

MINUTES OF MEETING HELD FEBRUARY 11, 2002

The Common Council of the City of Somerset, Kentucky met in regular session on Monday, February 11, 2002 at 7:00 p.m. with the following present: Mayor JP Wiles, Council Members David Burdine, Clarence Floyd, Jerry Wheeldon, Mark Beasley, Robin Daughetee, Charles New, Donna Hunley, William Earl Owens, Pat Bourne, Jerry Burnett, Peggy Dugger, City Attorney Joe Travis and City Clerk David Godsey. Absent: John R. Minton.

Mr. Wheeldon moved the minutes of the last regular meeting held on January 28, 2002 and the reports be approved as delivered. Mr. Daughetee seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Daughetee, Mr. New, Mrs. Hunley, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger and Mr. Burdine.

The following Resolution was presented for approval:

RESOLUTION

County of Pulaski

Incorporated Area of Somerset

Resolution adopting and approving the execution of a contract between the Incorporated Area and the Department of Rural and Municipal Aid, Commonwealth of Kentucky, for the fiscal year beginning July 1, 2002, as provided in the Kentucky Revised Statutes and accepting all streets referred to therein as being streets which are a part of the Incorporated Area.

Be it resolved by the Legislative Body of the Incorporated Area that:

Section 1:

The Legislative Body of the Incorporated Area does hereby accept all streets referred to in said Contract as being city streets which are a part of the Incorporated Area; and

The Legislative Body of the Incorporated Area does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in said Contract and does hereby accept said Contract and by such acceptance agrees to all the terms and conditions therein stated.

Said Contract reads as follows:

THIS CONTRACT is made between the Department of Rural and Municipal Aid, Commonwealth of Kentucky, and the Legislative Body of the Incorporated Area of Somerset, Pulaski County, Kentucky.

The initial apportionment to the Incorporated Area for the Fiscal Year beginning July 1, 2002, less three (3) percent set aside for an emergency fund, is one hundred thirty-eight thousand five hundred fifty-four and no-one hundredths dollars (\$138,554). This amount, when added to any subsequent apportionments and any unencumbered balance of prior apportionments to the said Incorporated Area will be expended by the Kentucky Department of Rural and Municipal Aid to aid the Incorporated Area in the maintenance, reconstruction, or construction of city streets in said Incorporated Area.

The Legislative Body of the Incorporated Area hereby agrees and directs that their pro rata share of the Municipal Aid Fund, due monthly from the Finance Cabinet, be assigned to the Transportation Cabinet's Division of Accounts for Fiscal Year 2002-2003.

Unless specifically excluded within this Contract, all city streets are a part of this Contract. This includes all structures lying within the limits of the project.

SPECIAL PROVISIONS

The Department of Rural and Municipal aid will reimburse the Incorporated Area of Somerset for materials, labor and equipment necessary for the Incorporated Area to accomplish maintenance, repairs and improvements on Incorporated Area streets. This assistance is extended insofar as funds are available from the Incorporated Area's share of the Municipal Aid Program allocation reflected by this Contract. The Incorporated Area will be responsible for all costs in excess of the Municipal aid funds.

The Department of Rural and Municipal Aid may assist the Incorporated Area in fulfilling its road maintenance, repairs, and improvement needs by the following methods

- (a) Reimburse the Incorporated Area for materials and work performed by contract.
- (b) Reimburse the Incorporated Area for materials obtained by contract.
- (c) Reimburse the Incorporated Area for rental or purchase of road maintenance and construction equipment. Rental rates shall be based on current edition of the "Blue Book for Rental of Equipment" or the Transportation Cabinet's official rental rates.
- (d) Reimburse the Incorporated Area for the hourly rate for personnel who perform the work. This rate may include employee fringe benefits such as leave overlay, retirement, social security, insurance, etc.

GENERAL PROVISIONS

The Chief Executive Officer of the Legislative Body of Incorporated Areas stipulates and hereby certifies that all Municipal Aid funds will be expended within the right-of-way limits of city streets and their appurtenances. This Contract does not relieve Governing Body of its responsibility for city streets and bridges.

The Legislative Body will acquire any rights-of-way contemplated under this Contract. The Legislative Body also assumes responsibility for any claims for damages arising from such acquisitions.

