

## MINUTES OF MEETING HELD AUGUST 12, 2019

The Common Council of the City of Somerset, Kentucky met in a regular meeting on Monday August 12, 2019 at 7:00 p.m. with the following present: Council Members; Brian Dalton, Jerry Wheeldon, Jimmy Eastham, Jerry Girdler, Mike New, Donna Hunley, John Minton, Jim Mitchell, David Godsey, Amanda Bullock, Tom Eastham, Mayor Alan Keck, City Attorney John Adams, and City Clerk Nick Bradley. Absent: David Burdine

Mr. Wheeldon moved to approve the minutes of the regular meeting held on July 22, 2019 along with reports as mailed. Mr. T. Eastham seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Godsey, Ms. Bullock and Mr. T. Eastham.

Mr. T. Eastham made a motion to go into Executive Session pursuant to KRS 61.810 (b), (g), and (f). Mr. New seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Godsey, Ms. Bullock and Mr. T. Eastham.

No action taken in Executive Session.

Ms. Bullock made a motion to approve the following Ordinance Number 19-19: Changing the Time of Somerset City Council Meeting to 6:00 PM Beginning September 2019. Mr. Dalton seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Godsey, Ms. Bullock and Mr. T. Eastham.

**ORDINANCE NO. 19-08**

**AN ORDINANCE CHANGING THE TIME OF SOMERSET CITY COUNCIL MEETINGS TO 6:30 PM BEGINNING SEPTEMBER 2019**

Whereas the Common Council for the City of Somerset, after thoughtful consideration, finds and believes that changing the starting time of its regular meetings on the Second and Fourth Mondays of each month would benefit the Citizens, Public at Large, and the Council, *etc.*

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY

1. The Common Council or City Council of the City of Somerset shall meet at the hour of 6:30 PM Eastern United States Standard Time and as adjusted by Federal Uniform Time ACT or Daylight Savings Time Legislation beginning with the first meeting in September 2019.
2. This Ordinance shall vacate, replace, supplement, or amend any prior ordinance on meeting times for the City Council.
3. This Ordinance shall be in full force and effect from and after adoption and publication according to law.

FIRST READING: June 11, 2019

SECOND READING: August 12, 2019

Approved:  \_\_\_\_\_  
Mayor

Attest:  \_\_\_\_\_  
City Clerk

Mr. Mitchell made a motion to approve the following Resolution Number 19-08: 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, 2019, as provided in the Kentucky Revised Statutes and accepting all streets referred to therein as being streets which are part of the Incorporated City. Mr. Wheeldon seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Mr. Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Godsey, Ms. Bullock and Mr. T. Eastham.

**RESOLUTION**

Incorporated City of **SOMERSET**

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, 2019, 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.

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

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

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

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 therein.

The vote taken on said Resolution, the result being as follows:

AYES		NAYS	
By _____	By _____	_____	_____
By _____	By _____	_____	_____
By _____	By _____	_____	_____
By _____	By _____	_____	_____
By _____	By _____	_____	_____

COMMONWEALTH OF KENTUCKY  
INCORPORATED CITY OF **SOMERSET**

I, \_\_\_\_\_, 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 \_\_\_\_\_ day of \_\_\_\_\_, 2019.

SIGNED \_\_\_\_\_  
CLERK OF **SOMERSET**

**MUNICIPAL ROAD AID COOPERATIVE PROGRAM AGREEMENT**

THIS AGREEMENT, entered into as of the date of the signature below of the Secretary of the Transportation Cabinet, is made by and between the Commonwealth of Kentucky, Transportation Cabinet, Department of Rural and Municipal Aid ("the Department"), and the Legislative Body of the Incorporated City of **SOMERSET**, Kentucky (the "City").

