

**CITY OF SHEPHERDSVILLE
REGULAR COUNCIL MEETING MINUTES
TUESDAY, March 22, 2016**

Tim Wade gave the invocation
Pledge of Allegiance was recited
Mayor Brian James called the meeting to order at 6:31 p.m.

Council members present: Larry Hatfield, Ashley Bratcher, Dana Bischoff James, Bernie Brown, Gloria Taft and Randy Hammond.

Mayor James asked for a motion to dispense with the reading of the minutes from the 2/9/2016 Regular Meeting. Ashley Bratcher made motion to dispense with reading. Dana Bischoff James 2nd. Motion carried 4-0-2 Not voting (LH, BB) Mr. Hatfield stated that under advisement of his attorney he will not be voting tonight but I will make that statement as each vote. Mr. Brown stated that he will make a similar statement; due to the advice of Counsel and the impending court case I've been advised not to participate in any vote so I will not be voting tonight.

Mayor James asked for a motion to approve minutes as written from the 2/9/2016 Regular Meeting. Gloria Taft made motion to approve 2/9/2016 minutes as written. Randy Hammond 2nd. Motion carried 4-0-2 Not voting.

Mayor James asked for a motion to dispense with the reading of the minutes from the 3/15/2016 Special Meeting. Dana Bischoff James made motion to dispense with reading. Ashley Bratcher 2nd. Motion carried 4-0-2 Not voting.

Mayor James asked for a motion to approve minutes as written from the 3/15/2016 Special Meeting. Ashley Bratcher made motion to approve 3/15/2016 minutes as written. Gloria Taft 2nd. Motion carried 4-0-2 Not voting.

Mayor James announced City Hall would be closed March 25th in observance of Good Friday. And also to let everyone know this is first time that a full house has been in City Hall in over six months; the last time that all Council members were present was 9/8/2015. So we're doing really good tonight moving the City.

Presentation:

Mayor James asked City Controller Bob Ryan to approach the podium and also noted that Mr. Jason Strange was originally supposed to present the Audit but after several failed attempts to reach a quorum and scheduling conflict he asked if Mr. Ryan could present. Bob Ryan: The Audit this year was done again by the CPA firm out of Bardstown, Kentucky, Smith and Company; and Jason Strange, their principle auditor was unable to make this meeting tonight. I'm just going to hit on a brief highlights that in the financial statement. You've had these financials now for a little over a month to review. On page 4 the Auditors Opinion the CPA firm of Smith and Company does state that it is in their opinion that these financial statements do represent fairly the financial position of the City of Shepherdsville, KY as of June 30, 2015 for the year then ended. It is what we call in the profession a clean Audit opinion. On page 5 there is a note that this is the first fiscal year in 2015 that audited municipalities in Kentucky were required to report GASB 68 which is reporting of accounting and financial reporting for pensions. This reporting required a rather unusual entry made to the financial statements; it is the one thing in here that I want to explain in detail. Municipalities are required now to report what is their unfunded benefit for the pension that their employees have earned. At one time this was all with the Kentucky Retirement System now that number is pulled out of the Kentucky Retirement System and is being reported in the financial statements of the reporting entity. The amount that is unfunded that has been allocated to the City of Shepherdsville, KY that is reported on page 12 is \$6,199,242.00; that's Shepherdsville unfunded portion of its pension for its employees and this is an amount that is as of June 30, 2014; so even though you would look at this number and be quite startled by it, it has a number as far as your statements are concerned has no real meaning because these are

