

December 14, 2010

The City of Cynthiana Board of Commissioners met in regular session on December 14, 2010 at 5:30 P.M. in the Commissioner's Room at City Hall. Present were Mayor Keith, Attorney Lair, Commissioners Grayson, Mattmiller, Moore and New.

Mayor recognized Wayland Quisenberry, Code Enforcement Officer.

CODE ENFORCEMENT
REPORT

Mr. Quisenberry reported he had two more inoperable vehicles removed.

The east side of City property known as the old Wastewater Treatment Plant will be surveyed to determine if old cars in the area are on City property.

Mayor Keith stated that it was good to get this done since we were unsure of our boundary lines and thanked Quisenberry for his efforts.

Mayor Keith advised the minutes of the November 23, 2010 regular meeting and November 23, 2010 Public Hearing on the USDA/RD application for funding have been submitted for approval.

Commissioner Moore made a motion to approve the minutes of the November 23, 2010 regular meeting. Commissioner New seconded. In favor: Commissioner Moore: yes; Commissioner New: yes; Commissioner Grayson: yes; Commissioner Mattmiller: yes; Mayor Keith: yes. Opposed: none. Motion carried.

APPROVE 11/23/10
MINUTES

Commissioner New made a motion to approve the minutes of the Public Hearing. Commissioner Moore seconded. In favor: Commissioner New: yes; Commissioner Moore: yes; Commissioner Grayson: yes; Commissioner Mattmiller; yes; Mayor Keith: yes. Opposed: none. Motion carried.

APPROVE 11/23/10
PUBLIC HEARING
MINUTES

Mayor Keith recognized Attorney Lair.

Attorney Lair read the second reading of a summary of Ordinance #1474 – Cynthiana Flood Damage Prevention Ordinance.

SECOND READING OF
SUMMARY OF ORD
1474-FLOOD DAMAGE
PREVENTION

Lair reported that he had been in contact with Mr. Neal in Frankfort. There were some details to work out but that it was his understanding that if we the City did not pass this ordinance, they would not be eligible for FEMA grants or assistance. There was nothing that would preclude the City from adopting at this time.

Commissioner New made a motion to approve the second reading of the summary of Ordinance # 1474. Commissioner Mattmiller seconded. In favor: Commissioner New: yes; Commissioner Mattmiller: yes; Commissioner Grayson: yes; Commissioner Moore: yes; Mayor Keith: yes. Opposed: none. Motion carried.

Attorney Lair read Ordinance #1475 – amending the sewer rates.

FIRST READING ORD
1475 – SEWER RATE
INCREASE

Mayor Keith stated no one wants to raise rates but that this is needed.

Commissioner Mattmiller stated in FYE 2010, the sewer fund was \$138,000 in the red and is \$52,924.23 in the red thru November 30, 2010. The City needs to generate enough money to cover the shortfall plus this increase will allow the City to cover a loan from USDA/RD for sewer improvements.

Commissioner Grayson reported the need for fifteen miles of new sewer lines in addition to maintaining twenty-two lift stations.

Commissioner Mattmiller stated that this is one of the hard things because no one wants to raise rates but the Commission must have fiscal responsibility.

Commissioner Moore stated that at the Public Hearing, it was said that the City was applying for a \$2,960,000 grant and a \$6,800,000 loan. She questioned if this rate was for that.

Commissioner Grayson stated the City can target the problem areas and address the worst areas first. No one in this room wants to do this but if we do not, we will not have a choice and will be dictated to do so.

Commissioner Moore said this is a 29% increase for the citizens in this economy. The City has been hit hard but is a 29% increase wise at this time?

Mayor Keith stated they had a responsibility to keep the water and sewer lines in working order. Some very old lines had been found. This is something that will be revisited on a continuing basis.

Commissioner Moore stated that they do have an option. There were five options to look at. She understands the need but this is too much at this time.

Commissioner Grayson stated the first option only generates \$150,000 to cover the current shortfall. Although the City can replace water lines, a contractor will be needed to replace sewer lines.

Commissioner Mattmiller made a motion to approve the first reading of Ordinance #1475 to increase sewer rates. Commissioner New seconded. In favor: Commissioner Mattmiller: yes; Commissioner New: yes; Commissioner Grayson: yes; Commissioner Moore: no; Mayor Keith: yes. Motion carried.

Attorney Lair reported that all municipal utilities were being required to adopt a Red Flag Policy which has to do with protection from identity theft. This is an internal policy. Lair read the Red Flag Policy.

RED FLAG POLICY

Commissioner Mattmiller made a motion to adopt the Red Flag Policy. Commissioner New seconded. In favor: Commissioner Mattmiller: yes; Commissioner New: yes; Commissioner Grayson: yes; Commissioner Moore: yes; Mayor Keith: yes. Opposed: none. Motion carried.

Mayor Keith recognized Commissioner Mattmiller

Commissioner Mattmiller made a motion to pay the following bills:

BILLS

General Fund	\$111,410.62
Water & Sewer Fund	\$ 83,010.74
Cash-in-Bank General Fund	\$443,425.10
Cash-in-Bank W & S Fund	\$260,575.52
Municipal Aid Road Fund	\$ 64,662.81

Commissioner New seconded. In favor: Commissioner Mattmiller: yes; Commissioner New: yes; Commissioner Grayson: yes; Commissioner Moore: yes; Mayor Keith: yes; Opposed: none. Motion carried.

