. He asked if the mayor has done any further investigations into KYMEA; he stressed his concerns that this group may fail, and only exist on a line of credit that we could be responsible for in paying back. He also stressed concerns for the price we were quoted for purchase of capacity/25 mega-watts would be $3.00 per kilo-watt month, twice the amount allowed by the master service agreement. He questioned why Mr. Fortner told Mr. Goss that the price would be $3.00? He has prepared two (2) Open Records Request asking for any information as to why Mr. Fortner told Mr. Goss that the price would be $3.00, and in the Goss Report as part of the due diligence process #4, an analysis from Mr. Fortner on the steps necessary to void Berea’s transmission contract with KYMEA and obtain a replacement transmission contract with AMP.

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

* The US25 North Project is moving along very well, and the Indian Fort Trail has begun, it is expected to be finished by mid-or late August.
* Financials in the city this week; General Fund had $2,758,000, and we hope to place $250,000 in to CD’s. Tourism had $561, 469 in their account.
* The new filtration system is up and running; we had more than 400 visitors on opening day, and over 600 visitors one day during last week. The Splash Pad work is proceeding; all the equipment has been ordered.
* The press box door on the stadium came in on the wrong end; a replacement is on order, once it is installed this project will be completed.
* We are working with the State Highway Department to prepare bid the Engineering Services for the Scaffold Cane walking path, and we received calls concerning the By-Pass.
* The Utility Department is updating our pole attachment fees; this had not been done for many years, new contracts with the rates will be completed soon.

**BEREA CITY COUNCIL REGULAR MEETING JUNE 5, 2018**

 Page 3

**COUNCIL COMMENTS:**

**Fraley** – the most important issue before the council is the 2018-2019 Budget for the city; the Audit & Finance Committee met and reviewed the entire budget, some adjustments were made in the General Fund Budget. Questions arose concerning Fund 28, the Tourism Budget, the Audit & Finance Committee recommended several changes to the Tourism Commission; we are hopeful they can meet soon and make decisions on the recommendations soon. In the Utility Budget, we see purchase of base load power, and purchase of planning reserves from AMP beginning in May of 2019; in addition, we are to begin paying KYMEA for electric transmission service during our peak usage months. He does have concerns that were discovered by the Goss Report and could cause budget implications and hopes these concerns get resolved soon before the 2018-2019 Budget Ordinance is passed. We need to know if these issued will be resolved; whether or not Berea will remain with KYMEA, and if we will purchase planning reserves from them, and whether or not, they will provide transmission services; if we will pay one tier, or two tiers, of assessments, and if we will pay AMP $3.00 or $1.50 per kilo-watt month for 25 watts of planning reserves.

**Davis** – a couple of months ago he brought his concerns of the city not doing business with any local insurance agencies; in the council’s mail boxes this week was a letter from Linville’s Insurance requesting an opportunity to work with city, has an effort been made to reach out to them? Administrator Stone stated we will need to bid out for an insurance broker; after we pass the budget we will need to start interviewing and hiring that person for the next budget session.

**Terrill** – he saw an advertisement for the Tourism’s Learn Shops, but it didn’t say anything about the Yard Sales this coming week-end or July Crafts Fair; this really bothers him, it seems they are only promoting themselves and nothing else is going on in the city. That may be why people are hollering at us to change what we are paying for the restaurant tax?

**Little** – he asked City Administrator Stone what is the status on an Auditor? Stone stated that Mr. Caudill has made a recommendation from the Audit & Finance Committee; we have asked for engagement letters from the two respondents; he is reviewing them and will make a recommendation to the council soon.

Meeting adjourned: 7:15 p.m.

.