**BEREA CITY COUNCIL REGULAR MEETING SEPTEMBER 4, 2018**

The Berea City Council met in a regular session, Tuesday, September 4, 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, D., D. Brumley, K. Howard, P. Bloom, S. Meeks

* A work session was held at 5:45 p.m.; City Administrator Randy Stone updated the council on recent, and on-going, city projects.

**INVOCATION AND PLEDGE**

**APPROVAL OF AGENDA:**

Little motioned to add the “Stop Sign on Short Line Pike”, and “Change Order” to the agenda; Caudill seconded, all ayes. Agenda amended.

**APPROVAL OF MINUTES: AUG. 21, 2018**

Caudill motioned, Little seconded to approve the minutes of August 21, 2018; all ayes.

**SWING FOR A CURE – UPDATE – TOM HOWSER**

Mr. Howser reported this year’s tournament was bigger and better, and a huge success. He displayed a video of the highlights during the three-day event. More people and vendors attended and stayed in Berea during the entire week-end. Money raised goes to the Markey Cancer Center in Lexington, and plans are already underway for next year’s event. He thanked the city of their help, and continued support of this event.

**ELECTION DAY/COUNCIL MEETING CANCELLATION**

Fraley motioned, Little seconded to cancel the November 6th council meeting, due to it being election day; all ayes.

**HALLOWEEN-TRICK-OR-TREAT**

Caudill motioned, Schultz seconded to hold Trick-or-Treat within the city on Wednesday, Oct. 31st from 6-8pm; all ayes.

**ORDINANCE #13-2018; AN ORDINANCE OF TH CITY OF BEREA, KENTUCKY, PROVIDING THAT THE CODE OF ORDINANCES, CITY OF BEREA, KENTUCKY, BE AMENDED BY REVISING SECTIONS 32.103(I) TO PROVIDE FOR A PENALTY FEE FOR ANY UTILITY CUSTOMER TAMPERING WITH A SERVICE CONNECTION OR A METERING DEVICE AFTER TERMINATION OF SERVICE FOR NON-PAYMENT. – 2ND READING**

Corporate Counsel read the ordinance by title. Caudill motioned, Fraley seconded to approve and adopt Ordinance #13-2018. Roll call vote; Terrill-yes, Wilson-yes, Caudill-yes, Little -yes, Rowlette-no, Schultz-no, Fraley-yes, Davis-yes. Ordinance adopted.

**ORDINANCE #14-2018; 2018 PROPERTY TAX RATE – 1ST READING**

Corporate Counsel read the ordinance by title and summary. Discussion was held; council determined to keep the amount the same as last year, 10.2 cents per $100 of assessed value.

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**RESERVE FUNDS – CITY ADMINISTRATOR RANDY STONE**

Municipal Governments exist to provide a wide range of basis services on which we all depend; police, fire protection, streets, sidewalks, water, sewer, parks & rec., just to name a few. The ability of cities to provide these wide range of services rest on its financial decisions. Expenditures, taxes, and debt, occupy the public’s attention, but finance director’s, and managers focus on other aspects of government finances, especially our general fund balance. The term “Fund Balance” is often misunderstood, often thought of as a savings account, an amount of surplus, or a slush fund. Fund Balance is the difference between a governmental fund, current assets, cash, short term investments, inventories, receivables, and other un-restricted assets, expected to be available to finance operations in the immediate future. A positive difference, or current assets, over current liabilities, gives an indication of the resources immediately available, to continue the financing of an ongoing city operation. The city’s general fund currently has $6,194,103, of what is called general savings. The city’s fund balance reserve, or rainy-day fund, is simply stated “the minimum level of savings that the city wants to maintain”; this is based on only two months’ worth of operating expenditures. As of the 2019 Budget this was set at 2.7 million dollars, which means of the general savings, only 3.4 million is legally available to spend without specific council action. It is financially more sound to keep more, than less. Our CD’s are a revenue source for the city, the one million we placed in CD’s last month will earn the city $20,000 over the next year. Money is placed in and taken out regularly, we have CD’s maturing every month, we are never in a situation where we cannot access funds for a project of a large purchase, if needed. We operate on a day to day cash balance, we try to make expenditures on the cash we have, and to schedule any large expenditures. By Executive Order the city agreed to set up two-funds, the first is the fund balance reserve, the second is the Capital Sinking Fund. Both together as of July 1, has a balance of $5,550,000. Our budget list all our expected revenues and total expenditures, Fund 10 in the General Fund shows our ending fund balance to be $6,400,037; our fund balance available for budget is $5,450,000, our total expenditures are $15,143,090. We set aside funds for our major purchases, infrastructures and/or emergencies so to not have to borrow money; overall the city is in the positive.

