

**CITY OF SHEPHERDSVILLE
SPECIAL COUNCIL MEETING MINUTES
FRIDAY, June 17, 2016**

Mayor James called the meeting to order at 1:06 p.m.

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

City Attorney Wantland had second reading of Ordinance 016-(number to be assigned) a request by Steve & Dana Estes to rezone .77 of an acre more or less adjacent to Buffalo Run, listed in the PVA office on map #046-000-00-013 from Agricultural to IL Light Industrial. It is recommended to be approved. Gloria Taft made motion to accept. Dana Bischoff James 2nd. Motion carried 3 in favor-0 opposed-1 absent-2 not voting.

Mr. Slade with Eco-Tech is not here yet to discuss the arrearage and how to collect it. We can discuss amongst the Council.

Larry Hatfield: I'll open it up for discussion and I really don't know what to do. Mayor James: That's been the problem. There is really not a good answer. Dana Bischoff James: When do we rebid? City Clerk Richmond: Very soon. I've given you all the two Ordinances, the bid and the current franchise agreement for you to start looking through to make any changes you want. It goes through March 2017. But the sooner we bid it; and if someone new gets it it always takes a long time for them to get the information they need to get set up and going. Gloria Taft: Have you heard back from Louisville Water yet any information based on our meeting on 5/26? City Clerk Richmond: I thought we were supposed to meet with them again in two weeks. Gloria Taft: I have the end of June. City Clerk Richmond: I haven't heard back from them yet. Bernie Brown: They said that day that in about five weeks they would have an estimate of the cost and a better time frame but they thought the time frame might be six months. Gloria Taft: Time frame to start testing they told me would be nine months. Six months to work on it, nine months for testing and then as they are testing implementation would come after that so we're looking at nine months to a year best case scenario for Louisville Water to help us. But then we'll probably be another \$50,000 in the hole; we or Eco-Tech or someone. City Clerk Richmond: I think the bid needs to be changed. City Attorney Wantland: I was talking with Councilman Brown earlier; I would like to consider a mandate that a property owner is the person to receive the bill for the pickup of the garbage not a tenant. I agree with Councilman Brown that has it's short comings too but the problem with tenants is they go and they come and you've got to have a way of identifying. Mayor James: The property owner actually does have collateral in the property. So you actually have something they could place a lien on in the wanted. City Attorney Wantland: They are not moving as rapidly as some of the tenants. Bernie Brown: But normally a user pays for what they use. Gloria Taft: That will help some but we still have a lot of property owners that haven't paid their bill. City Attorney Wantland: And Eco-Tech hasn't done, every 30 days they are supposed to present delinquent accounts and I don't think they've been doing that. Mayor James: I've got several lists of delinquent accounts but I don't know if it's been every 30 days. Bernie Brown: One thing I'm concerned about there seems to be a contradiction between the Ordinance and the franchise agreement. Mayor James: Yes and when this gets redone in October we want to make sure everything is ironed out in there. Bernie Brown: Why can't the Ordinance be amended right away. City Attorney Wantland: We can start working on it. I don't think this is going to be a very quick fix. I think everyone is going to have to think it through and there is going to be input from everyone hopefully. Mayor James: I think the Ordinance can be amended now but it can't take place until the new contract. City Attorney Wantland: We want to have garbage pickup on one day. We want to have an exclusive provider of that service. Larry Hatfield: You mean the whole City I one day; there isn't no way. City Attorney Wantland: We do the best we can Larry. But your goal is one day. Larry Hatfield: Yeah but then you're driving the rates up. City Attorney Wantland: That's what I say because the other answer is they are tearing our streets up the more times they are here. Concrete trucks and garbage trucks are bad. Larry Hatfield: Like me where I live; I have to pay for that. My question is does it have to be mandatory? City Attorney Wantland: Yes, the State had made it mandatory. Bernie Brown: If I'm not mistaken the franchise