The Legislative Body will hold harmless and save the Commonwealth of Kentucky Transportation Cabinet and its officials and employees free from all claims or liability for damages of any nature whatsoever due to or arising from the performance of this Contract.

The Legislative Body will reimburse the Department of Rural and Municipal Aid for any loss it may sustain arising out of performance of this Contract by the Department. Such loss as sustained by the Department of Rural and Municipal Aid may be charged to this Incorporated Area's apportionment in this or future fiscal years.

Should any balance of the Incorporated Area's apportionment remain after performance of this Contract, such balance will remain to the credit of the Incorporated Area for performance of future Contracts by the Department of Rural and Municipal Aid. It is agreed that any materials purchased by the Department of Rural and Municipal Aid and delivered to the Incorporated Area shall be used by the appropriate governmental agency only on city streets and bridges lying within the Incorporated Area.

The general administration of the program herein designated shall be under the jurisdiction of the Department of Rural and Municipal Aid.

Should conditions arise which, in the judgment of the Commissioner of Rural and Municipal Aid, render it burdensome to the general welfare of the Commonwealth to continue any work commenced under terms of this Contract, the Department may suspend or curtail such work.

It is further agreed between the parties hereto that all obligations incurred under this Contract are subject to any law or regulations now existing or hereafter enacted or promulgated. The Legislative Body acknowledges its total responsibility for city streets.

The Chief Executive officer of the said Incorporated Area, and the Commissioner of Rural and Municipal Aid, or their authorized representatives, insofar as their actions are in accord with the laws of the Commonwealth of Kentucky, shall act for their respective parties on all matters arising under this contract.

The Department reserves the right to cancel this Contract at any time deemed to be in the best interest of the Department by giving thirty (30) days written notice of such cancellation to the Legislative Body. If the Contract is canceled under this provision, the Department shall reimburse the Legislative Body according to their terms hercof to the date of such cancellation.

IN TESTIMONY WHEREOF, the parties hereto have executed this Contract on this the _____ day of _____, 2002. Incorporated Area of City of Somerset, Pulaski County.

BY: JP Wiles
Chief Executive Officer

DEPARTMENT OF RURAL AND MUNICIPAL AID

BY: _____

APPROVED AS TO FORM AND LEGALITY:


OFFICE OF GENERAL COUNSEL

JAMES C. CODELL, III
SECRETARY, TRANSPORTATION CABINET

NOW THEREFORE, be it resolved by the Legislative Body of City of Somerset, Pulaski County that the Chief Executive Officer is hereby authorized and directed to sign said Contract, as set forth, on behalf of the Legislative Body of City of Somerset, Pulaski County, and the City Clerk of City of Somerset, Kentucky is hereby authorized and directed to certify thereto.

Mr. New moved to adopt the above Resolution. Mr. Floyd seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Daughetee, Mr. New, Mrs. Hunley, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger and Mr. Burdine.

The following letter was presented:



Legal Department
600 Hidden Ridge
HQF02160
P.O. Box 152092
Irving, TX 75038
Phone 972 718-3289
Fax 972 719-7162
erin.welton@verizon.com

Erin M. Welton
Contract Paralegal

January 31, 2002

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND REGULAR MAIL**

City Council of Somerset, Kentucky
Attn: J.P. Wiles Mayor
100 Public Square
Somerset, KY 42501

Re: Utilities Franchise Tax Ordinance between General Telephone Company
and City Council of the City of Somerset, Kentucky, dated 10/25/82 (the
"Agreement")

Dear Sir or Madam:

On October 31, 2001, Verizon South Inc. ("Verizon") entered into a definitive agreement (the "Purchase Agreement") with Kentucky ALLTEL, Inc., a subsidiary of ALLTEL Corporation ("ALLTEL"). Under the terms of the Purchase Agreement Verizon will transfer to ALLTEL certain telephone operations and related assets located in Kentucky (the "Transaction"). The above referenced Agreement is one of the assets to be transferred as a part of the Transaction.

Until the closing of the Transaction, Verizon will continue to operate in the current manner and will continue to be responsible to perform those obligations under the Agreement that arise prior to the transfer to ALLTEL. Upon Closing of the Transaction, ALLTEL will be assigned all of Verizon's rights and obligations under the Agreement, to the extent such obligations arise after the closing date.