financial statements as of June 30, 2015 and this is a number computed by Kentucky Retirement that is 2014; but because of GASB reporting requirements these thing now have to be reported in the financial statement. As far as a liability to Kentucky Retirement the City has none; all contributions due based upon payroll calculations have been paid to the City so anybody reading these financial statements and seeing this \$6 million liability should understand that it is a paper number. Should all the sudden everybody quit and retire right now; somebody has to come up with \$6 million for the employees of the City of Shepherdsville. This is one of the directives that has come down from the governmental accounting boards; but that is the one number if you look at net pension liability, \$6 million; as far as the City is concerned it is paid all that is due to the Kentucky Retirement System. It has no actual cash liability to the Retirement System. I just want to make that perfectly clear on that point. It is the one number that really sticks out like a big red light. On page 14 of the financial statements it's caused a \$6 million decrease in the net assets of the City. But again it is a book figure. It is not an actual debt that has occurred to reduce the net worth of the City's accounting by \$6 million. On the upside last year the General Fund retired \$188,000 in debt; the General Fund itself only has one debt and that is the building that we are in tonight. On the Sewer side the Sewer retired \$2,088,000 in debt. All the Sinking Funds that are required by contract are fully funded. They have not been tapped in to. They continue to grow with some little interest being earned. On page 12 you have the balance sheet; they call it a statement of net position it's actually the balance sheet of the City reporting the government business activities on a full accrual method; accrual means recognizing income when earned and not received and liabilities when occurred not paid. You have the income statement on Page 13 & 14 and what is unique about a governmental income statement is it is in reverse, it reports all your expenses on top and then how does the City retire it's expenses and they are broken down by Department, General, Fire, Police, Public Works; and all the expenses that are retired with your property taxes, occupational taxes, so on, they are all detailed there. Page 15 is a snapshot of the City at 6/30/2015 showing the current position of the City, assets to liabilities, in total the General Fund had \$4.7 million in assets and \$497,000 in liabilities which is an outstanding ratio asset to liabilities. On back pages 22 and toward the end of the financial statement are the notes that give some meaning as to the numbers that are on the preceding pages. The important part of this Section is on pages 35, 36, 37, this details the outstanding debt of the City and Sewer Fund showing the amount that has been retired throughout the year and the projected payoffs of mainly the sewer debt because as I said the only debt the City has is on this building and that could be retired in the next two years; three at the very most. It's a good financial statement; it's been a successful year financial wise for the City of Shepherdsville. The cash accounts have grown, debts have been paid; the only bad number in the financial statements is that \$6 million which doesn't really signify anything. Dana Bischoff James made motion to accept the Audit. Ashley Bratcher 2nd. Motion carried 4-0-2 Not voting.

Old Business:

City Attorney Wantland had second reading and public comment on Ordinance 016-(number to be assigned) concerning request from Bobby Roution and Hazel Roution to rezone 65' x 140' lot more or less from R-3 Residential to B-2 Central Business located at 230 Highway 44 West listed as Parcel #036-SE0-03-001 in the City of Shepherdsville. There is a recommendation from the Planning Commission to accept. I believe 90 days has expired so I would think this motion to approve this would be perfunctory but I would ask the Council to make that motion to approve the rezoning. Dana Bischoff James made motion to approve. Randy Hammond 2nd. Motion carried 4-0-2 Not voting.

City Attorney Wantland had second reading of Ordinance 016-(number to be assigned) providing for recognition of Fraternal Order of Police, Lodge 80 as the collective bargaining agent for the Shepherdsville Police Personnel. Randy Hammond made motion to approve. Dana Bischoff James 2nd. Motion carried 4-0-2 Not voting.

City Attorney Wantland had second reading by Summary of Ordinance 016-(number to be assigned) regarding Flood Damage Prevention. City Attorney Wantland asked for approval for it to be read by Summary. Gloria Taft made motion to approve Summary reading. Dana Bischoff James 2nd. Motion carried 4-0-2 Not voting. Mayor James asked for discussion from the Council. Dana Bischoff James: I worked tirelessly and endlessly on this and actually one of the constituents is in the audience I worked with

extensively trying to find a solution to FEMA. I am personally very frustrated; I feel like this entity that does not have oversight. I believe this is a government entity that doesn't have a checks and balance. We have been given a sheet of what would happen if we did not participate in the National Flood Insurance Program and what has been given to us is very testy; from our homeowners not being able to get home loans, the insurance rates becoming astronomical. I have reached out to Brett Guthrie's office, Mark Ward; I spoke to the Division of Water who is actually spokesperson for FEMA; FEMA doesn't have a person to speak with; but this is not something that we looked at lightly. We looked at several options and this is the only option that is given to us from the Federal Government so I just wanted to express to our constituents how much research has went in to this to try to find a better answer and a better outcome. Gloria Taft made motion to accept. Ashley Bratcher 2nd. Motion carried 4-0-2 Not voting.