WHEREAS, Kentucky Revised Statutes (KRS) § 177.565(1) provides that 7% of revenue resulting from the imposition of motor fuel taxes on taxpayers pursuant to KRS § 178.220 (AC), KRS § 178.660 (AC), and KRS § 234.320 shall be set aside by the Finance and Administration Cabinet for the construction, reconstruction, and maintenance of urban roads and streets; and for no other purpose ("Municipal Road Aid Funds"); and

WHEREAS, the City has accepted an invitation from the Department to allow it to participate in a cooperative program to aid the City in the construction, reconstruction, and maintenance of certain roads and bridges using its share of the Municipal Road Aid Funds apportioned to it by the Department as provided below (the "Cooperative Program"); and

NOW THEREFORE, in consideration of the terms and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department and the City agree as follows:

1. **Apportionment of Municipal Road Aid Funds.** The City's apportionment of Municipal Road Aid Funds shall be based on revenue estimates supplied by the Office of State Budget Director. For the Fiscal Year beginning July 1, 2019, this amount is \$114,493.23 (the "Apportionment"). The Apportionment shall be distributed by the Department to the City in accordance with the terms of this Agreement.

2. **Assignment of the Apportionment.** The City hereby assigns all of its right, title and interest in and to the Apportionment to the Transportation Cabinet's Division of Accounts for Fiscal Year 2020.

3. **Distribution of Municipal Road Aid Funds.** The City and the Department agree that the Apportionment shall be distributed by the Department to the City as follows:

a. **First Distribution.** The Department shall initially distribute to the City sixty percent (60%) of the Apportionment, less three percent (3%) of the Apportionment set aside for the emergency fund below. This initial amount is \$130,856.00.

b. **Second Distribution.** The Department shall distribute up to and including an additional thirty percent (30%) of the Apportionment to the City, less three percent (3%) of the Apportionment set aside for the emergency fund below. The amount of the second distribution will depend on how actual revenues compare to revenue estimates.

c. **Final Distribution.** The Department shall allocate and distribute the remaining balance of the Apportionment, less three percent (3%) set aside for the emergency fund below. The Final Distribution shall be based on actual revenues obtained after the end of the fiscal year (June 30).

4. **Emergency Fund.** The City agrees that three percent (3%) of the Apportionment shall be withheld by the Department in an emergency fund (the "Emergency Fund"). The Emergency Fund shall include three percent (3%) of the total apportionments of all participants in the Cooperative Program, plus any remaining balances from previous fiscal years. The Department, upon written application from a duly authorized representative of the City, may disburse these funds to the City for the purpose of using said funds for emergency roadway and bridge projects designated by the City and lying within city limits. The Department may disburse

up to fifty percent (50%) of the agreed funds to the City for the purpose of it using said funds for emergency roadway and bridge projects designated by the City. Following the completion of the project, after final cost documentation has been submitted and processed, the Department will then distribute the determined remaining amount. If the actual cost of an emergency project is less than the amount of Emergency Funds disbursed by the Department, then the City shall reimburse the difference to the Department.

3. **Disbursement of Funds.** Upon execution of this Agreement, the Department will disburse the foregoing allocated funds directly to the City to pay for materials, labor and equipment necessary for the City to accomplish construction, reconstruction, and maintenance on streets designated by the City and lying within city limits. This assistance is extended insofar as funds are available from the Appropriation. The City shall be responsible for all costs associated with the construction, reconstruction and maintenance of roadways and bridges in excess of the amount of the Appropriation allocated and disbursed by the Department to the City. The Department may assist the City in fulfilling its needs by disbursing funds to the City for materials and work performed by contract, for materials obtained by contract and for the rental or purchase of road maintenance and construction equipment. Any rental rates shall be based on current edition of the "Blue Book for Rental of Equipment" or the Department's official rental rates. The Department may also disburse funds to the City for the hourly rate for personnel who perform the work. This rate may include employee fringe benefits such as leave accrual, retirement, social security, insurance, etc.

4. **List of Materials, Road Aid Funds.** The City agrees and certifies that the Appropriation will be expended by the City solely for the purpose of construction, reconstruction, and maintenance of city streets as defined in KRS § 177.365(4).

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7. **Rights of Way.** The City, if required under applicable law, will acquire any rights-of-way contemplated under this Agreement and assume responsibility for any claims for damages arising from such acquisitions.

8. **Indemnification.** The City shall fully indemnify, hold harmless and defend the Department from and against all claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation reasonable attorney's fees and costs), whether or not involving a third party claim, which arise out of, relate to or result from (a) any breach of any representation or warranty of the City contained in this Agreement, (b) any breach of any contract or other obligation of the City under this Agreement or under applicable law, in any case whether or not caused by the negligence of the Department and whether or not the relevant claim has merit.