agreement was signed after the Ordinance and there is a conflict between them. So which one takes precedence? City Attorney Wantland: They both take precedence; there may be a conflict it's a question of interpretation. Larry Hatfield: What do we owe right now? City Attorney Wantland: I don't think we owe anything, the City doesn't owe. I think the City has an obligation to assist in the collection but the City is not obligated to pay what is not being paid to Eco-Tech. City Clerk Richmond: I think the amount owed is around \$156,000. Gloria Taft: The last time I talked to Bryan it was just over \$153,000 and that was couple weeks ago. City Attorney Wantland: That is 30 days, 60 days and 90 days, I know there are people that owe them thousands that they have never paid. And it could be helpful if we get with the County Attorney and the District Judges and ask them about their positions on it because the one Ordinance makes it a violation of the law not to pay your garbage bills or not to provide for that service and in the past the District Judges have refused to basically take that on and at least enforce that they would have to pay their garbage bills. Gloria Taft: I hate to bring it up but do we raise taxes by ½ percent or 1/3 percent and just have one mass billing from the City? Bernie Brown: No. Larry Hatfield: If you do that you are punishing the people that have been paying. Gloria Taft: Larry how do you figure you are punishing the good people? Larry Hatfield: Because their taxes are going up. Gloria Taft: Then they don't get a garbage bill. Larry Hatfield: I see what you are saying you mean you wouldn't increase it the City would kick in some money. Bernie Brown: The City would pay for it in other words. Gloria Taft: Yeah the City would pay for the garbage service in one lump sum payment. Dana Bischoff James: What tax would you increase? Mayor James: It wouldn't be a tax it would be a separate line item. Gloria Taft: No we can't do that we have to increase the ad valorem tax. City Attorney Wantland: You going to increase the occupational tax are you going to decrease what your expenditures are or you going to occupational tax or the ad valorem tax; you have to generate approximately \$450,000. That's the number? Gloria Taft: \$433,200 at a minimum. Larry Hatfield: Okay use me for an example; my tax bill right now is \$2300 a year and I pay \$10 every month; what percent would that be? City Attorney Wantland: No, on ad valorem tax rate to generate that kind of money I think we generate about \$1.2 million in ad valorem tax? City Clerk Richmond: \$1.6 million or higher. City Attorney Wantland: S you would be talking about raising it 25% of 14 which would be 3.8 so you would be taking your 14 cents per hundred and raising it to about 18 cents. Larry Hatfield: So we would have to do it about 5. City Attorney Wantland: We would take 14 cents per hundred and would have to raise it to about 18 cents per hundred. Dana Bischoff James: What about the occupational? With the new companies coming in could it not just be absorbed? Can we talk to Bob about that? City Attorney Wantland: You're talking about \$450,000; you have to think about where that puts you as far as the general fund. I don't see that being done. Gloria Taft: I don't see us absorbing that without changing the budget. Dana Bischoff James: Even with the monstrous companies coming in, the Browning Company, Dermody, Game Stop. City Attorney Wantland: I don't think you are going to get enough. Gloria Taft: I'm with Joe I don't think that would be enough. City Attorney Wantland: The curse with property taxes is as your assessments go up your rates go down and that benefits the taxpayer and that's a good thing but you can't generate any funds through the raising of the assessments. It just won't happen. (House Bill 44) And then you have to turn it around that leaves you with the occupational tax or raising rates on the ad valorem tax. Either one of them are not very pleasant but that's something; we don't have to decide today but we kick it around. We can try to put it out there for the people to come in and have a public meeting on it and see what they would like to do. Larry Hatfield: How many are not paying here do you know the number? Robert Lee: I'd say it's probably at any one time about 20%; it would to 600-700 homes. Gloria Taft: One idea was what if now that Eco-Tech is here what if Eco-Tech offered an incentive to pay for an entire year up front. Say I buy 11 you give me one for free. Robert Lee: Gloria I think you can see that we are willing to work with you guys and we just thought we needed to push the process in order to know where we are going. So I'm willing to work with you all; if you have to spread out the payments with a little bit of interest; but whatever it takes. You all make it good for yourself and I'll see if it works for me. I am not in a demand mode at all I just want to get the thing started. Gloria Taft: If we look at something like that unfortunately it would still be a deficit of about \$22,000 a year; but \$22,000 a year is not \$150,000 in six years. City Attorney Wantland: How many customers do you have that owe over \$1000? Robert Lee: We have a list; I don't think it will be a substantial number over \$1000. There are quite a few customers who haven't paid since we started. Gloria Taft: Now word is getting out so it's getting worse. Dana Bischoff James: Can this list be published? Can we put this in the paper? They do it for child support for those who do not pay. Maybe people don't know; maybe that's part of it. Could it be published in the newspaper? Bryan Slade: What the list you have in your packet is a couple

