**BEREA CITY COUNCIL REGULAR MEETING JUNE 4, 2019**

The Berea City Council met in a regular session, Tuesday, June 4, 2019; Mayor Bruce Fraley presiding. A quorum being present the meeting was called to order at 6:30 p.m.

**COUNCIL PRESENT**: J. Davis, D. Rowlette, J. Payne, E. LaDouceur, 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. Brindley

**INVOCATION:** Rev. Gary Simpson

**PLEDGE:** Cora Jane Wilson

**APPROVAL OF AGENDA:** Caudill motioned, Little seconded to approve the agenda; all ayes.

**APPROVAL OF MINUTES: MAY 21, 2019:** Caudill motioned, Davis seconded to approve the minutes of May 21st, 2019; all ayes.

**MOTION TO MOVE TO EXECUTIVE SESSION:**

Mayor Fraley asked for a motion to discuss a personnel issue. Davis motioned, Little seconded to move into Executive Session at 6:34 p.m. No action was taken; business meeting reconvened at 6:43 p.m.

**RECOGNITION OF VISITORS:**

Tim Taylor, resident; asked why the council doesn’t go by the same rule as the citizens for public comment on the three-minute rule, not singling any person out, or naming names? Mayor Fraley stated the council does have a Municipal Order that does limit discussion by the council members as well, but there is no probation of the council/elected officials. Mr. Taylor asked then why would they be different? City Administrator responded that this is the council’s meeting; this is their opportunity to address the public, especially in council comments, or other items on the agenda where there is business of the city to take place. By state law the meetings are convened by the council and chaired by the mayor, this is the opportunity they have, to speak.

**2019-2020 BUDGET – J. LITTLE**

The budget is a very important process, each year it allocates money for each department to run our city. Expenses cannot be more than the revenue; you can’t send more than you take in, but you can add up what you didn’t spend in the previous year to the current budget and spend that. If the expenses are more than the revenue the council must raise taxes or cut spending, that’s the law. Our revenue and expenses are getting pretty close to even, we don’t have a whole lot of excess right now. We have some money in savings, but the council must vote on it for spending. Our road-aid money from the state has been reduced and we are having to take General Fund monies to repair out street projects. When we do bike paths and walking trails, we use GF money, this is money we could have used on our streets and drains. When the 3% restaurant tax was passed in 2007, for Tourism, this stopped the city from having to help fund their budget. This helped the cities GF, because it helped to fund Tourism. Twelve year’s later the Tourism’s budget is around 1.2 million; what our citizens of Berea would like to see is some of their funds go towards ball fields, walking trails, or bike paths. This would free up some of our GF monies to make better streets, or maybe a dog park, but this is a decision that the Tourism must make, we (the council) can only suggest, we cannot tell Tourism how to spend their money. (Tourism’s advertising); as of now, they spend a little over a thousand dollars every day of the year on advertising. He would like for the Tourism department evaluate their advertising budget, the only way he feels it would work, would be for them to cut the cost for one-year and see what the results might be. It would be for only year, and then, they could raise it back up if it is hurting the Tourism business, none of the programs would have to be cut. He thanked the Tourism Department for the money allocated for community projects in this year’s budget.

**ORDINANCE #09-2019; ADOPTING THE ANNUAL BUDGET 2019-2020 FY – 1ST READING**

Corporate Counsel read the ordinance in its entirety.

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**ORDINANCE #10-2019; AMENDING PERSONNEL POLICIES AND PROCEDURES; AMENDING COMPENSATION RANGES FOR PART-TIME TOURISM & PARKS & POLICE AND FIRE UNIFORM ALLOWANCES – 1ST READING**

Corporate Counsel read the ordinance in its entirety,

**COMMITTEE REPORTS:**

**Ad Hoc – S. Caudill**

There will be a meeting on Monday, June 17th at 6 p.m. if the city attorney can make it.

**Audit & Finance – S. Caudill**

The committee met Tuesday, May 28th and reviewed the 2019-2020 budget.

**Eco. Development – J. Davis**

A new restaurant opened recently; J. Gumbo’s on Main Street and the college square.

**Parks – J. Payne**

The meeting did not have a quorum; next meeting will be June 27th at 5:30 p.m. There are a lot of good programs going on at the Parks Dept., the summer food program starts soon, and the first dive-in movie will be on Friday, June 14th.

**Personnel – C. Wilson**

No report.

**Public Works – J. Little**

The committee met on Monday, June 3rd, discussed the Boone Street issues. Next meeting will be Monday, July 1st at 5:30 p.m.

