

**CITY OF SHEPHERDSVILLE
REGULAR COUNCIL MEETING MINUTES
MONDAY, OCTOBER 10, 2011**

Councilman Corky Miller gave the invocation
Pledge of Allegiance was recited
Mayor Ellis called the meeting to order at 6:30 p.m.

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

Faith Portman made motion to dispense with reading of the minutes from the Regular Council Meeting on September 26, 2011. Corky Miller 2nd. Motion carried 6-0.

Larry Hatfield made motion to bring off the table approval of the minutes from the September 12, 2011 Regular Meeting. Bernie Brown 2nd. Motion carried 6-0. Larry Hatfield made motion to approve minutes from the September 12, 2011 Regular Meeting. Faith Portman 2nd. Motion carried 6-0.

Bernie Brown made motion to bring off table approval of the minutes from the September 15, 2011 Special Meeting. Alan Wetzel 2nd. Motion carried 6-0. Faith Portman made motion to approve the minutes from the September 15, 2011 Special Meeting. Corky Miller 2nd. Motion carried 6-0.

Corky Miller made motion to approve minutes from the September 26, 2011 Regular Meeting. Faith Portman 2nd. Motion carried 6-0.

Mayor Ellis announced that if anyone was in attendance to hear about the Highway 61 annexation; there was not going to be a vote or any discussion on it tonight. It has been removed from the Agenda because there are still several things the Council needs to discuss before addressing this subject again. He assured the members of the church that was present that when it was going to be put back on the Agenda they would be notified.

Mayor Ellis stated there was no old business and asked Marty Brown to come up and address the Council.

Marty Brown: I'm here to report what I think is good news of the note to finance the completion of the sewer construction project that you've been involved in the last several years. We have a tentative offer to purchase the notes from a buyer and we expect to get an actual firm written offer to buy the notes this week. The interest rate that's been proposed on the deal is 3%. The structure is still a three year bond anticipation note in the amount of \$3.5 million. That's enough to provide \$3.1 million in construction plus engineering costs plus the cost of issuance of the note. The note is interest only until the end of the third year at which time, either at that point or some point hopefully before that, when the construction is complete we would roll that out into a permanent long term financing. The reason for doing this as a bond anticipation note, we've discussed this a couple times before but I'll just bring this back to the front of your minds; is number one, we don't know how long its going to take to build it; and number two, we don't exactly know how much its going to cost to build it because you don't have construction bids yet. So you do this as a note deal so that when all the costs are known you can fully flesh out your sewer charges to cover all your debt service. Now this structure is a general obligation note. We're doing it this way, again I'll bring this back to the front of your minds, in 2009, if I recall correctly, the City did an \$18 million borrowing from the Kentucky League of Cities and in those loan documents the City granted the League the right to approve any future parity financing and at this state they, or their advisers, would never approved an additional sewer revenue deal on top of what you already owe. So the only way to get this done is a general obligation deal. And that's just simply because of the financial condition of the sewer enterprise. But we anticipate at some point over the coming three years you having enough sewer revenue to present a very good debt service coverage at which point in time they would have no reason to refuse you doing a long term sewer deal to take this note out. To

recap all that; \$3.5 million; an interest rate of 3% and \$3.5 million is sufficient size to cover the cost of construction, engineering, incidentals, and the cost of actually getting the note deal done. It's taken a very long time to get the second round of financing done but we didn't give up on it and we're glad you didn't give up on us getting it done. The closing schedule at this point is to prep the bond ordinance, to have you have meetings, the first and second reading and adoption, and close the deal on or before October 27th. That's an aggressive time table but doable assuming the City is willing to call some special meetings to read and adopt ordinances.

Bernie Brown asked if there was any problem with having an ordinance ready. Marty Brown stated the Bond Counsel will take care of the Ordinance. Bernie Brown asked when that would be ready. Marty Brown stated he didn't know. This is a new enough development that I haven't taken it up with everyone.