weeks old; at any given time that changes because somebody could pay or we could add one to the list. But that would reflect the balance that has not been paid, what's marked in yellow; in red are people who have moved out of the location and have never paid. So they vacated and some of them have two or three people that have been in the same location that have never paid. City Attorney Wantland: Are most of those renters? Bryan Slade: I would say the answer to that is substantially yes; those are renters and landlords. Dana Bischoff James: Then it needs to go back to the property owner. Bryan Slade: It has, still those have not been collected from renters or landlords. Dana Bischoff James: Is there a way that Eco-Tech could place a lien on their property. What takes place? What can we believe takes place? Robert Lee: Legally under the Ordinance we can't do anything. That is your responsibility to collect. City Attorney Wantland: We have to assist them in collection. That's what Tammy was describing earlier that in previous years when we've tried to approach the District Court for relief economically we have been turned away. And what you're talking about now is filing small claim complaints in District Court and going after these people. Robert Lee: I really appreciate the effort that was made last year; remember when we all sat here with the Council members and tried to make that work; we did not receive one payment even after going to small claims court. Bernie Brown: Can it be turned over to a collection agency? City Attorney Wantland: Yes it can be turned over to a collection agency. Robert Lee: We didn't feel like we were able to do that with the Ordinance. City Attorney Wantland: The City can; I think we can turn it over. Dana Bischoff James: Is that an option? City Attorney Wantland: I think you need to think about it. At this juncture I think everyone at this table should be thinking about a long term solution. Dana Bischoff James: I think moving forward we change the Ordinance. Gloria Taft: What are we going to change in the Ordinance? Dana Bischoff James: Allowing the company to do what they need to do. Bernie Brown: I don't see the City as being a collection agency. Robert Lee: I think you all put yourself in that position sir when you put out the Ordinance. If you recall I think it was 3 or 4 years ago I was standing in front of the Council and got reprimanded for the fact that we were trying to do something; it was told to me that we weren't able to do that. Per the Ordinance it's the City's responsibility in order for us to get paid. Almost every municipality we have probably 85% of them the City itself pays us directly for their constituents. The ones that do not and there is only a few of those they will allow us either to stop service if they payment is late say two or three months or we're able to turn it over to collections. We don't have the possibility to do that in Shepherdsville. Bernie Brown: Why don't we consider allowing the contractor to stop collecting if they don't pay the bill? You all know before anybody in the City does. City Attorney Wantland: There are several reasons, one is you have a State Statute that requires us to have mandatory pickup even if you don't pay the bill. Second, once you stop picking up the collection of garbage all you're going to do is particularly those people who have commercial dumpsters you're going to have residences dumping in the commercial dumpster. That and they have the pickup truck with the open bed going down 65. Bernie Brown: I think in the long run even if it takes nine months or a year a good way to do it would be to get it on the water bill; they don't pay their water bill the water company cuts their water off and that will get their attention. City Attorney Wantland: That's what some companies do with rousing success. Gloria Taft: What are we going to do for the next nine months to stop the bleeding? This is ridiculous. We can't continue. City Attorney Wantland: I think we go back to the old Ordinance and initially let's start siting the people who haven't paid. Let's take it in front of the Judge and see what the Judges do; maybe we'll just tell the Judge we've got 1/6 of the people here not paying. We could have a meeting with the judges and talk to them and let them know this is getting out of hand. Mayor James: I like the idea of having a meeting with the judges as opposed to just showing up in their court room with small claims. Gloria Taft: Taking it to the judges they just said they didn't even receive payments even though the judge awarded it. City Attorney Wantland: This will be done with a sanctioned i.e., you get a fine and you pay court costs and you will be given time to pay your bill. Dana Bischoff James: If they don't pay will they be back in court? City Attorney Wantland: There will be additional sanctions. The problem about going to small claims court and placing liens if you don't have any equity in your property putting another lien on your property is not going to get anybody's attention. And some of these people are professional deadbeats, they don't pay anybody. Bernie Brown: Going that route would add cost to everybody. City Attorney Wantland: I think we need to have the meeting with the judges and present this to them. This is what we have; we have an Ordinance that they have to pay for mandatory garbage collection that is mandated by Statute. The County has to do this. The County has to have a program in place. Larry Hatfield: We have to have a program but it's universal. You use whoever you want too. It's not mandatory; that's why I've argued time and time again how the State had a right to make it mandatory on cities yet the County can offer a universal