New Business:

Discussion on approval of a Parade Permit for the YMCA's annual walk to be held on July 4th. Gloria Taft made motion to approve permit. Randy Hammond 2nd. Motion carried 3-1 abstention-2 Not voting.

Discussion followed on approval of agreement between the City of Shepherdsville, YMCA and Shepherdsville Titans Youth Football League for use of City Parks. Grant Knox was in attendance for the Shepherdsville Titans, June Daugherty for the YMCA and Scott Fleming for the City of Shepherdsville. Mayor James: The Shepherdsville Titans and the YMCA have been trying to each stake their claim to the Park and we have a pretty good resolution; it's actually something that's crossed our desk that we would like to purchase some more property to have the kids play at some point but for right now we're confined to where we are. Do you all have any questions about the contract? Have you had a chance to review it? June Daugherty: I've reviewed it; my only question was about the baseball fields that were removed from last year's contract. Mayor James: That has been resolved. Grant Knox: The only question I would have is when I talked to Tom LaFollette he said that at some point we will have a map to show where everybody is at. Scott Fleming: Yes. Mayor James: So I guess if all hearts are at ease with City Park and everyone is content with the lease agreement that we have in place I would ask for a motion to approve the lease agreement. Dana Bischoff James: Both parties are comfortable with the lease agreement? Grant Knox, yes; June Daugherty: I think it's probably the best that it can be at this time, yes. Dana Bischoff James made motion to approve. Mayor James: June, once again whenever we get more property then we'll have plenty of room for the kids to play. I've actually been a very big part of both programs in my childhood and I think you both are doing great things and as long as the Park can accommodate you I hope that you all remain partners for the Shepherdsville City Park and the City to help grow our young people. Gloria Taft 2nd. Motion carried 4-0-2 Not voting.

City Attorney had first reading of Ordinance 016-(number to be assigned) adopting Text Amendment 16-T-01 Schedule of Fees, Charges & Expenses. Mayor James asked Daryl Lee to approach the Council and asked if he had any comments about the Text Amendment. Daryl Lee: That was heard when I was not there. The only comment that I would like to make I think you all should read it carefully; it's not a good thing for the City. That's my opinion. Why I say that you're adding an extra expense on to whatever the developer or builder that's coming in you increase the fees. It's my understanding that you get no revenue from the inspections. The big boxes I don't think you get any revenue on inspections or approval of the plans? Larry Hatfield: 25% don't we? City Clerk Richmond: We haven't gotten a check for a very long time. I'll double check with Brenda but I don't think so. Larry Hatfield: I may be wrong. I thought we did. Daryl Lee: I think most building in the County is either in the City of Shepherdsville or in the City of Mt. Washington and before they come to you they have to get a compliance from the County in order to get their building permit from you. There is no point in increasing that fee because they still have to get one from you. In my opinion there is no way it can help you. If anybody would like to talk to me afterwards feel free and I can go into a little more detail. Mayor James asked Duane Price to approach the Council. Do you have any comments?

Duane Price: I know there is a lot of feedback from the builders that want to do something here. I represent the City of Shepherdsville and whatever you all say is what I'll go along with. It's up to you all because you are the decision makers and I'm the mule so whatever you put on my back I'll deliver the package. I'm all for Shepherdsville is what I'm saying. If it's for growth and it will affect the growth when you start raising everything which you know it will; but it's whatever you all recommend to me is how we'll carry on with this. Mayor James: I'm going to encourage the Council to get with the two of you to pick your brains on this Ordinance just to make sure it's something that we want to adopt.

City Attorney had first reading of Ordinance 016-(number to be assigned) closing 2.12 acres of roadway (partial Buffalo Run Road). He stated Mr. Farris was supposed to be here this evening. He was not. So Joe called John Snider to the podium. City Attorney Wantland: This is the relocation of Buffalo Run Road; in speaking with Mr. Farris part of the building that Browning is building will be on top of this right of way. The right of way is being moved and improved. We're closing such portions of the right of way that are encroaching on the building of Browning's new development in this area. That's the reason for the closure. The new road will be Alpha Way which is being constructed. The McGruder's are on board. At some point the property will be conveyed from the McGruder's to Rolling Acres Farm to Browning and the City will sign off on that. John Snider: I will give you the other half of that information on Alpha Way. I've been working with Mr. Wantland we have a deed signed by Rolling Farms, EDA, coming back to the City; problem is the State reviewed the deed and they want to add about five feet where the headwalls are so when we transfer at the end of the year they will have the five feet on the headwalls on the water issues transferred to them so I'll have a different deed description; just minor description changes. The McGruders have already indicated they will make the change; it's just what the State wants to take the transfer a little bit more property, not much. Both of them relate in some ways.