Bernie Brown stated he thinks its going to take a special meeting because if we wait two more weeks ... Larry Hatfield stated no we need to move. Bernie Brown stated we need to move faster than that so as soon as the bond ordinance is ready we need to schedule a special meeting because it's going to take two readings and two meetings. Mayor Ellis stated you can do one special one then have the second reading on the 24th. Marty Brown stated we would have to coordinate the schedule with Mr. Wantland and the Mayor to get everybody on board.

Larry Hatfield asked what the payment would be on interest. Marty Brown stated it's going to be about \$57,000 on June 1, 2012 which will be this current fiscal year. And then you're looking at approximately \$96,000 a year after that.

Bernie Brown stated he thinks it's important that the public know why we have to do this. He stated its not that we want to borrow money and go into debt more. The EPA has mandated things that we simply have to comply with and we're already behind schedule. We're still not out of the woods as far as being fined by the EPA. Mayor Ellis stated that is absolutely right.

Corky Miller told Marty Brown that he thought he was a genius. He stated he knew you got turned down several places. Marty Brown stated this has been quite a journey. We've pitched this deal literally across the country to people we know and frankly to people we don't know and we have a tentative buyer here. I'm not going to say we have a buyer until the note closes and the escrow is funded. But we have a tentative buyer and they were asking all the right questions along the way. The kinds of what we call buy questions instead of trying to figure out a way to turn the deal down, they were trying to figure out a way to approve it. I don't think they've spent all this time to not give a formal letter. But stranger things have happened.

Larry Hatfield: I personally thank you. I know what you've been through. I know you earned what you've done. Marty Brown: I'm glad you all are happy with the work we've done and we'll continue to work on the City's issues until we get you all at a place where you can step out of the woods, so to speak.

Corky Miller: When this project is complete we're looking at a project worth approximately how much?
Marty Brown: All in, with all the construction, almost \$35 million.

Corky Miller: A \$35 million project which will be complete. This is, for the City of Shepherdsville I think is great. Marty Brown: For a City with a population of 10,000-11,000 people it's a significant project to bite on.

NEW BUSINESS:

City Attorney Wantland had first reading of Ordinance 001-(number to be assigned) amending ordinances concerning compensation of the City Council members of the City of Shepherdsville for the term beginning January 1, 2012. Mayor Ellis stated we would have the second reading, discussion and vote on October 24th. Bernie Brown asked Mr. Wantland to check the figure of \$7200. He did not think that was right. Corky

Miller stated it should be \$8100. Larry Hatfield stated \$675.00/month. City Attorney Wantland stated that would be more than 16% then; more like 25% but that he would make those changes.

City Attorney Wantland read Resolution 011-022 authorizing the Mayor and other City Officers to execute all documents for the purpose of securing "BRAC" reimbursement and financing in the sum not to exceed \$3,000,000 and its disbursement. Mayor Ellis stated that when the loan was set up it was not set up correctly and this Resolution will fix that. Faith Portman made motion to approve. Bernie Brown 2nd. Motion carried 6-0.

Angi Johnston: I requested to be put on the Agenda because last month when Red Rock came in to ask for annexation I realized immediately that there could be a perceived conflict of interest with Red Rock or any competing developers; from what I understand there are a few other areas that are competing for the exact same development and in order to relieve the City of have a perceived conflict of interest, Qk4 having a conflict of interest, I've requested that the City consider Strand Associated to do any plan reviews on the Red Rock development and any developments that may be competing for the same business. Strand is a very good engineering firm. They are known for doing plan reviews; they do plan reviews for MSD. They are actually the engineer for Bullitt County for their municipal separate storm sewer systems and they also do not have a conflict of interest from what I understand. There are two other engineering companies other than Qk4 that do have a conflict and I've spoken with each of them and they understand the situation why I'd like to step away and have the City consider Strand doing the reviews. The City does collect a plan review fee from these developers so that should be able to cover the plan reviews cost. Faith Portman: What do you mean they recoup the money, is that what you're saying? Angi Johnston: They are required to pay a plan review fee and that should be enough to pay Strand. For developments the size we're talking about its \$2500. That would leave probably 20+ hours for plan review and any questions and typically it takes less time than that for me. So I would assume it would take them about the same. I'm more than willing to help with any information they may need its just I can't do the plan reviews myself.