**DISCLOSURE OF OFFICER’S INTEREST IN CONTRACT BETWEEN THE CITY AND THE CHAMBER OF COMMERCE; FINDINGS**

Discussion was held among the council regarding the disclosure and requirements of the grant; Fraley moved “the council make a “Finding” that the grant from Tourism to the Berea Chamber of Commerce is in the best interest of the City of Berea, and the public, because the Spoonbread Festival attracts tourist and visitors to our city and it has a positive impact to the city as a whole”; Caudill seconded. Fraley added that the disclosure of the relationship is that the Chamber of Commerce has applied for a grant from Tourism Commission, Tourism will honor the grant. Mr. Rowlette who serves on the council is the executive director of the Chamber of Commerce, thus the need to have the “Finding and Fact”. Caudill moved to amend the motion to add the “(grant and (the contract)” are in the best interest); all ayes, Rowlette abstained. Roll call vote; Davis-yes, Fraley-yes, Schultz-yes, Rowlette-abstained, Little-yes, Caudill-yes, Wilson-yes, Terrill-abstained. Motion approved.

**SHORT LINE PIKE STOP SIGNS & CHANGE ORDER – J. LITTLE**

Mr. Little received some calls about the new stop sign, he spoke to our Public Works Director, who sighted Pubic Safety as being the main concern for the stop signs. He feels a painted cross-walk, and/or caution signs would be sufficient for a crossing. People need to use caution on this road, the bike riders, the walkers, the drivers, and the residents. City Administrator Stone stated when the city applied for the grant from the State, and they reviewed the plans, the State requested a stop sign be

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placed at the crosswalk. Discussion was held among the council, they asked the Public Works to re-evaluate the stop-signs in two-three months; and possibly consider other options for a cross-walk.

Short Line Pike resident Loretta VanWinkle spoke in favor of the stop sign, there is a lot of traffic on Short Line, and many are speeding, all hours of the day and night. She lives near the connector coming from the Utility Building side, and people are using the trails often.

Mr. Little spoke about the upcoming change order for the bike path/walking trail on Short Line, he feels Tourism could help with the cost of it, our trails bring Tourism. Administrator Stone stated the contract was put out as a unit price contract, and we did not anticipate having to add the extra rock, but there are areas of the contract that we may not have spent as much money as they bid on certain line items. Caudill added that the paving was in the budget in anticipation of the trail.

**COMMITTEE REPORTS:**

**Audit & Finance – S. Caudill**

No report.

**Economic Development – J. Davis**

The new Director Tess Fay started today, we look forward to working with her. The next meeting will be Sept. 17th at 5:30.

**Parks – T. Schultz**

The next meeting will be Sept. 27th at 6pm.

**Personnel – C. Wilson**

No report.

**Public Works – J. Little**

The committee will hold a special called meeting, Sept. 11th, at 5:30 to discuss drainage on Blythe Court.

**DEPARTMENT HEADS:**

No reports.

**PUBLIC COMMENTS:**

Sandy Rowlette gave an update to the plans for the Spoonbread Festival which will begin in 17 days, beginning on Friday, Sept. 21st. She distributed the schedule of events, with many new items being added. There will be live music and food vendors during the balloon glow, she encouraged people park in front of the Candle Factory, the shuttle will be running during the evening. Berea Community School’s homecoming is going on at the same time, and parking will be an issue. The shuttle will also be running throughout the entire festival. 249 vendors are expected, and 296 booth spaces are being utilized; students and volunteers have stepped up to help, but more help is welcomed. Check the web-site for opportunities to volunteer.

