

MINUTES OF MEETING HELD JUNE 23, 2014

The Common Council of the City of Somerset, Kentucky met in a regular meeting on Monday June 23, 2014, at 7:00 p.m. with the following present: Mayor Eddie Girdler. Council Members; Mike New, Donna Hunley, John Minton, Jim Mitchell, Pat Bourne, Jerry Burnett, Tom Eastham, Linda Stringer, Jerry Wheeldon, Jimmy Eastham and Jerry Girdler. City Attorney Carrie Wiese and City Clerk David Godsey. Absent: Council Member Jim Rutherford.

Mr. New moved to approve the minutes of the regular meeting held on June 9, 2014 along with reports as mailed. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

Mr. Wheeldon moved to approve the following Resolution No. 14-09 adopting and approving a Municipal Aid Agreement between the City of Somerset and the Transportation Department. Mr. New seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

<p style="text-align: center;"><u>RESOLUTION 14-09</u></p> <p>Incorporated City of SOMERSET</p> <p>Resolution adopting and approving the execution of a Municipal Aid Co-op Program Contract between the Incorporated City and the Commonwealth of Kentucky, Transportation Cabinet, Department of Rural and Municipal Aid for the fiscal year beginning July 1, 2014, as provided in the Kentucky Revised Statutes and accepting all streets referred to therein as being streets which are a part of the Incorporated City.</p> <p>Be it resolved by the Legislative Body of the Incorporated City that:</p> <p>The Legislative Body of the Incorporated City does hereby accept all streets referred to in said Contract as being city streets which are a part of the Incorporated City; and</p> <p>The Legislative Body of the Incorporated City 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; and</p> <p style="text-align: right;">Page 1 of 2</p>	<p>The Chief Executive Officer of the said Incorporated City is hereby authorized and directed to sign said Contract as set forth on behalf of the Legislative Body of SOMERSET, and the City Clerk of SOMERSET is hereby authorized and directed to certify thereto.</p> <p>The vote taken on said Resolution, the result being as follows:</p> <table><thead><tr><th><u>AYES</u></th><th><u>NAYS</u></th></tr></thead><tbody><tr><td><u>Mr. New</u></td><td></td></tr><tr><td><u>Mr. Hunley</u></td><td></td></tr><tr><td><u>Mr. Mitchell</u></td><td></td></tr><tr><td><u>Mr. Bourne</u></td><td></td></tr><tr><td><u>Mr. Burnett</u></td><td></td></tr><tr><td><u>Mr. T. Eastham</u></td><td></td></tr><tr><td><u>Mrs. Stringer</u></td><td></td></tr><tr><td><u>Mr. Wheeldon</u></td><td></td></tr><tr><td><u>Mr. J. Eastham</u></td><td></td></tr><tr><td><u>Mr. Girdler</u></td><td></td></tr></tbody></table> <p>COMMONWEALTH OF KENTUCKY ) SS: INCORPORATED CITY OF SOMERSET</p> <p>I, <u>David Godsey</u>, City Clerk of SOMERSET certify that the foregoing is a true copy of the Order above. Given under my hand and seal of office this the <u>24th</u> day of <u>June</u>, 2014.</p> <p style="text-align: right;">SIGNED <u>David Godsey</u> CLERK OF SOMERSET</p> <p style="text-align: right;">Page 2 of 2</p>	<u>AYES</u>	<u>NAYS</u>	<u>Mr. New</u>		<u>Mr. Hunley</u>		<u>Mr. Mitchell</u>		<u>Mr. Bourne</u>		<u>Mr. Burnett</u>		<u>Mr. T. Eastham</u>		<u>Mrs. Stringer</u>		<u>Mr. Wheeldon</u>		<u>Mr. J. Eastham</u>		<u>Mr. Girdler</u>	
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Second reading was giving the following Ordinance No. 14-03:

