

MINUTES REGULAR COUNCIL MEETING

CITY OF SHEPHERDSVILLE,

MONDAY, February 28, 2011

Jerry Pile gave the invocation

Pledge of Allegiance was recited

Mayor Ellis thanked everyone for coming and called the meeting to order at 6:33 p.m.

In attendance were Council members Bernie Brown, Don Cundiff, Bonnie Enlow, Larry Hatfield, Faith Portman and Alan Wetzel.

Mrs. Enlow made motion to dispense with reading of the minutes from the February 14, 2011 Council meeting. Mr. Cundiff 2nd. Motion carried 6-0 absent. Mrs. Enlow made motion to approve the minutes. Mr. Hatfield 2nd. Motion carried 6-0 absent.

Mrs. Portman made motion to dispense with reading of the minutes from the February 21, 2011 Special meeting. Mr. Brown 2nd. Motion carried 6-0 absent. Mr. Brown made motion to approve the minutes. Mr. Cundiff 2nd. Motion carried 6-0 absent.

Old Business:

Mr. Hatfield made motion to pay January sewer projects bills plus \$10,000 partial payment to LG&E but excluding the \$40,000 to GAIC which will be paid in payments. Mrs. Enlow 2nd. Motion carried 6-0. Motion by Mrs. Portman to pay January 2011 City bills plus invoice being held for Tony's Body Shop but excluding PVA invoice. Mr. Brown 2nd. Motion carried 6-0 absent. The Mayor instructed that the D & D Utility invoices continue to be held until he makes additional inquiries about them. Mr. Hatfield made motion to pay January 2011 sewer bills. Mr. Wetzel 2nd. Motion carried 6-0 absent.

New Business:

Marty Brown with Public Finance addressed the Council on the progress being made with City's financial situation. He reported that the Mayor and administration have taken steps to prevent future financial abuses. There is now a procedure in place to control spending. The administration plans to use a zero-base budget system for FY 2012 and that Public Finance has recommended the City implement an asset control system as soon as possible. Mr. Brown reported that borrowing from the sewer fund went back to at least 2004. In FY 2004 the general fund owed \$245,658 to the sewer fund. That initial amount was repaid in 2005. In FY 2006 the sewer fund owed about \$45,000 to the general fund. Since FY 2007 the amount owed by the general fund to the sewer fund has grown to about \$1.2 million. Mr. Brown stated that Department Heads have tended to spend money as though their budgets represent actual funds available to be spent. Past Councils have approved these expenditures. This results in a cash shortage. He stated the City is definitely in technical default to KIA regarding payments into the debt service reserve fund on two bond issues. Mr. Brown further stated that the City will not likely be able to restructure the KLC lease transactions for sewer. They are essentially not prepayable. The sewer rate ordinance is not being fully enforced. There is no enforcement of the industrial effluent provision, and the inflation escalator has not been applied. Mr. Brown stated he would be back at the next meeting with another update and possible within a week to 10 days the general fund review would be complete.

Steven Bunch with Bunch Brothers Auctioneers addressed the Council about auctioning off equipment no longer being used by the Capital Projects Department. He stated the next auction is April 19th on the

Kentucky Fair and Exposition Center in Louisville. Mr. Bunch stated attendance at this auction averages over 750 people from all over the world and that live internet bidding will be available to buyers unable to attend the auction. Bunch Brothers responsibilities would include preparing the equipment for the auction, advertising and conducting the auction, accounting and settling after the sale. The City responsibilities would include providing mechanical help in preparing the equipment for the auction. Delivery of the equipment to Louisville and maintain insurance on equipment until the sale is final. Mr. Bunch estimates the equipment the City has to auction could bring in \$350,000-\$400,000.

Vicki Downing, James Watkins and Tom Kelley with the Conference Centre addressed the Council regarding the Centre's expansion. Mrs. Downing presented the Council with drawings on the proposed expansion of the McDowell Ballroom and with information concerning activities at the Conference Centre and asked if the Mayor and Council supported the project she would need a Resolution from the City in support of the project. The Mayor and Council agree this is a project worth supporting and the Mayor instructed City Attorney Joe Wantland to draw up a Resolution to be read at the next meeting.

City Attorney Joe Wantland had first reading of Ordinance 011-number to be assigned closing an alley on Highway 44 West between property of Joe and John Sohm. Mr. Wantland stated the second reading would be March 14th.

Captain Dan Patchin presented the Council with a list of police property (two 2005 crown victorias; two 2008 ATVs and a utility trailer) and asked that it be surplussed to sell on govdeals.com. Mr. Hatfield made motion to surpluss property. Mr. Brown 2nd. Motion carried 6-0 absent.

City Attorney Joe Wantland read Resolution 011-007 granting inducements to Magna Seating Inc. Mrs. Portman made motion to approve. Mrs. Enlow 2nd. Motion carried 6-0 absent.

City Attorney Joe Wantland read Resolution 011-009 granting inducements to Spiral Edge Inc. Mr. Hatfield made motion to approve. Mr. Wetzel 2nd. Motion carried 6-0 absent.

