

**PENDLETON COUNTY FISCAL COURT
SPECIAL CALLED MEETING
BUTLER CITY HALL**

September Term, September 29TH, 2014

COURT MET PURSANT TO ADJOURNMENT

With

HONORABLE HENRY BERTRAM, COUNTY JUDGE/EXECUTIVE
Presiding

MEMBERS PRESENT: Bobby Fogle, Gary Veirs, Alan Whaley, David Fields
Judge Bertram

MEMBERS ABSENT:

COUNTY ATTORNEY: Jeff Dean, Absent

In Re: Northern Trunk Sewer Discussion Pendleton Fiscal Court/Butler Council

Bill Mitchell, Pendleton County Economic Development Director, passed out a history (attached) of the Butler Sewer projects and led a long explanation, presented three alternatives and led an extensive discussion surrounding the past and future of the Butler Sewer system. After much discussion, the two governing bodies came to a consensus on how to expend the final dollars on the sewer system.

UNDERSTANDINGS FOR TONIGHT

- My role is that of moderator. I do not set policy. I only do what leadership tells me to do,
- Look at Project logically. How can county get the biggest bang for its buck,
- Make sure city and county have all the facts they need to work together to make an informed decision,
- Whatever is decided, KIA will require the county to sign a grant amendment and assurances that this is what they want to do with the remainder of their money,
- No one always gets all that they want but hopefully everyone will get what they need in the long term,
- Everyone needs to walk away from tonight feeling good about the decisions that are made tonight,
- I will take us through the outline. Please allow me to finish before we move into discussion,

Demographics workshop on October 20th 6:30 p.m. at FSC.

**PENDLETON COUNTY FISCAL COURT AND CITY OF BUTLER
JOINT KIA GRANT MEETING**

September 29, 2014
City of Butler

- **Welcome:** Bill
- **Not here to force anything on anyone.** Just want to work together to finish job,
- **History:**
 - County assisted city in receiving a 2006 KIA grant in the amount of \$ 1,586,000 for in city sewer line rehab and extension to Eastside Park,
 - County secured current KIA grant in 2008,
 - First, new sewer plant and U.S. 27 south line extensions,
 - Second, rehab existing plant and Short Lock Road,
 - Third, rehab existing plant (with ultraviolet), meters, backhoe, dump truck and fix bad sewer lines, (emergency Order) but no Short Lock Road,
 - Forth, rehab existing plant, line bad sewer lines and do Short Lock Road if funds available,
 - Fifth, today!
- **Current Situation:**
 - Project will most likely have \$ 180,000 left,
 - Time is running out if we want to do Short Lock,
 - Time is running out if we want to do lining this year,
 - County wants Short Lock, Butler wants sewer line lining,
 - Phil Turner development will create some jobs and property tax revenue for city if city agrees to annex this property and allow sewer to be extended,
 - City has infinite sewer line rehab needs,
 - This is the last of the free grant money, for a very long time,
 - Butler currently has no reserves, depreciation account or capital improvements plan,
 - Butler is eligible for 1.75 % KIA loan; term 20 years.
Example: 400,000 @ 1.75 % = \$ 1,970 per month or \$ 23,600 yearly.

▪ **Alternatives to be mutually agreed to TODAY:**

Alternative # 1:

- Finish existing sewer plant,
- Rehab panel box at sewer plant,
- Extend sewer on Short Lock,
- Finish with lining of River Side and other areas as current grant funds will allow.

Pros: City gets new sewer plant, electrical panel, much of the immediate lining it wants, new revenue from Turner development. County gets Short Lock.

Cons: City gets some but not all of the lining it needs.

Revenue Refused
42,500
30,000

134,000
50,000

Alternative # 2:

- Finish existing sewer plant,
- Rehab panel box at sewer plant,
- Use remaining \$ 180,000 to finish lining River Side and all other areas as current contingency funds will allow.

Pros: City gets new sewer plant, electrical panel and additional funds for lining of some of the worst sewer lines.

Cons: City does not get revenue from Turner development. County does not get Short Lock.