By this letter, Verizon is requesting your consent to the assignment of the Agreement to ALLTEL as a part of the Transaction. Please indicate your consent by executing the letter where indicated in the space provided below and returning it in the enclosed pre-paid envelope at your earliest convenience, but by no later than February 21, 2002. The enclosed copy should be retained for your records. By consenting to the assignment of the Agreement you also agree that, after the closing of the Transaction, Verizon will have no further obligations to you under the Agreement, and that ALLTEL shall be responsible for all obligations thereunder after the closing.

City Council of the City of Somerset, Kentucky
January 31, 2002
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Your consent will remain effective through the closing of the Transaction. You will be contacted by ALLTEL who will advise you of the closing date and the new contact information.

We appreciate your prompt attention to this matter. Should you have any questions, please contact the undersigned at (972)718-3289 or Paula Vaklez at (972)718-4902.

Sincerely,


Erin M. Welton
Contract Paralegal

Accepted and Agreed by
City Council of the City of Somerset, Kentucky

By: _____

Name: _____

Title: _____

Date: _____

Mr. Daughetee moved to accept the request by Verizon for the Agreement of the Utilities Franchise Tax (Ordinance 82-26) being transferred to ALLTEL. Mr. Burdine seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Daughetee, Mr. New, Mrs. Hunley, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger and Mr. Burdine.

The following Insurance Renewal Agreement was presented:

Renewal Agreement

CITY OF SOMERSET

Region 4
Rates based on 215 Employees
Effective Date 3/1/2002

PRIMECARE PLATINUM
Option LPC13
Hospital Copay \$150
PCP Copay \$20
RX \$10/\$20/\$40

Single	\$224.06
EE + Spouse	\$488.87
EE + Child or Children	\$363.68
Family	\$669.59

Renewal Agreement

CITY OF SOMERSET

Region 4
Rates based on 215 Employees
Effective Date 3/1/2002

Our CHA Health Proposal is based on the following Underwriting Assumptions and Requirements:

- Premium rates quoted are for a 3/1/2002 effective date only.
- Premium rates are guaranteed for the 12 month period beginning 3/1/2002.
- Total Eligible Employees for your group are 215.
- Premium rates were developed based on 215 participating eligible employees, which include 106 Single, 26 Employee and Spouse, 41 Employee and Children, and 42 Family Contracts.
- That eligibility/enrollment data will be supplied to CHA Health in a timely and agreeable format.
- This is a full service proposal which includes account management, administration, claims processing, network access, medical management, underwriting services, and agent commissions if any.
- Information regarding the full scope of coverage, restrictions and exclusions is explained in the Certificate of Coverage, which will be provided to each enrolled employee.
- Please refer to benefits summarized in Plan Benefit Summaries. The benefit descriptions in this proposal are only intended to disclose the Inpatient Hospital Copay and PCP office visit copays for in-network benefits of HMO and POS plans.
- Rates include Assist America benefits.

Please acknowledge benefit plan choice below, sign and return this proposal at least 10 days prior to the renewal date of 3/1/2002. To renew your current plan, write "no change" for your plan selection. Your current benefit plan will be renewed at the rate stated in this proposal unless you notify us 10 days prior to your renewal date.

Please see the CHA Health Underwriting Assumptions and Requirements on the following page.

Date Prepared: 02/07/02
02/9111/mh/1.025

Plan Selected:		
Accepted By:		Date:

LGRenew.0701

Prepared by: CHA Health

Date Prepared: 02/07/02
02/9111/mh/1.025

Plan Selected:		
Accepted By:		Date:

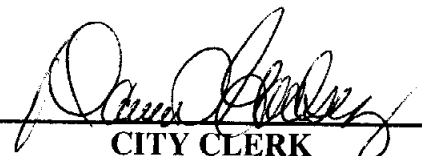
LGRenew.0701

Prepared by: CHA Health
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Mr. New moved to approve the renewal proposal from CHA Health Insurance effective March 1, 2002. Mr. Daughetee seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Daughetee, Mr. New, Mrs. Hunley, Mr. Owens, Mr. Bourne, Mr. Burnett, Mrs. Dugger and Mr. Burdine.

There being no further business the meeting adjourned.

ATTEST:


CITY CLERK

APPROVED


MAYOR