Larry Hatfield: We need to get busy then if this money is coming in on the 27th I'm going to suggest that the Council get busy in getting Bobby Powell in here for inspections and storm water. Angi Johnston: Yes I need Bobby Powell on contract before we do the ad date because projects go much better if you actually have a chance for your inspector to look at the plans before they hit the street and have contractors looking at them. Mayor Ellis: And for any of the Council who weren't here, Bobby saved us a lot of money on the South Bullitt Regional Interceptor Line with change orders and stuff like that. So Bobby is definitely worth any salary that is going to be paid to him. Faith Portman: Would he be employed by the City or just contracting to do work on this project? Mayor Ellis: Contract.

Larry Hatfield: You're going to possibly have six separate companies, which we hope that doesn't happen, but we've got six separate bids, correct? Angi Johnston: Correct. We have six separate bids and depending on how the bids come in and who's contracting it, we could possibly have six different crews. Faith Portman: When will we get those bids in cause the Council will vote on those, right? Mayor Ellis: Yes, the Council will vote of those.

Angi Johnston: We have our closing at the end of October; I will not bid on the street until after the financing is absolutely set. But we should be bidding out in the street in November with bid opening set probably for the first Council meeting in December. That's my goal at this point.

Faith Portman: I don't have a problem with it as long as we're not employing somebody.

Bernie Brown: If Bobby Powell is employed then he can serve as MS4 Coordinator on storm water issues. Angi Johnston: He would be able to assist. Larry Hatfield: He would be able to handle that position under Qk4's umbrella. So he's going to be working for Qk4; so everybody understands how this is. Mayor Ellis: It's a contract through Qk4 such as we have with Angi. Faith Portman: Ok. The public needs to know that.

Larry Hatfield: You have to have somebody looking out for us when they start digging those lines and installing that pipe. Angi Johnston: Yes. I insist on it really. Mayor Ellis: Seeing the work that he did on the South Bullitt Line it's a no brainer who you would bring in to inspect this stuff.

Angi Johnston: He trained some of my inspectors when I was at MSD and I felt like I had the best of the best when I was at MSD. They were always looking out for, not just MSD's best interest, but the property owner's best interest as well. Faith Portman: If you feel comfortable with him, I do.

Chuck Keith: I know you all are getting ready to put those bids out but on contractors we're having trouble getting to come back and repair stuff right now; would they be allowed to bid on this? Faith Portman: Give us a list of the names right now and we'll vote them down. Larry Hatfield: There's not contractors we can call on the interceptor project because there weren't any used, it was our people. Chuck Keith: What I'm saying is on the bids getting ready to go out; what about contractors who want to bid on a job and we're having trouble right now getting them to come back. Faith Portman: No, we don't want them. Larry Hatfield: How can we be having trouble with them to come back when they've never been on this job? Angi Johnston: On the South Bullitt Regional Interceptor we have had some warranty issues that we contacted, prior to warranty closing, and I've contacted them, Kenny Kingsbury has contacted them; we're having a hard time getting them to come back. Chuck Keith: I don't think a company that we can't get to come back and make repairs should be allowed to bid because it costs the taxpayers money. City Attorney Wantland: They can bid; we just don't have to accept their bid. Larry Hatfield: Have we sent out letters to these contractors? Angi Johnston: No we haven't sent any letters. Mayor Ellis: Yes we need to do that.

Larry Hatfield: While we're talking about sewers can we go ahead and maybe at the next meeting or the meeting after, surplus the excavator and either put it on line or auction it; or what we're going to get rid of other there. There's probably \$200,000 worth of equipment or more sitting over there that we could use the money. Mayor Ellis: We still have the list so we can declare it surplus at the next meeting and do something with it then.

Larry Hatfield: Can we get Bobby in here this week, first of next week, and just talk to him? Angi Johnston: I probably could. I can talk to him and see.