<p style="text-align: center;"><b>ORDINANCE NO. 14-03</b></p> <p style="text-align: center;"><b>AN ORDINANCE OF THE CITY COUNCIL OF SOMERSET, KENTUCKY, TO AUTHORIZE THE SALE OF GASOLINE AND NATURAL GAS FROM THE CITY'S BULK GASOLINE PLANT</b></p> <p>WHEREAS, the City of Somerset has shown to possess the experience and foresight, using its knowledgeable employees and agents, its geographical location and its natural gas pipeline, to be an innovator in the field of energy as evidenced by the soon to be constructed Somerset Energy Center;</p> <p>WHEREAS, the City of Somerset now also owns and operates a bulk gasoline plant known as the Somerset Fuel Center that has 60,000 gallons of capacity, which was purchased by the City to provide gasoline to the fleet of the City's vehicles that are operated by the City's employees, agents and officials;</p> <p>WHEREAS, the City of Somerset has demonstrated in its operation of the Somerset Fuel Center that the City is efficient, capable and competent in providing gasoline and natural gas for the operation of the City's fleet and also in providing natural gas for vehicles of the public that are equipped to operate using natural gas;</p> <p>WHEREAS, the Somerset Fuel Center had (and has) excess capacity, which allowed the City to enter into agreements for the sale of gasoline to other governmental entities, including the Somerset School System, and has further demonstrated that the City is efficient, capable and competent in the delivery of gasoline to the vehicles of these other governmental entities;</p> <p>WHEREAS, a gasoline refinery known as Somerset Energy Refining, formerly Somerset Refinery, once operated in the City of Somerset and provided jobs and economic and energy-related activity that was valuable to the City of Somerset and its citizens;</p> <p>WHEREAS, Somerset Energy Refining experienced financial difficulties in operating and maintaining its gasoline refinery in Somerset, which resulted in decreased capacity of production and a corresponding loss of jobs at the refinery and also the loss of indirect jobs related to the operation of the refinery;</p> <p>WHEREAS, the refinery then operated as Somerset Energy Refining was purchased by Continental Refining Company aka Continental Refining Company of Southern Kentucky in 2011 with the intent and desire to increase production from the refinery's then "warm idle" status to an increase of 61% in capacity by the end of 2012 and to full capacity by mid-2013 with an estimated corresponding increase of an additional forty (40) jobs at the refinery and with an estimated additional 200 indirect jobs related to the operation of the facility;</p> <p>WHEREAS, the refinery of the Continental Refining Company located in Somerset, Kentucky, has excess capacity and the ability to utilize this excess capacity for the production of quality unleaded gasoline of sufficient volume for sale on a bulk basis;</p>	<p>WHEREAS, the refinery of the Continental Refining Company located in Somerset, Kentucky, is a single source for the potential purchase of competitively priced, quality gasoline of sufficient volume that is refined in the geographical area of Somerset, Pulaski County;</p> <p>WHEREAS, the supplies of gasoline being refined, and the additional quantities of gasoline that is capable of being refined, by Continental Refining Company located in Somerset, Kentucky, is not being purchased so that the capacity of the refinery is not being fully utilized and so that the potential for sustained and increased jobs and economic and energy-related activity in the City of Somerset as a result of the refinery's activities is at risk;</p> <p>WHEREAS, the Somerset Fuel Center has excess capacity and the City has a need for the purchase of quality unleaded gasoline for the needs of the City and for the efficient operation of the plant at a greater capacity than currently exists at the plant;</p> <p>WHEREAS, the City of Somerset has utilized competitive sealed bidding that resulted in the purchase of gasoline on the open market through a wholesaler for use and storage at its bulk gasoline plant and will continue to do so to the extent necessary and prudent, which serves a public purpose and which increases the capacity and efficiencies of the Somerset Fuel Center;</p> <p>WHEREAS, an opportunity exists through noncompetitive negotiation with Continental Refining Company located in Somerset, Kentucky, for the City to purchase a sufficient volume of quality and competitively priced gasoline that is refined in the geographical area of Somerset, Kentucky, given that competition by competitive sealed bidding and/or competitive negotiation is not feasible as this is the single source of gasoline that is refined in Somerset, e.g. there is no other local refinery;</p> <p>WHEREAS, in the event that the City can negotiate the purchase of sufficient volume of competitively priced gasoline from Continental Refining Company located in Somerset, Kentucky, for the needs of the City and for the proprietary resale to other local governmental entities and to the public, then such purchase(s) will serve to increase the capacity at the City's bulk gasoline plant, which will increase the efficiency of the City's Somerset Fuel Center and which will further serve to increase the capacity at this local refinery, which will serve to maintain jobs at the refinery, to increase jobs both directly and indirectly related to the refinery and to increase economic and energy-related activity in the City of Somerset;</p> <p>WHEREAS, the City has purchased natural gas for the City's vehicle fleet and has also provided natural gas for the proprietary resale for vehicles of the public that are equipped to operate using natural gas, which has proved to be an innovative mechanism for use of the Somerset Fuel Center and a gasoline alternative for the operation of motor vehicles, a potentially more environmentally friendly means for the operation of motor vehicles and a potential catalyst for increased energy-related activity and increased economic activity in the City of Somerset.</p> <p>NOW, THEREFORE, pursuant to the applicable provisions of KRS 82.082, KRS 45A.365, KRS 45A.380 and KRS 45.570, be it ordained by the Common City Council of the City of Somerset, as follows:</p> <p style="text-align: center;">2</p>
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Mr. New moved to approve the above Ordinance No. 14-03 authorizing the sale of gasoline and natural gas from the city's bulk gasoline plant to the public. Mrs. Stringer seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

Second reading was giving the following Ordinance No. 14-04:

ORDINANCE NUMBER 14-04

AN ORDINANCE AMENDING THE CITY OF SOMERSET, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014 ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS OF THE CITY OF SOMERSET, KENTUCKY.

