

MINUTES OF MEETING HELD SEPTEMBER 11, 2006

The Common Council of the City of Somerset, Kentucky met in regular session on Monday, September 11, 2006 at 7:00 p.m. with the following present: Mayor JP Wiles. Council Members: Jim Mitchell, Fonda Crawford, Jerry Burnett, Tim Rutherford, Joann Norfleet, Clarence Floyd, Jerry Wheeldon, Mark Beasley, Jerry Girdler, Charlie New, Donna Hunley and John Minton. City Clerk David Godsey and City Attorney Dan Yeast.

Michael Bisihoff presented Police Chief David Biggerstaff with a Certificate of Accreditation Certifying the Police Department has been awarded a five year Certificate of Accreditation as established by the Kentucky Association of Chiefs of Police from the Kentucky Law Enforcement Professional Standards Committee for the third time. Mr. Beasley moved to have the accreditation made part of the official minutes. Mr. Burnett seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

Mrs. Crawford moved to approve the minutes of the last regular meeting held on August 28, 2006 and the reports be approved as delivered. Mr. Wheeldon seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

Mr. Beasley moved to approve all department bills. Mr. Mitchell seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

Second reading was given on the following Ordinances:

<p>ORDINANCE NO. 06-09</p> <p>THIS ORDINANCE NUMBER 06-09 FIXING THE TAX LEVY, AD VALOREM, FRANCHISE TAX, AND TAX FOR THE CITY OF SOMERSET, KENTUCKY, FOR THE FISCAL YEAR BEGINNING JULY 1, 2006 AND ENDING JUNE 30, 2007 PROVIDING PENALTY AND INTEREST FOR NON-PAYMENT.</p> <p>BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY:</p> <p>SECTION 1. That for the purpose of providing income for general municipal expenses for the City of Somerset, Kentucky, for the fiscal year beginning July 1, 2006 and ending June 30, 2007 there is hereby levied an ad valorem of twenty point five cents (.205) on each hundred dollars (\$100.00) of taxable property within the city limits of Somerset, Kentucky.</p> <p>SECTION 2. That the twenty point five cents (.205) ad valorem on each one hundred dollars (\$100.00) of taxable property within the city limits of Somerset, Kentucky, levied shall be deposited in the general fund account and shall be used to pay on general expenses incidental to the operation of the city government.</p> <p>SECTION 3. That for the purpose of providing income for general municipal expenses for the City of Somerset, Kentucky for the fiscal year beginning July 1, 2006 and ending June 30, 2007 there is hereby levied a tax of twenty two point one cents (.221) on each hundred dollars (\$100.00) on personal property, tangible and intangible of franchise holders as determined by the Department of Revenue within the city limits of Somerset, Kentucky.</p> <p>SECTION 4. The twenty two point one cents (.221) on each one hundred dollars (\$100.00) for franchise property within the city limits of Somerset, Kentucky, shall be deposited in the general fund account and is to be used to pay on expenses incidental to the operation of city government.</p> <p>SECTION 5. That a one percent (.01%) discount shall be allowed on each one dollar (\$1.00) collected before November 1, 2006.</p> <p>SECTION 6. That there shall be added to and collected a penalty of twenty percent (.20%) and interest of six percent (.06%) per annum upon each one dollar (\$1.00) of all taxes herein provided for and unpaid after January 1, 2007 until such time that said taxes are paid.</p> <p>SECTION 7. This Ordinance is to become in full force and effect on and after its approval and passage according to law.</p> <p>FIRST READING _____ 2006 SECOND READING _____ 2006</p> <p>ATTEST:</p> <p>CITY CLERK _____ MAYOR _____</p>	<p>ORDINANCE NO. 06-10</p> <p>AN ORDINANCE IMPOSING A BANK FRANCHISE AND LOCAL DEPOSIT TAX; SETTING FORTH TIME TABLES FOR THE COLLECTION OF SUCH TAX FOR THE YEAR 2006 AND ALL SUBSEQUENT YEARS; AND SETTING FORTH ENFORCEMENT PROCEDURES, INCLUDING PENALTIES FOR THE COLLECTION OF DELINQUENT TAXES.</p> <p>BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOMERSET, KENTUCKY AS FOLLOWS:</p> <p>SECTION 1: There is hereby imposed on all "financial institutions" as defined in KRS Chapter 136, located within the corporate limits of the City of Somerset, Kentucky, for the 2006 tax year and all subsequent years, a franchise tax at the rate of 0.025% on all deposits, as defined in KRS Chapter 136, maintained by such financial institutions.</p> <p>SECTION 2: The City of Somerset, Kentucky will issue tax bills to financial institutions no later than December 1 of each year. Payment of the tax shall be due with a two percent (2%) discount by December 31 of each year, or without discount by January 31 of each year.</p> <p>SECTION 3: The City of Somerset, Kentucky, shall have a lien for taxes on the property assessed for taxes to the extent allowed under KRS 134-420.</p> <p>SECTION 4: All taxes due in accordance with these sections which are not paid before June 30, 2007 for the tax year 2006, or which are not paid before January 31, for all subsequent tax years shall be deemed delinquent and shall be subject to a penalty of .20% and shall bear interest at the rate of .6% per annum.</p> <p>SECTION 5: All moneys collected pursuant to these sections shall be paid into the General Fund of the City to be used for the payment of proper expenditures as determined by the City Council.</p> <p>SECTION 6: The City Clerk is hereby directed to send a copy of their Ordinance to the Commissioner of the Kentucky Department of Revenue, Frankfort, Kentucky.</p> <p>FIRST READING _____ 2006</p> <p>SECOND READING _____ 2006</p> <p>ATTEST:</p> <p>CITY CLERK _____ MAYOR _____</p>
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Mr. Beasley moved to approve both of the above Ordinances on their second reading regarding setting tax rates for the 2006 tax year. Mr. Rutherford seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