Bernie Brown: When is Qk4 going to have a contract ready? Angi Johnston: We can have one ready by the next Council meeting. It's just a matter of putting the numbers in at this point. We're looking at a contract that is for \$80.00/hour that would include a truck. At one point we were talking about him using a City vehicle; but Qk4 will provide a vehicle, it's actually \$5.00 cheaper than what you were getting him for the South Bullitt Interceptor; 40 hours a week for 48 weeks, that's about \$153,600. Then I'll have a certifiable project. Bernie Brown: How soon should the engineering firm be employed to do the plan review? Angi Johnston: I would say right away. Bernie Brown: Aren't you already getting some questions? Angi Johnston: I am receiving questions that are best served for the person who will be doing the plan reviews to answer. Strand is very familiar with Bullitt County because they provide engineering service for the County. Faith Portman: So we're just employing them for this one project, right? Angi Johnston: It's just to do plan reviews for this particular issue, whether its Red Rock or a competing developer, it's just for this issue, yes. Mayor Ellis: I think it would be smart to have them on retainer for anything. There is going to be a lot of stuff that is going to be coming up before long; 480 and other placed like that where we're going to need engineering service that Qk4 may not be able to provide. Bernie Brown: How are we going to proceed... you say you've already contacted them? Angi Johnston: Rob has already talked with Mark Sneed with Strand to see if they would be willing to do this. Don Cundiff: Do we need a motion to authorize hiring them? Bernie Brown made motion to authorize the Mayor to proceed with investigating and contacting Strand and make arrangements to get a contract drawn up with them for us to review and approve as soon as possible. Don Cundiff 2nd. Motion carried 6-0.

Planning & Zoning update- Daryl Lee reported a 35.8 acres, more or less, for Settlers Pointe Business Park is coming before the Commission and he would have details from that meeting available at our next meeting and ask the Council to call him if they had any questions.

Board of Adjustment update- Duane Price reported nothing new for Shepherdsville at this time.

Sign in speakers: None

Department Head Reports:

Chuck Keith reported that last week they had 4 sewer pumps burn out—Zappos, The Pointe, Creekview and River Oaks that are going to have to be sent out and fixed. The Cedar Grove station had a starter burn out last week but it is going to be done away with. It's a soft start starter and costs \$6000 to fix. Chuck stated he had a guy give him a quote to rebuild the whole electric panel that would be cheaper than that and will take out those starters; but that station is going to be done away with. He asked if they wanted him to try to limp it along until all this other stuff is done or is completely quits before we spend any money on it, which I recommend because it's going to be done away with. Mayor Ellis and Faith Portman both agreed to run it until it dies. Larry Hatfield asked how many pumps were in it. Chuck Keith: There are 2 pumps; both are still good. If one pump goes bad we can switch it to the other starter. Larry Hatfield: What station on Cedar Grove is going to be done away with? Chuck Keith: The one by old Cedar Grove where you pull on the bypass. I need to go ahead and send in Creekview, Zappos, all of them; because they only have 1 pump in them right now. Larry Hatfield: There's two pumps in there, are they alternating? Chuck Keith: No one of the starters is burned out. What I'm saying is, if one pump does burn out then we can take the good pump and hook it to the good starter and keep on running and hope it lasts until we get the new line ready; then it will be taken off line. Larry Hatfield: What's going to happen if we switch that and then that goes bad and we sit here and not have a starter? Chuck Keith: We'll set up a gasoline bypass pump. Larry Hatfield: You all do what you want but I'm telling you, if that starter goes out you're looking at probably 16-18 months, if that starter goes out we're going to be running sewage out on the ground. Chuck Keith: They can redo the electric panel, take the soft starts out, and put regular starters in, which is all we really needed anyway. The engineers just over killed on that. It's not that big of station, not that big of pump. Mayor Ellis: Can you use that equipment anywhere else in the City? Chuck Keith: No, it's the only station set up like that. We can redo the electric panel; do away with the soft starts, for less than what soft starts are. Larry Hatfield: I just know that if we were already under construction, I wouldn't have a problem with paying for that, but since we're not, we may be looking at 18 months. Chuck Keith: If it does go out we can sit a gasoline bypass pump up until we get the panel rewired. Don Cundiff: What's the cost of redoing the panel? Chuck Keith: He's getting me a price not; but its way cheaper than \$6000. Mayor Ellis: As soon as he gets you a price get it to me and I'll shoot an email out. Larry makes a valid point; I don't want sewage all over the ground. That's not a good way to do business.