Planning & Zoning update- Daryl Lee: No Report

Board of Adjustment update- Duane Price: No Report

Sign-in Speakers:

John Underwood stated that some people have asked to see papers and he wants to know why they can't see them. He also told the Mayor that he made some promises in Fleming's Body Shop and he wanted to know why he hasn't kept them. He told the Mayor he was listening to the wrong people.

Corky Miller addressed the Council on the fire tax issue with Southeast Bullitt Fire. He thanked the City on the effort on the fire tax issue even though it's not settled. He stated he thought a deal had been reached and it fell apart New Year's Eve night. Mr. Miller stated that he called the State Attorney General in Louisville and spoke to a young lady on being double taxed and she said that it's ridiculous and gave him a name of a gentleman in the Frankfort office who she felt could settle this issue. He said all he needed was an elected official, any elected official, to call him and he would help resolve the issue. Mr. Miller stated this gentleman can form an opinion and send it to the Judge. City Attorney Wantland stated the City has already won the case in the Court of Appeals and there will be one uniform tax in Shepherdsville. Mr. Miller stated that the Judge would not speak to him because he lives in the affected area. Mr. Miller stated if he's not getting anything from Shepherdsville why continue to be double taxed. City Attorney Wantland asked who he was being taxed by. Mr. Miller stated Shepherdsville and Southeast. Mr. Wantland stated someone needs to sue Southeast Bullitt to refund all of tax money paid to them. Mr. Miller asked what the officials in the City were for. Mr. Wantland stated we will keep going to court, keep fighting. The City is establishing a City boundaries map that will be the Shepherdsville boundaries that the fire department will

fight fire in. Mr. Wantland suggested that Mr. Miller go to Southeast and address the issue with them. Mr. Miller stated he had gone to Southeast and was told they have jurisdiction and Shepherdsville can't go into Heritage Hills. Mrs. Enlow stated that's not true. The case was remanded. The City won the case and Southeast has no leg to stand on. She stated she has been fighting this for several years also. Fire Chief Layne Troutman stated there is a restraining order in place restricting Shepherdsville from going into Heritage Hills. Mr. Wantland stated we will continue to fight until there is one uniform tax in Shepherdsville. Mr. Miller asked Mr. Wantland to have the Judge speak to him. All present agree the situation is ridiculous. City Attorney Wantland stated the decision of the Court of Appeals is pretty clear. The laws say for Shepherdsville to provide service to disputed areas they must first have a full time department. Shepherdsville has been ruled a regular fire department under statute. Annexation has nothing to do with fire departments. Citizens decide what services they want and what services they want to pay for. When an annexation occurs the City pays a proportionate share of tax assessment multiplied by debt incurred. Mr. Wantland's understanding is that Southeast has zero debt. The statute is very clear that the citizens control what fire service they want. Question why taking so long. Mr. Wantland answered because you have an entrenched establishment that believes they can continue to control and tax people even though you don't want it. And it is each and every citizen's job to stand up when feeling oppressed.

Gaynell Rummage stated she was back again with questions about the \$4 million missing. She asked if we are going to cover what's missing. She also asked if any other equipment was missing; and about rock and slate. Attorney Joe Wantland instructed her to talk with Dan Patchin to possibly assist with the investigation into these things. Mrs. Rummage asked about open records requests she has not received and inquired as to what was going on with Doug Puckett. Again City Attorney Wantland asked her to speak with Captain Dan Patchin.

Jose Cubero stated he also lived in Heritage Hills and did not sign up to speak about the fire issue but would like to see it settled as quickly as possible. Mr. Cubero also suggested that the Mayor and Council look at the budget numbers monthly instead of annually. He also suggested getting a projected revenue number and be more detailed on monthly revenue versus expenses.

Departmental reports:

Captain Patchin reported that he had handed out the 2010 annual report and if the Mayor or Council had any questions to contact him.

Council reports:

Bonnie Enlow reported that she had spoken with Mike Rice with Rice Lawn Service and he wants to continue cutting grass on the Government Center.

Bernie Brown asked the Mayor and other members of the Council if they felt we needed to continue with every Monday meetings. Everyone agreed not at this time so the Mayor announced that the Special Meeting scheduled for March 7th is cancelled.

Motion by Mrs. Portman to go into Executive Session to discuss litigation and personnel. Mr. Wetzel 2nd. Motion carried 6-0. Adjourned to executive session at 8:30 p.m.

Motion by Mrs. Portman to reconvene to regular session. Mr. Wetzel 2nd. Motion carried 6-0. Reconvened regular session at 8:55 p.m.

City Attorney Joe Wantland stated he had been directed by the Council to perform various duties that they would be done.

Motion to adjourn by Mr. Hatfield. Mrs. Portman 2nd. Motion carried 6-0. Meeting adjourned at 8:57 p.m.

R. Scott Ellis, Mayor

Tammy Richmond, City Clerk