Mr. Beasley moved to approve the following Resolution accepting the Grant Agreement Amendment in the amount of \$850,000 for a second water tank. Mrs. Crawford seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

EXHIBIT 2

RESOLUTION  
WX2198030  
PROJECT ID # 471N-2007

RESOLUTION OF THE City of Somerset (GRANTEE) ACCEPTING THE GRANT, APPROVING THE GRANT AGREEMENT, AUTHORIZING THE AMENDMENT OF LOCAL BUDGET, AND AUTHORIZING A REPRESENTATIVE TO SIGN ALL RELATED DOCUMENTS

WHEREAS, the General Assembly has appropriated funds for infrastructure projects in the 2006-2008 Budget of the Commonwealth; and

WHEREAS, the Grantee has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Grantee's utility system (the "Project"); and

WHEREAS, the Grantee desires funding from the Kentucky Infrastructure Authority (the "Authority") for the purpose of acquisition and construction of the Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Somerset as follows:

SECTION 1. That the Grantee hereby accepts the grant award and approves the Agreement between the Grantee and the Authority substantially in the form on file with the Grantee for the purpose of providing a portion of the necessary financing to the Grantee for the acquisition and construction of the Project.

SECTION 2. That Mayor J.P. Wiles is hereby authorized, directed and empowered by the Grantee to execute the Agreement and all other necessary documents or agreements, and to otherwise act on behalf of the Grantee to implement the Project.

SECTION 3. That the Grantee hereby includes in its annual budget the receipt and expenditures of funds subject to the Agreement with the Authority.

SECTION 4. This Agreement shall take effect immediately upon passage.

ADOPTED on \_\_\_\_\_, 200\_\_\_\_.

City of Somerset (Grantee)

\_\_\_\_\_, (Representative)

Title Mayor\_\_\_\_\_

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Mr. Floyd moved to approve the following Resolution authorizing the issuance of revenue bonds to help finance the Beecher House’s Rehabilitation Project. Mr. New seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. Mitchell, Mrs. Crawford, Mr. Burnett, Mr. Rutherford, Mrs. Norfleet, Mr. Floyd, Mr. Wheeldon, Mr. Beasley, Mr. Girdler, Mr. New, Mrs. Hunley and Mr. Minton.