Alternative # 3:

- Finish existing sewer plant,
- Rehab panel box at sewer plant,
- Extend sewer on Short Lock,
- Finish with lining of River Side and other areas as current grant funds will allow,
- Let Bill write a new project profile and 2015 application to KIA for 1.75 % loan funds of sufficient amount to correct remainder of city infiltration and inflow issues.

Pros: City gets new sewer plant, electrical panel, much of the immediate lining it wants, new revenue from Turner development and long term project to correct the remainder of sewer I&I. County gets Short Lock.

Cons: City does not get all the lining it wants right now but lets Bill begin a new project to secure approval of 1.75 % KIA loan funds to finish everything the city wants. This would require the city to be as efficient as possible in how it runs the water and sewer dept. and would require the city to ensure rates were adequate to support not only a debt service of \$ 23,600 per year but also a depreciation account so it never finds itself in this situation again.

or camera the entire system

Mitchell, Bill

From: Abshire, Jeff (KIA) <jeff.abshire@ky.gov>
Sent: Tuesday, September 23, 2014 7:16 AM
To: Mitchell, Bill
CC: Armstrong, Brandi (KIA)
Subject: FW: Butler

Bill,

The City would be eligible for any of our funding programs. It looks like the interest rate for a Fund A (wastewater) or Fund B loan would be 1.75%. A Fund C loan would be at 3%. How soon would the City require funds, what is the nature of the project and what's the estimated loan amount? A Fund A loan would require submitting a project profile in the upcoming Call for Projects (Oct 1 - Dec 12, 2014), getting ranked and then being invited (depends on funding availability and rank) which would put you into the May 2015 timeframe before you'd know your status. A Fund B or C loan could accommodate more immediate needs with funds availability being on a first come first served basis.

Thanks,

Jeff Abshire
 Phone: 502-573-0260
 Email: jeff.abshire@ky.gov
 Internet: http://kia.ky.gov/

From: Milton, Debby (KIA)
Sent: Monday, September 22, 2014 7:31 AM
To: Abshire, Jeff (KIA); Armstrong, Brandi (KIA)
CC: McCall, Tammy (Finance OFM); McCall, Tammy (Finance OFM)
Subject: FW: Butler

Jeff, Brandi: would you respond to Bill as to the loan process. Thanks.

Bill: please note that Tammy no longer works with KIA.

From: Mitchell, Bill [mailto:bill.mitchell@nkadd.org]
Sent: Sunday, September 21, 2014 11:22 AM
To: Milton, Debby (KIA); McCall, Tammy (Finance OFM)
Subject: Butler

Debby and Tammy:

I'm working on this Butler situation today and I need your input.

Is the city eligible for KIA loan to rehab sewer lines? If so, what fund would this be through and what would the interest rate be? I understand this would be a new project, thus, as new project profile and loan application.

Many thanks for your input.

