

MINUTES OF MEETING HELD AUGUST 25, 2008

The Common Council of the City of Somerset, Kentucky met in a regular session on Monday August 25, 2008 at 7:00 p.m. with the following present: Mayor Eddie Girdler. Council Members: Jim Mitchell, Pat Bourne, Jerry Burnett, Tim Rutherford, Jim Rutherford, Linda Stringer, James Eastham, Steve Kelley, Jerry Girdler, David Childers, and Donna Hunley. City Attorney Carrie Wiese and City Clerk David Godsey. Absent: Council Member John Minton.

Mr. Mitchell moved to approve the minutes of the last regular meeting held on August 11, 2008, along with the reports to be approved as mailed. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Rutherford, Mr. J. Rutherford, Mrs. Stringer, Mr. Eastham, Mr. Kelley, Mr. Girdler, Mr. Childers, and Mrs. Hunley.

Mr. Bourne moved to approve the request from The Family of Laura Barnes, for closing on Vine Street on 8/30/08 for the 96th Birthday Celebration of Laura Barnes. Mr. J. Rutherford seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Rutherford, Mr. J. Rutherford, Mrs. Stringer, Mr. Eastham, Mr. Kelley, Mr. Girdler, Mr. Childers, and Mrs. Hunley.

First reading was given the following Ordinance No. # 08-13:

ORDINANCE NO. 08-13	
THIS ORDINANCE NUMBER 08-13 FIXING THE TAX LEVY, AD VALOREM, FRANCHISE TAX, AND TAX FOR THE CITY OF SOMERSET, KENTUCKY, FOR THE FISCAL YEAR BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009 PROVIDING PENALTY AND INTEREST FOR NON-PAYMENT.	
BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY:	
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, 2008 and ending June 30, 2009 is hereby levied an ad valorem of eighteen point five cents (.185) on each hundred dollars (\$100.00) of taxable property within the city limits of Somerset, Kentucky.	
SECTION 2. That the eighteen point five cents (.185) 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.	
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, 2008 and ending June 30, 2009 there is hereby levied a tax of eighteen point five cents (.185) 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.	
SECTION 4. The eighteen point five cents (.185) 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.	
SECTION 5. That a one percent (.01%) discount shall be allowed on each one dollar (\$1.00) collected before November 1, 2008.	
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, 2009 until such time that said taxes are paid.	
SECTION 7. This Ordinance is to become in full force and effect on and after its approval and passage according to law.	
FIRST READING _____ 2008	SECOND READING _____ 2008
ATTEST:	
_____ CITY CLERK	_____ MAYOR

Mr. Kelley moved to approve the above ordinance # 08-13 on its first reading regarding setting the 2008 property tax rate. Mr. T. Rutherford seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Rutherford, Mr. J. Rutherford, Mrs. Stringer, Mr. Eastham, Mr. Kelley, Mr. Girdler, Mr. Childers, and Mrs. Hunley.

First reading was given the following Ordinance # 08-14:

ORDINANCE NO. 08-14	
AN ORDINANCE IMPOSING A BANK FRANCHISE AND LOCAL DEPOSIT TAX: SETTING FORTH TIME TABLES FOR THE COLLECTION OF SUCH TAX FOR THE YEAR 2008 AND ALL SUBSEQUENT YEARS: AND SETTING FORTH ENFORCEMENT PROCEDURES, INCLUDING PENALTIES FOR THE COLLECTION OF DELINQUENT TAXES.	
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOMERSET, KENTUCKY AS FOLLOWS:	
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 2008 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.	
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.	
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.	
SECTION 4: All taxes due in accordance with these sections which are not paid before June 30, 2009 for the tax year 2008, 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.	
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.	
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.	
FIRST READING _____	2008
SECOND READING _____	2008
ATTEST:	
_____	_____
CITY CLERK	MAYOR

Mr. Mitchell moved to approve the above ordinance # 08-14 on its first reading regarding setting the 2008 bank share tax rate. Mr. Burnett seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Rutherford, Mr. J. Rutherford, Mrs. Stringer, Mr. Eastham, Mr. Kelley, Mr. Girdler, Mr. Childers, and Mrs. Hunley.

Mr. Eastham moved to go into executive session to discuss more information about gas contracts. Mr. Burnett seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Rutherford, Mr. J. Rutherford, Mrs. Stringer, Mr. Eastham, Mr. Kelley, Mr. Girdler, Mr. Childers, and Mrs. Hunley.

No action taken in executive session.

Mr. J. Rutherford moved to approve the following Resolution to approve and support the filing of a lawsuit against Seminole Energy Service and American Energy Corporation, LLC. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Rutherford, Mr. J. Rutherford, Mrs. Stringer, Mr. Eastham, Mr. Kelley, Mr. Girdler, Mr. Childers, and Mrs. Hunley.

RESOLUTION

The City of Somerset City Council hereby approves and supports the filing of a lawsuit against Seminole Energy Services, LLC, registered as a foreign corporation doing business in Oklahoma and Kentucky and North American Energy Corporation, LLC, a Florida corporation doing business in Kentucky; and authorizes the firms of Stites and Harbison of Frankfort, Kentucky and Sturgill, Turner, Barker, and Maloney, of Lexington, Kentucky to represent the City of Somerset in said legal action.

There being no further business the meeting adjourned.

APPROVED _____

MAYOR

ATTEST: _____

CITY CLERK