<div>RESOLUTION OF THE CITY OF SOMERSET, KENTUCKY</div> <div>WHEREAS, Beecher House Partners, LLC, a Kentucky limited liability company (the "Borrower") has requested the assistance of the City of Somerset, Kentucky (the "Issuer") in financing the (1) acquisition, development and rehabilitation of the apartment complex known as Beecher House Apartments located at 203 South Main Street, Somerset, Kentucky, and (2) costs related to the issuance of the Bonds (the "Project") and has represented to the Issuer that its assistance in financing the Project is a vital factor in the decision to proceed with the Project; and</div> <div>WHEREAS, after careful investigation, the Issuer has and does find that the Project will increase and preserve employment, will promote development in the City of Somerset, Kentucky, will be in the public good and is within the purposes for which the Issuer was created; and</div> <div>WHEREAS, the Issuer adopted a Resolution (the "Prior Resolution") similar to this Resolution on June 27, 2005, and wishes herein to renew the provisions of the Prior Resolution so as to evidence the persistence of the applicability of the Prior Resolution continuously from June 27, 2005, forward;</div> <div>WHEREAS, the proposed Project will require expenditures estimated in the amount of not to exceed \$1,500,000.</div> <div>NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SOMERSET, KENTUCKY AS FOLLOWS:</div> <div>1. In order to indicate the Issuer's willingness to issue its revenue bond or bonds (the "Bonds") to finance the proposed Project or a portion thereof, the execution and delivery of an indenture agreement is hereby authorized to be in substantially the form attached hereto as Exhibit "A," subject to such minor changes, insertions and omissions as may be approved by the Mayor or Mayor Pro Tempore of the Issuer, and the execution of said indenture agreement by the Mayor or Mayor Pro Tempore and Clerk or Deputy Clerk of the Issuer shall be conclusive evidence of such approval.</div> <div>2. In order to facilitate the commencement of the planning, design, construction, installation, equipping and carrying out of the proposed Project or a portion thereof, the Mayor or Mayor Pro Tempore or Clerk or Deputy Clerk of the Issuer are hereby authorized to execute or accept the assignment of contracts for the carrying out of the Project, subject to the receipt of appropriate guarantees of payment by the Borrower.</div> <div>3. In adopting this Resolution, the Issuer is indicating its "official intent" to authorize the issuance of the Bonds referred to in Section 1 hereof within the meaning of regulations of the Internal Revenue Service and provisions of the Internal Revenue Code, and</div>	<div>to authorize such revenue Bonds in an amount up to the maximum of \$1,500,000.</div> <div>4. It is hereby directed that a notice to the public in substantially the form as Exhibit "B" attached hereto (the "Notice") be published in the official newspaper in which Sheriff's advertisements appear for the County of Pulaski, Kentucky, prior to the public hearing (the "Hearing") more fully described in Paragraph 5 hereunder. Said advertisement of the Notice shall be published in such a manner that the publication shall be no fewer than fourteen (14) days prior to said Hearing.</div> <div>5. The Mayor of the Issuer (or other representative of the Issuer designated by the Mayor of the Issuer) shall conduct the hearing described in Exhibit "B" attached hereto at the time and place designated by said Notice. The representative of the Issuer conducting said hearing shall be fully informed of the details of the Project described in said Public Notice and shall answer any inquiries concerning the Project and receive comments concerning the Project made by any person or persons appearing at the hearing. Said representative shall further have at the hearing the official file of the Issuer in connection with this Project and shall provide access to said official file to any person desiring to review the same. Minutes of the hearing shall be taken.</div> <div>6. Immediately following the conclusion of the hearing, the official conducting said hearing shall cause minutes of the hearing to be transcribed. Said minutes shall be a reasonable and accurate resume of the hearing and said minutes shall forthwith be forwarded to the Mayor of the City of Somerset, Kentucky.</div> <div>Also to be forwarded to said official at said time shall be a certified copy of this Resolution and the order of approval attached hereto as Exhibit "C."</div> <div>7. The Mayor or Mayor Pro Tempore and Clerk or Deputy Clerk or Hearing Officer of the Issuer are further authorized to take any and all further action to execute and deliver any and all other documents as may be necessary to implement the Project, including, but not limited to, mortgages, security agreements, UCC financing statements, a lease to the Borrower and/or such other documents as are required to consummate the Project, it being intended that the aforementioned officers be clothed with broad and plenary powers and discretion in the premises.</div>
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ADOPTED on the \_\_\_\_ day of September, 2006.

CITY OF SOMERSET, KENTUCKY

By: \_\_\_\_\_  
Mayor

(SEAL)

Attest:

\_\_\_\_\_  
Clerk

There being no further business the meeting adjourned.

APPROVED \_\_\_\_\_

MAYOR

ATTEST: \_\_\_\_\_

CITY CLERK