Bill

NORTHERN REGIONAL SEWER LINE ITEM BUDGET August 13, 2014																			
Draw #	Draw Date	Draw Amount (Lead & R/W)	Permits	Planning & Site Survey	Environmental and Archeological	Geotech	Groundwater Protection	Other Engineering	Plant Structural Assessment	Meter Design and Bidding	Treatment Design	Inspection	Backhoe	Plant Construction	Meters	Contingency	Admin	Total	
		29,242.00	4,000.00	34,380.00	7,500.00	4,000.00	3,000.00	11,970.00	29,305.00	6,875.00	61,670.00	51,950.00	14,000.00	550,000.00	80,000.00	143,983.00	32,125.00	1,065,000.00	
1	Jan 5 2011	20,125.00																(20,125.00)	(20,125.00)
2	April 1 2012	61,622.00	20,242.00	4,000.00	34,380.00	7,500.00					51,670.00	51,950.00		550,000.00		143,983.00	12,000.00	1,004,876.00	
			0.00	4,000.00	3,000.00	7,500.00	4,000.00	3,000.00	11,970.00	29,305.00	6,875.00	51,950.00	14,000.00	550,000.00	80,000.00	143,983.00	12,000.00	(51,622.00)	853,254.00
3	6/25/2012	33,276.20									(1,772.25)		(14,000.00)		(14,503.94)			(33,276.20)	(33,276.20)
			4,000.00	3,000.00	7,500.00	4,000.00	3,000.00	11,970.00	29,305.00	6,875.00	49,897.74	51,950.00	0.00	550,000.00		143,983.00	12,000.00	(51,976.80)	919,976.80
4	Aug 2013	108,707.61									(7,989.04)				(45,496.05)			(108,707.61)	(108,707.61)
			4,000.00	3,000.00	7,500.00	4,000.00	3,000.00	11,970.00	29,305.00	6,875.00	42,808.70	51,950.00		550,000.00	0.00	133,313.49	12,000.00	(108,707.61)	813,269.19
	APRIL 2014	RECONCILE DUE TO BID									227.00								227.00
			4,000.00	3,000.00	7,500.00	4,000.00	3,000.00	11,970.00	29,305.00	6,875.00	(1,330.00)	(10,658.00)		550,000.00		119,377.80	12,000.00	(108,707.61)	813,269.19
5	Apr 23 2014	101,559.00																	(101,559.00)
			4,000.00	3,000.00	7,500.00	4,000.00	3,000.00	11,970.00	29,305.00	6,875.00	41,478.70	41,300.00		447,100.00		292,493.49	12,000.00	(101,559.00)	711,310.19
6	Aug 13 2014	102,629.05																	(102,629.05)
			4,000.00	3,000.00	7,500.00	4,000.00	3,000.00	11,970.00	29,305.00	6,875.00	(20,978.20)			447,100.00		292,493.49	12,000.00	(102,629.05)	606,661.14
											9,165.85	37,172.60		365,160.00		183,162.63	12,000.00		606,661.14
7																			
8																			
9																			
10																			
11																			
12																			
13																			
NOTE: For draw # 4, \$9,484.61 taken from contingency to cover meter actual cost and \$ 1,105 taken from contingency to cover July Plumbing sewer line camera work. AFTER BID RECONCILE: 402,840 taken from Plant Construction and placed in contingency because actual bid 447,100 not 260,000. 4-Bid taken from geotech, 1,330 from design, 51,670 to 60,345, 10,650 from inspection 51,950 to 41,300, 70 from other engineering and 227 from meter design and bidding all going into contingency. Total into contingency is 119,177. For draw # 5, 81,636.80 for sewerline rehab, 8,000 for final payment on watermeter install and 1,355 for July to empty treatment tanks so they could be inspected all coming out of 292,493.49 contingency for a total out of 292,490.49 of 89,000.00. DRAW # 6 \$ 227.00 from sewer line rehab was for fixing sewer lines on Peoples and Taylor streets. This bid will come out of Contingency.																			

In Re: Northern Trunk Sewer Decision Pendleton Fiscal Court/Butler Council

The Butler City Council made a motion to spend the KIA's remaining approximately \$180,000.00, along with a county contribution of \$20,000.00 in the following manner: Camera the complete city sewer system (Approximate Cost \$30,000.00); place 840 feet of sewer line on Short Lock Road (Approximate Cost \$135,000.00); use any remaining dollars, currently estimated at \$35,000.00, to repair a sewer leak on Riverside Drive and a sewer leak on Peoples Street. Mayor Smith asked for the aforementioned motion to approve and a second and all council member voted aye.

Judge Bertram asked for a motion to place \$20,000.00 of County General Fund dollars into the Butler Sewer project along with the KIA project's remaining approximately \$180,000.00 to be spent as follows: Camera the complete city sewer system (Approximate Cost \$30,000.00); place 840 feet on sewer line on Short Lock Road (Approximate Cost \$135,000.00); use any remaining dollars, currently estimated at \$35,000.00, to repair a sewer leak on Riverside Drive and a sewer leak on Peoples Street. Squire Veirs made such motion, second by Squire Whaley, motion carried unanimously.

In Re: Adjournment

A motion was made by Squire Fields, seconded by Squire Veirs carried, that this meeting be adjourned, to meet again in regular session on October 14, 2014 at 7:00 P.M., subject to any call meetings.

Pendleton County Judge/Executive

ATTEST: _____
Pendleton County Clerk