WHEREAS, AN ANNUAL BUDGET HAS BEEN ADOPTED BY THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY; AND

WHEREAS, THE COMMON COUNCIL HAS RECEIVED THE PROPOSED BUDGET CHANGES AND MADE NECESSARY MODIFICATIONS

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SOMERSET, KENTUCKY:

SECTION 1.

THAT THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014 IS HEREBY AMENDED AS FOLLOWS:

	REVENUE	EXPENDITURES
GENERAL FUND	\$13,128,492.00 \$15,928,492.00	\$13,128,492.00 \$15,928,492.00
CEMETERY FUND	\$65,200.00 \$75,200.00	\$65,200.00 \$75,200.00
SANITATION SERVICE	\$2,520,000.00 \$2,920,000.00	\$2,520,000.00 \$2,920,000.00
GAS SERVICE	\$17,924,200.00 \$13,964,200.00	\$17,924,200.00 \$13,964,200.00
WATER SERVICE	\$17,216,000.00	\$17,216,000.00
WASTEWATER	\$8,109,175.00	\$8,109,175.00
WATER PARK	\$1,525,550.00	\$1,525,550.00
FUEL CENTER	\$201,700.00 \$426,700.00	\$201,700.00 \$426,700.00
PARKS AND REC	\$1,143,300.00 \$1,468,300.00	\$1,143,300.00 \$1,468,300.00
TRAVEL AND TOURISM	\$0.00 \$200,000.00	\$0.00 \$200,000.00
EMS	\$4,703,600.00	\$4,703,600.00
TOTAL ALL FUNDS	\$66,537,217.00	\$66,537,217.00

SECTION 2.

THIS ORDINANCE SHALL TAKE EFFECT AFTER ITS PASSAGE AND UPON PUBLICATION.

FIRST READING *June 9, 2014*

SECOND READING *June 23, 2014*

APPROVED *Edward R. Girdler*  
EDWARD R. GIRDLER, MAYOR  
CITY OF SOMERSET, KENTUCKY

ATTEST:

*David Godsey*  
DAVID GODSEY, CITY CLERK

Mr. Wheeldon moved to approve the above Ordinance No. 14-04 on its second reading approving a budget amendment to the FY 2013-2014 budget. Mr. Mitchell seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

Second reading was giving the following Ordinance No. 14-05:

ORDINANCE NUMBER 14 - <u>05</u>			
AN ORDINANCE ADOPTING THE CITY OF SOMERSET, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015 ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS OF THE CITY OF SOMERSET, KENTUCKY; AND ADOPTING THE 2014-2015 FISCAL YEAR WATER AND WASTEWATER RATE STRUCTURE; AND REVIEWING AND APPROVING THE CITY'S CURRENT PAY AND CLASSIFICATION PLAN; AND REVIEWING AND APPROVING THE CITY'S ALCOHOL BEVERAGE CONTROL REGULATORY LICENSE FEE RATE STRUCTURE; ALL WHICH SHALL BE IN EFFECT UPON ADOPTION OF THIS ORDINANCE AND THEREAFTER THE DATE OF PUBLICATION BY LAW, UNLESS OTHERWISE STATED HEREIN; AND			
WHEREAS, AN ANNUAL BUDGET PROPOSAL AND MESSAGE HAVE BEEN PREPARED AND DELIVERED TO THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY; AND			
WHEREAS, ANY NECESSARY AMENDMENTS TO THE CITY'S ANNUAL BUDGET, AND WATER AND WASTEWATER RATE STRUCTURE, HAS BEEN DETERMINED BY THE COUNCIL AND IS ADOPTED AS SET FORTH HEREIN; AND			
WHEREAS, THE CITY'S PAY AND CLASSIFICATION PLAN HAS BEEN REVIEWED AS REQUIRED BY LAW AND ANY NECESSARY AMENDMENTS TO SAID PAY AND CLASSIFICATION PLAN HAS BEEN DETERMINED BY THE COUNCIL AND IS ADOPTED AS SET FORTH HEREIN; AND			
WHEREAS THE CITY'S CURRENT ALCOHOL REGULATORY LICENSE FEE RATE STRUCTURE HAS BEEN REVIEWED AS PREVIOUSLY ADOPTED AND AMENDED, AND IS CONFIRMED AS SET FORTH HEREIN,			
NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SOMERSET, KENTUCKY:			
SECTION 1.	THAT THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015 IS HEREBY ADOPTED AS FOLLOWS:		
	REVENUE	EXPENDITURES	
GENERAL FUND	\$22,063,525.00	\$22,063,525.00	
CEMETERY FUND	\$43,700.00	\$43,700.00	
		SANITATION SERVICE	\$2,372,500.00 \$2,372,500.00
		GAS SERVICE	\$17,888,000.00 \$17,888,000.00
		WATER SERVICE	\$8,701,000.00 \$8,701,000.00
		WASTEWATER	\$6,207,000.00 \$6,207,000.00
		WATER PARK	\$1,393,800.00 \$1,393,800.00
		FUEL CENTER	\$155,800.00 \$155,800.00
		TRAVEL AND TOURISM	\$175,000.00 \$175,000.00
		PARKS AND REC	\$1,237,250.00 \$1,237,250.00
		EMS	\$4,653,300.00 \$4,653,300.00
		TOTAL ALL FUNDS	\$64,890,875.00 \$64,890,875.00
SECTION 2.		THE CITY OF SOMERSET HEREBY AMENDS THE WATER AND WASTEWATER RATE STRUCTURE AS SET FORTH IN EXHIBIT "A", ATTACHED HERETO AND INCORPORATED IN FULL HEREIN BY REFERENCE, BEGINNING JULY 1, 2014, WHICH SHALL REMAIN IN EFFECT UNTIL SUCH TIME AS IT IS AMENDED OR REPEALED BY PROPER ACTION OF THE COUNCIL.	
SECTION 3.		THE CITY OF SOMERSET HEREBY REVIEWS AS REQUIRED BY LAW, AND AMENDS THE CITY'S PAY AND CLASSIFICATION PLAN AS SET FORTH IN EXHIBIT "B", ATTACHED HERETO AND INCORPORATED IN FULL HEREIN BY REFERENCE, BEGINNING ON THE EFFECTIVE DATE OF THIS ORDINANCE, WHICH SHALL REMAIN IN EFFECT UNTIL SUCH TIME AS IT IS AMENDED OR REPEALED BY PROPER ACTION OF THE COUNCIL.	
SECTION 4.		THE CITY OF SOMERSET HEREBY REVIEWS, AND APPROVES, THE CITY'S CURRENT ALCOHOL REGULATORY LICENSE FEE RATE STRUCTURE AS SET FORTH IN EXHIBIT "C", ATTACHED HERETO AND INCORPORATED IN FULL HEREIN BY REFERENCE, BEGINNING THE EFFECTIVE DATE OF THIS ORDINANCE, WHICH SHALL REMAIN IN EFFECT UNTIL SUCH TIME AS	

Mr. Bourne moved to approve the above Ordinance No. 14-05 on its second reading approving the FY 2014-2015 budget. Mr. Mitchell seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

Mr. Wheeldon moved to approve the new Energy Center Bid. The bid being awarded to DW Wilburn Inc. in the amount of \$9,180,000. based on final approval by USDA. Mr. J. Eastham seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

BID TABULATION SOMERSET ENERGY CENTER ARCHITECT'S PROJECT NO. 12023						
BRANDSTETTER CARROLL INC. ARCHITECTS ENGINEERS PLANNERS						
May 27, 2014						
BIDDER	Base Bid	ALLOWANCE \$330,000	ALT NO. 1 1st and 2nd Floor Future Area	ADDENDUM 1 THRU 5	Required Bid Supplies/Items	Bid Bond
DW Wilburn Inc.	\$9,180,000	X	\$210,000	X	X	X
Alliance Corporation	\$9,809,100	X	\$154,000	X	X	X
Cadell Construction	\$9,795,000	X	\$295,000	X	X	X
Judy Construction	\$10,382,000	X	\$245,000	X	X	X

Mr. Wheeldon moved to refund the following amounts paid on 2012 City taxes to Farm Credit Leasing in the amount of \$2.09. Mr. Bourne seconded the motion. Upon roll call the following Council Members voted “Aye”: Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

Mr. Burnett made a motion to go into executive session to discuss potential real property acquisition for which publicity at present stage might or would likely affect the value, per KRS 61.810(1)(b). Also discussed were personnel matters, pursuant to KRS 61.810(1)(f). Mr. T. Eastham seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

No action taken in executive session.

Mr. Bourne moved to approve the appointment of Nick Bradley as City Clerk replacing David Godsey due to his retirement after 31 years of service. Mr. J. Eastham seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

Mr. Wheeldon moved to approve the purchase of a house next to Huffaker Park in the amount of \$30,000. for use as public restrooms and storage for the Parks and Recreation Department. Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Bourne, Mr. Burnett, Mr. T. Eastham, Mrs. Stringer, Mr. Wheeldon, Mr. J. Eastham, and Mr. Girdler.

There being no further business the meeting adjourned.

**APPROVED: \_\_\_\_\_**  
**MAYOR**

**ATTEST: \_\_\_\_\_**  
**CITY CLERK**