9. **Reimbursement of Loans.** The City will reimburse the Department for loans it may receive arising out of performance of this Agreement. Such loan as sustained by the Department may be charged to the Appropriation in this or future fiscal years.

10. **Termination of Agreement.** The Department reserves the right to cancel this Agreement 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 City. If this Agreement is canceled under this provision, then the City will receive any unpaid portion of the Appropriation from the Finance and Administration Cabinet.

11. **Accounting Records.** The City acknowledges and agrees that pursuant to KRS § 177.365(5) it shall retain all records of the expenditures of the Appropriation for a period of five (5) years and said records, including any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement (records and other pre-audit information

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confidentially disclosed as part of the bid process shall not be deemed as directly pertinent and shall be exempt from disclosure as provided in KRS § 178.02(1), shall be subject to audit by the Finance and Administration Cabinet or its duly authorized agent and made accessible by the City to the Finance and Administration Cabinet or its duly authorized agent for said period of time in order to determine the proper expenditures of said money for the purposes required by KRS § 177.365(1). The City also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS § 61.870 to KRS § 61.884.

12. **Authentication.** The Legislative Body of the City shall pass a resolution adopting and approving the terms of this Agreement in the form of the resolution attached to this Agreement and make a part hereof. The Chief Executive Officer of the City, and the Commissioner of the Department, 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 Agreement.

13. **Choice of Law and Venue.** All questions as to the execution, validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this Agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the dates listed below:

INCORPORATED CITY OF SOMERSET

BY:   
City Representative

Date: 7/30/19

DEPARTMENT OF RURAL AND MUNICIPAL AID  
OFFICE OF RURAL & SECONDARY ROADS

BY: \_\_\_\_\_  
Commissioner

Date: \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY

BY: \_\_\_\_\_  
Office of Legal Services

Date: \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
TRANSPORTATION CABINET

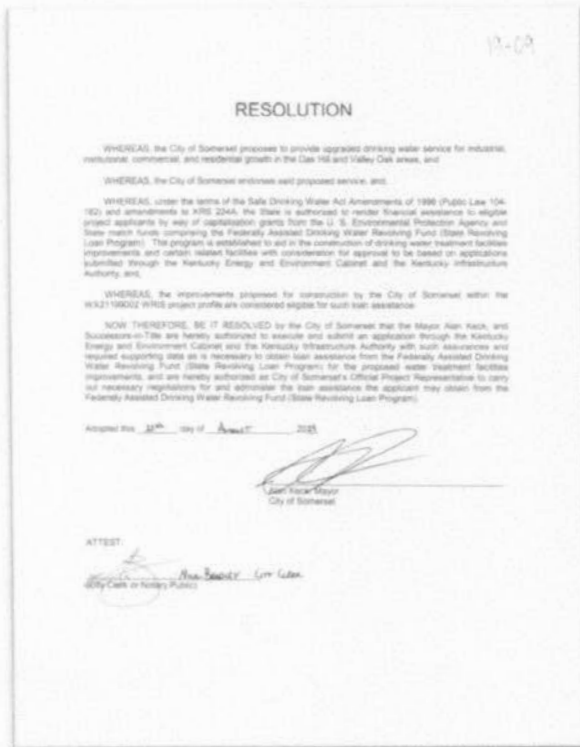
BY: \_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

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Mr. Wheeldon made a motion to approve the following Resolution Number 19-09: Application for Drinking Water Revolving Fund. Mr. T. Eastham seconded the motion. Upon roll call the following Council Members voted "Aye": Mr. Dalton, Mr. Wheeldon, Mr. J. Eastham, Mr.

Girdler, Mr. New, Mrs. Hunley, Mr. Minton, Mr. Mitchell, Mr. Godsey, Ms. Bullock and Mr. T. Eastham.



First reading was given the following Ordinance Number 19-20: Fixing the Tax Levy, Ad Valorem, Franchise Tax, and Tax for the City of Somerset, Kentucky, for the Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020 Providing Penalty and Interest for Non-payment.