plan and gets any garbage person they want or they don't have to get it at all. I get oodles of complaints, 2 or 3 years ago worse than now; when the economy started turning and people started burning garbage again. That's the first think they got rid of. The County has a universal policy and has for 12 years that I've been there. I see people on this list that if I'm not mistaken is deceased. I don't mean this to be rude but why would we continue to service that address? Robert Lee: Because somebody else might have moved in Larry. That is a balance that went forward. Larry Hatfield: You go more by the address and not the name. Robert Lee: We service every address. City Attorney Wantland: I really do think there will be an emphasis to change the Ordinance that requires the provider of the service to bill the owner of the property. The owner, you will not bill the tenant or the occupant. Ashley Bratcher: I have an issue, my address is on there. We've lived in that house for four years. Ours automatically comes out of our account, we've never been delinquent at all but it says that this address owes \$178.00. Robert Lee: Then it might be prior to the time you were there. Those are just monies that we cannot collect that were uncollectable. One of the things we have worked ever since we started in regard to our customer list and actually did a lot of investigation as far as which houses were rentals and which weren't and the list that we have is continually as we go. So we're not for sure if we have everybody that has the owners that are renting. We are continually investigating. Dana Bischoff James: So moving forward Mr. Wantland you will set up a meeting with the judges and I would like all the council people to talk among themselves one I think the idea of billing the owner and require the owner to be billed is the right way to go and there are some other changes to be made. We would ask you for your input as well and at the same time but if we can't get cooperation from Louisville Water to put it on the bill then maybe we need to go the other way; City take over the responsibility of reading and billing and bill the water company and take that over because the fastest way we can get this ... Larry Hatfield: Do you realize what you are doing? City Attorney Wantland: Yes but you have to get control some way somehow. Larry Hatfield: If Louisville Water can't do it I don't think we can do it. Robert Lee: Mayor has there been a discussion because the last I heard it wasn't a possibility that it would get on the water bill. Has there been a discussion with the water company that it may be possible now. Mayor James: It's possible but it's going to be a nine month delay time. Robert Lee: There was a short discussion that I offered that since we are billing we could do the billing for the City as a fee and what that would be is that it would actually be a quarterly bill with your logo on it but we would just be the billing processor and charge a fee for that and we could start that probably in a few months or so. Larry Hatfield: How would that help us? Robert Lee: It's under your name. City Attorney Wantland: Do you think that would help you collect? Gloria Taft: Are you talking about just the garbage or combining water/sewer and garbage on that bill? Robert Lee: Just garbage. Larry Hatfield: What does terminated mean on here, does that mean they have moved? Robert Lee: At some point in time the service has been stopped for that particular name. City Attorney Wantland: I'm willing to meet with the District Judges and the County Attorney's office; beside the Mayor are there Council people that would like to attend? Bernie Brown, Larry Hatfield. City Attorney Wantland: Just say this is the issue and ask them how; we have a sanctioned criminally by Ordinance and we were citing people and that's when Judge Ward told us don't show back up in Court. Dana Bischoff James would also like to attend that meeting. Bernie Brown: I think that would be a good thing to do as soon as possible and find out what their perception is on doing it through the court. Gloria Taft: So billing the property owner could alleviate some of the problems. Robert Lee: I would say about 65%. Gloria Taft: This would go from this day forward; dealing with the arrearages I guess somebody would have to sit at PVA and say John Doe has owned the property for the last five years and there is a five year garbage bill due; John Doe owes all five years. City Attorney Wantland: When we set up this meeting we will notify you of this meeting and ask you to come. Robert Lee: Who is going to present the delinquent accounts to the Judge? City Attorney Wantland: We would have to have a City representative there no question about that, in the past it has been the Clerk, we'll probably have the clerk deputize someone to do that specifically. Gloria Taft: Can we do something right now authorizing Eco-Tech to start billing the property owner from this day forward or is it something we need to wait on. Gloria Taft made motion to allow Eco-Tech to start billing the property owners as quickly as possible. Dana Bischoff James: I want to make sure that if somebody is renting that they don't think that was a recurring bill from a tenant. Robert Lee: Right now it is going both ways, some renters are paying the bill some property owners are paying the bill. Dana Bischoff James: I think it should go to the property owner but I think they need some type of notice. City Attorney Wantland: Everybody needs to talk about that because we are going to present an amendment in the Ordinance to that effect. The Council needs to collectively talk about that. Gloria Taft: I think we will just maybe pay a little