City Attorney Wantland read Resolution 2016-02 authorizing changing names on Your Community Bank accounts. Ashley Bratcher made motion to accept. Gloria Taft 2nd. Motion carried 4-0-2 Not voting.

City Attorney Wantland read Resolution 2016-03 authorizing changing names on First Harrison Bank accounts. Gloria Taft made motion to accept. Ashley Bratcher 2nd. Motion carried 4-0-2 Not voting.

City Attorney Wantland read Resolution 2016-04 authorizing changing names on Stock Yards Bank accounts. Ashley Bratcher made motion to accept. Gloria Taft 2nd. Motion carried 4-0-2 Not voting.

City Attorney Wantland read Resolution 2016-05 authorizing changing names on PBI Bank accounts. Gloria Taft made motion to accept. Ashley Bratcher 2nd. Motion carried 4-0-2 Not voting.

City Attorney Wantland read Resolution 2016-06 authorizing changing names on Republic Bank accounts. Ashley Bratcher made motion to accept. Gloria Taft 2nd. Motion carried 4-0-2 Not voting.

City Attorney Wantland read Resolution 2016-07 authorizing changing names on accounts at Park Federal Credit Union. Ashley Bratcher made motion to accept. Gloria Taft 2nd. Motion carried 4-0-2 Not Voting.

City Attorney Wantland read Resolution 2016-08 authorizing changing names on bank account at Your Community Bank for Police CID and Federal Seized Funds. Gloria Taft made motion to accept. Ashley Bratcher 2nd. Motion carried 4-0-2 Not voting.

Mayor James asked Scott Fleming to come back up to the podium for discussion on CVS using Jean Hatzell Alley for ingress from Highway 44; CVS will widen and provide safer exit by adding property to make entrance wider. Plans have been approved by the State and reviewed by Scott Fleming. City Attorney Wantland: This is an information meeting for the Council if you all have questions. What is happening is

CVS is using its property and the City is using its property to make that a safer and better entrance to Jean Hatzell Alley at that intersection. Scott Fleming: They are not deviating from any of the approved plans they originally submitted. It's just basically informational like Joe was saying. It shouldn't be an issue for us at all. Gloria Taft: They are going to widen it to an actual two lanes? Scott Fleming: Their entrance, yes, on the back side. Dana Bischoff James made motion to approve. Ashley Bratcher 2nd. Motion carried 4-0-2 Not voting.

Daryl Lee: No report.

Duane Price: We have the last development on Park Loop on Cedar Grove Road; the development of Tract 3 that sits right into a 25 acre conservation easement which belongs to the City of Shepherdsville. All the properties that surround it had to be moved around to get the semis in safely and get them out. We got everything turned around and that is the last development in that Park.

Sign In Speakers:

Faith Portman: First off I had a couple calls from constituents today and wanted me to approach the Council about the Ordinance that you all voted on tonight regarding the flood damage prevention. Was there a deadline on that? Mayor James: April 4th. Faith Portman: How come it took so long to get this to Council to vote on it? It's due in 11-12 working days. Mayor James: This is the fourth agenda this has been on. Faith Portman: I know that Councilman Brown and Councilman Hatfield has filed a lawsuit and if you sign this and they win is this going to be legal and is it going to hurt the citizens of Shepherdsville if that lawsuit if won? City Attorney Wantland: That's going to be up to the Judge at some time. Faith Portman: If it's signed, does he have to sign it? Can't the Council make that vote and it not be signed by the Mayor or does the Mayor have to sign it in so many days? City Attorney Wantland: I think we're fine the way we're approaching at this point. Faith Portman: But it will all have to be redone, correct? I mean just saying they win their lawsuit it will have to be redone correct and then the deadline will be over. Am I correct on that? Mayor James: Those are correct statements. Faith Portman: My concern is what's going to happen to the people if this isn't taken care of. You can't redo it because the deadline is April 4th.