ORDINANCE NO. 19-20

THIS ORDINANCE NUMBER 19-20, FIXING THE TAX LEVY, AD VALOREM, FRANCHISE TAX, AND TAX FOR THE CITY OF SOMERSET, KENTUCKY, FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020 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, 2019 and ending June 30, 2020 is hereby levied an ad valorem of thirteen cents (13¢) on each hundred dollars (\$100.00) of taxable property within the city limits of Somerset, Kentucky.

SECTION 2. That the thirteen cents (13¢) 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, 2019 and ending June 30, 2020 there is hereby levied a tax of thirteen cents (13¢) 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 thirteen cents (13¢) 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 two percent (2%) discount shall be allowed on each one dollar (\$1.00) collected before November 1, 2019.

SECTION 6. That there shall be added to and collected a penalty of twenty percent (20%) and interest of six percent (6%) per annum upon each one dollar (\$1.00) of all taxes herein provided for and unpaid after January 1, 2020 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 August 13, 2019 SECOND READING \_\_\_\_\_ 2019

ATTEST:

CITY CLERK \_\_\_\_\_

MAYOR \_\_\_\_\_

First reading was given the following Ordinance Number 19-21: Imposing a Bank Franchise and Local Deposit Tax.

ORDINANCE NO. 19-21

AN ORDINANCE IMPOSING A BANK FRANCHISE AND LOCAL DEPOSIT TAX; SETTING FORTH TIME TABLES FOR THE COLLECTION OF SUCH TAX FOR THE YEAR 2019 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 2019 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 associated for taxes to the extent allowed under KRS 136-420.

SECTION 4. All taxes due in accordance with these sections which are not paid before June 30, 2020 for the tax year 2019, 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 this Ordinance to the Commissioner of the Kentucky Department of Revenue, Frankfort, Kentucky.

FIRST READING August 13, 2019

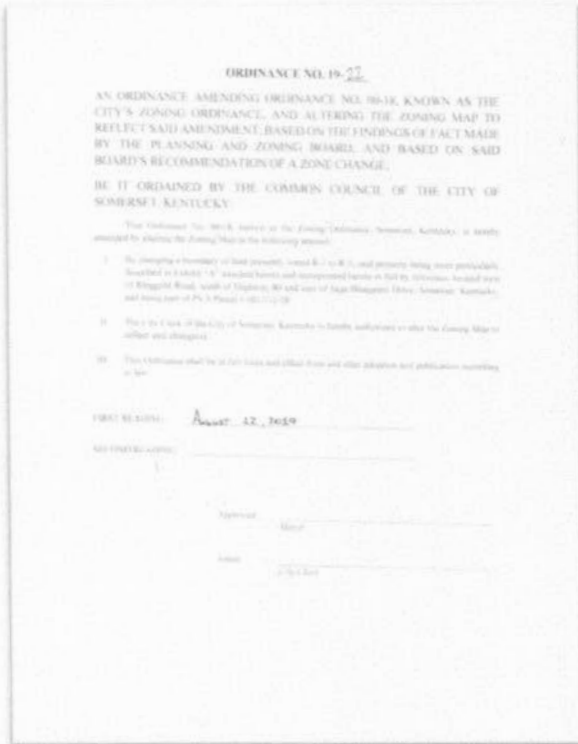
SECOND READING \_\_\_\_\_ 2019

ATTEST:

CITY CLERK \_\_\_\_\_

MAYOR \_\_\_\_\_

First reading was given the following Ordinance Number 19-22: Amending Ordinance No. 00-18, Known as the City's Zoning Ordinance, and Altering the Zoning Map to Reflect said Amendment, based on the Findings of Fact made by the Planning and Zoning Board, and based on said Board's Recommendation.



First reading was given the following Ordinance Number 19-23: Setting Forth the City's Intent and Desire to Annex a Corridor of Highway, Specifically Two Tracts of Kentucky State Highway 39, Pulaski County, Kentucky, to the City of Somerset.










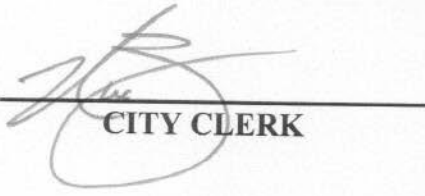
APPROVED:



\_\_\_\_\_

MAYOR

ATTEST:



\_\_\_\_\_

CITY CLERK