bit extra when we advertise in the Pioneer News saying attention property owners this is going to affect you. That way we're notifying the property owners. City Attorney Wantland: We've notified the property owner sometimes very directly and they still haven't done anything different and they still expect the tenants to pay and they don't. That when I say I think you are going to have several landlords who have landlords in excess of \$1000 because they've encouraged that practice for a number of times. Dana Bischoff James: Can it be from this day forward? Robert Lee: Yes. That's not addressing the problem but it is moving forward if we have approval in order to bill the property owner and we know who it is we can start that basically the next billing. City Attorney Wantland: Change your motion around to work with Eco-Tech to provide information so that we know who the property owners are with Eco-Tech attempting to start billing the property owners directly by 9/1/2016. Ashley Bratcher: What happens if the property owner doesn't live in Shepherdsville? Mayor James: They own the property in Shepherdsville. City Attorney Wantland: It's a problem; we have a fella that lives down in Hardinsburg who has big tall grass and we've actually left Bullitt County, Kentucky and sent a Police Officer down to Hardinsburg to tell him he has a problem with his grass up here. That's what you run into and how much money does it cost to send a Police Cruiser, Policeman to Hardinsburg Kentucky? Bernie Brown: I think the long term solution has got to put the responsibility on the user not a landlord who doesn't know whether their tenants are paying or not paying and the water bill is the answer. Dana Bischoff James: I think it needs to go back to the property owner. Dana Bischoff James 2nd. Motion carried 3 in favor-0 against-1 absent-2 not voting.

Dana Bischoff James made motion to adjourn. Ashley Bratcher 2nd. Motion carried 3 in favor-1 absent-2 not voting. Meeting adjourned at 1:55 p.m.

Brian James, Mayor

Attest: _____
Tammy Richmond, City Clerk