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

* Our budget is the most important aspect of our city, along with the outcome of the audit. Each of our department heads take the budgeting process very seriously; they analyze what they can accomplish in a year, and in addition to meet the needs for their department to provide service to our citizens. We have made our budget document our bible; if it is read, people will understand the mission, the goals and the directives of the mayor, council, and department heads, that are involved in the preparation of the budget. We begin by looking at our beginning fund balance, the balance is made up from the funds we expect to have on July 1. Our fund balance reserve stands at 2.7 million dollars; we did not raise it this year. This is two months of operational cash on a day to day for our city. Our Capital Sinking Fund increases each year by six-hundred-thousand dollars, we have placed in it, three million, four-hundred and fifty thousand dollars; we will leave those funds in-tack without drawing any money from it. Our occupational license fees are the most important part of our revenue base. This year we are stating our occupational license fees at six-million dollars, last year’s our audit was 6.7 million dollars. Our stated intended income and occupational license fees is greater to last year’s receipts than it has ever been before. As expenses go up, the city must be very vigilant as how they spend it, and the council and leaders of the city will have to look at where the money is going to come from in the future.
* We plan to fill the position of the Business Development Director in the coming months. We are continuing to receive request for warehouse space, and a couple of new restaurants are interested in locating in Berea, also a new motel is being considered.
* New personnel will be added in the police dept.; a social service coordinator and another SRO will be added for the county school system. The fire department is requesting a training officer be added to their department.
* We have a number of major projects in this year’s budget; US25 North Project which we will be reimbursed by the state, and any money we spend towards the By-Pass, we also will be reimbursed. The Scaffold Cane Trail design will be an 80/20 match from the state. $80,000 is in the budget for the Brushy Fork Trail; we have applied for a TAP Grant for the Ellipse Street Shared Use Path. We have money to work on this building in the next year. There is $513,000 in the budget to complete the Cherry Road Drainage Project. $22,000 has been set aside for a grant process for operations in the city. The three governments will be meeting soon for discussion funding for the animal shelter and the Madison County Airport. Our airport is very important to the economic growth of our entire area.

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* (Departmental purchases as listed in the budget narratives were highlighted by City Administrator Stone). Residential water and sewer rates will be raised in this budget; water will be raised 4.35%, sewer will be raised 6.06%; this is to meet the daily revenue needs of our utility department. 2016 was the last increase in our utilities.

**MAYOR’S COMMENTS:**

Mayor Fraley added the key to transparency is the city budget; it lays out the spending priorities for our city. Compliments to our Finance Director, Ms. Meeks, Mr. Stone, the Finance Committee and department heads, for their work and presentation on next fiscal-year’s budget.

* The US25 Yard Sale is this week-end, hope everyone can get out and support it.
* The Moonlight Market is this Saturday, from 6 p.m.-10 p.m. on the patio at Boone Tavern.
* At the April 16th council meeting he asked for everyone to collectively put their differences aside and to work together for the common good of our city, and he is asking again. As we work together to move our city forward, its important for all of us, as elected officials, to treat each other, and the citizens courteously, with dignity and respect. We, together, should set the example for positive and constructive dialog, we can, and should be able to disagree without being disagreeable, and treat each other with courtesy and respect, and as we would like to be treated.

**COUNCIL COMMENTS:**

**Davis** – agrees with the mayor.

**Payne** – regarding the US25 Yard Sale; the city is allowing people to set up in the parking lot by the Tolle Building. This week-end is the last show for the Berea Theatre Arena, it is their 12th and final season.

**Ladouceur** – thanks to Randy for his hard work and presentation on the budget, and thanks to Jerry for his comments. She wished to reiterate; KRS does dictate who controls the restaurant tax rate money, Berea Tourism is already operating at a lower advertising amount than other compatible cities. What the public needs to understand about the restaurant tax is that those on council who complain the most about the tax, have yet to repeal it. We give 3.4 million to the police dept., 2.8 to the fire dept., and 3 million to the public works department without much scrutiny to their line items. But when it comes to a roughly one-million-dollar budget of the Tourism, there are members of council who have no expertise, and no right by law to dictate the execution of that budget, and who start to nickel and dime that department. She challenged Mr. Little to remove some his advertising from his car lot. Danville spends 60 percent from their budget on advertising, and 40 percent on community investment, Berea, right now, spends 40 percent on advertising and 60 percent on community investment. Suggesting slashing Tourism advertising budget is not in line with industry standards. She would like to see Tourism stop being a political pawn, let them do their job.

**Caudill**- thanks to the department heads, Randy and Susan for their work on preparing the budget; we have thrived over the last 25 years as a city because of the vision of people that were in these seats, and because of Randy and the mayor’s we’ve had. The strength of our city is clear when you start looking at the financial history of our city, there were times we couldn’t just put new police cars and fire trucks in our budget. Thanks again to all who worked to give us a budget worth arguing over.

**Wilson** – thanks to all to came to the meeting.

**Terrill** – last night the Human Rights Commission voted to spend fifteen-hundred dollars to set up a 10 x 10 tent on a city street for the music festival; he has a problem when the rates went up by a thousand percent. If they are spending that much, we need to look at their line item budget about cutting it at the next meeting.

LaDouceur motioned, Payne seconded to adjourn at 7:27 p.m.; all ayes.