Gloria Taft: Two things; first of all Family Day Ministries is holding their all night prayer vigil this Friday for Good Friday. It will start at 11:00 p.m. and go thru 6:00 a.m. We also had our mandatory Alpha Way pre bid meeting. There were 19 different companies represented and Qk4 said that's a very good turnout. They had a lot of good questions. The two pieces of new information the I65 Interchange they are hoping to have public meetings in April and if those public meetings happen in April they are looking for a September design. The State is looking at that Interchange being designed to build which is sure to go even faster. We are on track for the road; we're about six days behind but for a project this size that's really good. Scott Fleming will be the contact for the contractors is they want to visit the site.

Bernie Brown: The last word we had from L&N was they are going to work on that railroad crossing at 44 in April. April is about here I expect they'll do it in April or else I think we need to make some noise.

Dana Bischoff James: I do want to say sometimes in life work schedules, illness, family members who are sick prevent people from showing up to the meeting and I will say this is the first meeting in approximately six months that we have had all six Council members here. I'm very pleased to see the people that are here tonight. The second item is going back to the FEMA issue; I just want to reiterate that we have looked for all possible solutions. We exhausted resources sent to Brett Guthrie's office to Division of Water which I will reiterate how much research went in to that and at this point the best option that was given to us was accepting. My very last thing, I just want to quote scripture, Matthew 12:25 says "*And Jesus knew their thoughts, and Jesus said unto them, every kingdom divided against itself is brought to desolation and every city or house divided against itself shall not stand.*" I humbly request prayer for the City because we are a very divided Council.

Joe Wantland: I'd like the Council to approve that I can utilize some City monies; I'd like to employ Brad Armstrong on the Miller Annexation suit that we have. Many people do not understand at this late date that

the City extends in a southerly direction to 245 not only by Highway 61 but I-65 and a large portion of 245 in that area is also in the City. The Betty Allen farm is in the City which is at 245 and 61. There are other tracks; the Rice property is in the City, Flynn's property has other property in the City, McGruder, Scotty Henderson, these properties are in the City. What people are trying to say the City has a corridor annexation of the Miller Property. There is no corridor, the City is all around it, everywhere but at a later date if someone wants to make that argument I'd like to have a visual demonstration to show; and I think it will be an Appellate Court because I think the Trial Judge knows what I'm talking about but you'll have a visual understanding of where the City boundaries are south of Highway 480 and it's very dramatic but the Miller property clearly; particularly with the sewer easement running right through it clearly shows that it's not a corridor annexation. This is just a natural progress of the growth of the community and I would like to have that done if you can spend a few thousand dollars and have Brad do that for us. Gloria Taft: How much are we talking? City Attorney Wantland: I think it will probably cost a couple thousand dollars. We'll have to pay for the deposition, we'll have to pay Brad's fees but Brad should have some of this work already done on that one end. But when you're in Court and you're taking a deposition you have to pay the court reporter; and I'm not again; Trial level it really doesn't worry me that much, it's that Appellate because I think there is going to be an appeal and I would like for the Court of Appeals to have this to just look at the map. If you go on the website you can see the City of Shepherdsville on the Secretary of State website. Larry Hatfield: I would think we would want to do that anyway wouldn't we? City Attorney Wantland: I'm just asking for permission to do it. Gloria Taft made motion to authorize City Attorney Wantland to spend up to \$3000 to employ Brad Armstrong on the lawsuit. Ashley Bratcher. Motion carried 4-0-2 Not voting.

Gloria Taft: Mayor we were handed a request from John Snider for a Special Meeting (part open; part executive session). Discussion followed; there will be a Special Meeting on April 4th at 9:15 a.m.

Dana Bischoff James made motion to Adjourn. Randy Hammond 2nd. Motion carried 4-0-2 Not voting. Meeting adjourned at 7:37 p.m.

Brian James, Mayor

Tammy Richmond, City Clerk