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

* Brian Reed has been appointed as the ADA Coordinator for the city; Robin Adams in the Codes Office will be assisting him.
* The Tire Amnesty will be held at the Public Works location beginning Thursday, Sept. 13, the 14th and Sat. the 15th.

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**MAYOR’S COMMENTS:**

He prepared and read a reply to Ed LaFontaine’s recent request regarding the KYMEA and AMP Electric Purchase Contracts. \* A copy will be made part of the official minutes record.

**COUNCIL COMMENTS:**

**Wilson –** clarifying her vote; she is a board member of the Chamber Commerce, but she does not handle the money. She thanked everyone that called, texted, or came to her nephew’s visitation, this is so petty; we need to put things in perspective, how we treat people and how we act; we have gotten rude.

**Rowlette** – he wanted to clarify that the Tourism Funds that the Chamber of Commerce receives is a pass through; they receive $5,000, he spends $5,600 with the television stations in Lexington which in turn, they match the funds 2-1. If Tourism leverages their monies such as this example, we could have a Tourism budget of $3.6 million dollars and be able to have a whole lot more going in our community. He also wanted to encourage the Public Works Committee to reevaluate the stop sign on Short Line. He asked for a show of hands of anyone who has had to sign a contract for use a public park or the Folk Center? That’s the kind of scrutiny the Spoon Bread Festival receives when its growing experientially every year, after taking a year off.

**Fraley** – he will be working with Mr. McAffee on the KY Veteran’s Hall of Fame, and we hope to be able to participate soon. We have encouraged people to avoid the construction areas on US 25 North, but many of the businesses along this area are seeing a drop-in business, please patronize the merchants in this area.

**Little** – he hopes in the future when we have million-dollar contracts; example KYMEA, the inter-local agreement and transmission contract, that our city attorney has a chance to look at them before they are signed, so there is not oversight, it would save a lot of problems.

**Davis -** he asked the mayor to address two things; the last council meeting the mayor asked the council to consider two items concerning the Spoonbread Festival; should those items be placed on the agenda at that meeting, and was the vote illegal since it wasn’t on the agenda? Mayor Connelly stated that they were placed on the agenda tonight as a motion and 2nd from council; the council controls the agenda. Davis encouraged everyone to attend the Spoonbread Festival and volunteer; please patronize the businesses on 25 North.

**Schultz –** in the mayor’s comments, he stated we are making one payment to KYMEA for transmission, but he failed to mention that since the inception of the contract we are also making another payment which is considered two-tier pricing. The KYMEA contracts is for five years; the first three are in a guaranteed rate, but the last two years are not, so those prices can change. KYMEA and AMP could be just about the same. Our five-year contract states for three year’s we will be paying $3.85, the last two years could change. He feels the comments made by Mr. Goss should be taken into consideration; the way KYMEA is called an agency, instead of a corporation should be looked in to, they were supposed to go in front of the Dept. for Local Government informing them of this, but they went to the Attorney General’s Office instead. The way they formed their agency; the last three general assembles did not bring it up from the committee to the floor to be voted on, because they considered it controversial. He is very skeptical. Mayor Connelly suggested everyone to read the Goss Report.

**Caudill -** he thanked Mr. Howser, he does a fantastic job in running an event, and like the Spoonbread Festival, these events are great for our businesses in town; these events contributes to the Economic Development for our city. Thanks to the Public Works who quickly turned around a road sign that commemorated Madison Southern’s State runner up in last year’s football, thanks again to the continued dedication of our city employee’s. As a follow-up to Cora’s points, we do sometimes get in the mud and argue, instead of working together, there are things in life that puts things in perspective.

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**MEETING ADJOURNED:**

8:43 p.m.