Council Reports:

Faith Portman: Wanted to report the Domestic Violence Awareness Day went really well. Thank everyone that came. Those of you who didn't please come next year. Mike Smothers did a great job, won the ugliest woman contest. It was so funny it really turned out great and I want to thank everyone that donated, those that came. It was really good and I appreciate everyone's help and I'd also like to ask the community to keep a good friend of mine, he lost his life suddenly, a childhood friend and extended family member, I would appreciate if you would keep the Riggel family in your thoughts and prayers.

Corky Miller: I'd just like to emphasize what the Fire Department is doing with their Trunk or Treat on Halloween night. He asked Fire Chief Layne Troutman how many trucks are lined up. Chief Troutman stated a little over 30 right now. Corky Miller: That is you loan your truck up with candy and give it to kids. I think that's a great service to this Community because there are not many sidewalks and parents can bring them here. Mr. Miller asked Chief Troutman if they were going to have food, Chief Troutman answered yes, pizza, hot dogs, and drinks. Corky Miller: It will be a good night and I know he's got two good men working

on that project and some companies that have been donating some things. I know there might be a little shortage of money so if anybody would like to make a contribution at the next meeting for that purpose it will be appreciated. I'm going to make a check and I know a couple other guys who are going to make a check. That's something I think our Community needs because our kids are limited to where they can go trick or treating.

Another thing I want Tom to get out in the paper, we've got to work on this a little bit but we have a gym, and it's not used as much as it should and there are people in Bullitt County who go to the Jefferson Mall to walk. I think we should start the "Walking for Life" project. I'm going to try to find maybe a couple sponsors to do that. I talked to Jewish Hospital a little bit; I think they would be interested. We'll open these doors at maybe 6:00 a.m. and go to 8:00 or 10:00 a.m. for walkers and then come back in the afternoon and walk at night. This weather is going to be getting cold. There are a lot of people with health problems and their doctor is telling them to walk. We don't have a suitable place to walk in Shepherdsville except this gym. I think it's a service that we can offer the Community and I think it would be great for them. Mr. Miller asked Tom Barr with *The Pioneer News* to put something in the paper saying we're going to work on it a little more. He stated he talked to the Mayor about it and the Mayor supports this effort. I don't think its going to cost us any money, if it does, like I said, I think we can get some sponsorship with some money. I know Mr. Weck has worked on that a little bit and I have too. So it's something that our Community deserves and I think we can offer it to them that way. A member of the audience asked about ballplayers. Mr. Miller answered we have to set up a schedule. He stated he thinks there is a demand for it. I've talked to the Fire Chief and we'll even at times have people in there monitoring it. These men will be trained if somebody goes down to administer first aid for them and any children must be with a parent. He stated he had received several calls which is why he got involved. Faith Portman stated she would volunteer to monitor the gym.

Bernie Brown stated he would like to commend Officer Mike Miller for the job he's been doing on Code Enforcement. He gives us regular reports. He's done a lot and I've not heard one complaint. In doing Code Enforcement there is potential for somebody to get upset and angry. Mike Miller is doing s super job. He thanked Police Chief Puckett for the job Mike is doing.

Faith Portman made motion to adjourn to Executive Session to discuss personnel and possible litigation. Larry Hatfield 2nd. Motion carried 6-0.

Don Cundiff made motion to return to Regular Session. Alan Wetzel 2nd. Motion carried 6-0. City Attorney Wantland stated for members of the Press and those remaining this evening, the Mayor and Counsel have been given directions by the Council on how to handle certain personnel issues and we are to do some more investigation and report back to the Council.

Motion to adjourn by Faith Portman. Don Cundiff 2nd. Motion carried 6-0. Meeting adjourned at 7:59 p.m.

R. Scott Ellis III, Mayor

Attest: _____
Tammy Richmond, City Clerk