Commissioner Mattmiller reported the position of Utility Clerk needed to be filled.

Commissioner Mattmiller made a motion to promote Elizabeth Ankeny to Utility Clerk effective December 18, 2010. Salary commensurate with position. Commissioner Moore seconded. In favor: Commissioner Mattmiller: yes; Commissioner Moore: yes; Commissioner Grayson: yes; Commissioner New: yes; Mayor Keith: yes. Opposed: none. Motion carried.

PROMOTE ELIZABETH ANKENY TO UTILITY CLERK

Mayor Keith recognized Commissioner Moore.

Commissioner Moore made a motion to hire Conner David Fletcher as a part-time certified firefighter effective December 14, 2010. Salary commensurate with position. Commissioner Mattmiller seconded. In favor; Commissioner Moore: yes; Commissioner Mattmiller: yes; Commissioner Grayson: yes; Commissioner New; yes; Mayor Keith: yes. Opposed: none. Motions carried.

HIRE CONNER DAVID FLETCHER-PT-TIME FIREFIGHTER

Commissioner Moore made a motion to hire Joseph T. Daniel as a Police Officer Recruit effective January 9, 2011. Salary commensurate with position. All pre-employment requirements have been completed. Commissioner Mattmiller seconded. In favor: Commissioner Moore: yes; Commissioner Mattmiller: yes; Commissioner Grayson: yes; Commissioner New: yes; Mayor Keith: yes. Opposed: none. Motion carried.

HIRE JOSEPH DANIEL AS POLICE OFFICER RECRUIT

Daniel reports to the academy to begin training January 9, 2011

Commissioner Moore reported that an unpaid leave of absence granted to Anita Gann expired on November 30, 2010. She had not reported back to work. Commissioner Moore made a motion to terminate the employment of Anita Gann, Police Clerk, effective immediately. Commissioner Grayson seconded. In favor: Commissioner Moore: yes; Commissioner Grayson: yes; Commissioner Mattmiller: yes; Commissioner New: yes; Mayor Keith: yes. Opposed: none. Motion carried.

TERMINATE ANITA GANN

Commissioner Moore made a motion to post internally for a Police Clerk. Commissioner Mattmiller seconded. In favor; Commissioner Moore: yes; Commissioner Mattmiller: yes; Commissioner Grayson: yes; Commissioner New: yes; Mayor Keith: yes. Opposed: none. Motions carried.

Mayor Keith recognized Commissioner Grayson.

PUBLIC UTILITIES REPORT

Commissioner Grayson made a motion to promote Christine "Dusty" Florence from Water Treatment Plant Operator III to Water Treatment Plant Operator IV effective November October 23, 2010. Salary commensurate with position. Commissioner Mattmiller seconded. In favor; Commissioner Grayson: yes; Commissioner Mattmiller: yes; Commissioner Moore: yes; Commissioner New: yes; Mayor Keith: yes. Opposed: none. Motion carried.

PROMOTE CHRISTINE FLORENCE TO WTP OPERATOR IV

Mayor Keith reported he was the Utilities Commissioner when Ms. Florence was hired. She has done well in progressing through the required training at a fast pace. Mayor Keith and Commissioner Grayson congratulated Ms. Florence on her hard work and achievements. Ms. Florence, who was present, thanked the Commission.

Mayor Keith recognized Commissioner New.

Commissioner New reported that two new snow plows were on hand and the equipment and crew were ready for any bad weather that might hit.

Salt and liquid brine have been delivered.

Commissioner New commented that he had met a lot of people during his association with the City in the past sixteen years first as an employee and then as a Commissioner. He has worked with a lot of good employees who have worked in zero degrees, water and numerous other conditions. His department has run well and efficiently despite the lack of money and the needed equipment. Everyone was commended for a job well done.

Commissioner New wished everyone a Merry Christmas and Happy New Year.

Mayor Keith reported that he had requests to look into an issue on alcohol by the drink. He has looked into this. The City has a revenue shortfall and has had to make cuts because of the lack of revenue. There have been numerous projects that the City needed to do but could not do because of the lack of revenues.

ALCOHOL BY THE DRINK

One possible source of revenue is liquor in restaurants. You can already have a beer or a glass of wine. You cannot have a mixed drink. Before this could occur, some prerequisites would have to be met. He has talked to other communities. Attorney Lair has looked into this matter as requested by Mayor Keith.

Frazer LeBus, acting director for the Cynthiana-Harrison County Economic Development Board, and Jimmy Ingram, a local CPA for over twenty years, a lifelong resident of Harrison County and a longtime member of the Cynthiana-Harrison County Chamber of Commerce Board of Directors were present to speak to the Commission on this issue.

FRAZIER LEBUS, EDA

Mayor recognized Frazer LeBus who thank the Mayor for allowing him to speak on this issue. Attached to and made a part of these minutes is the presentation made by Mr. LeBus:

Mayor recognized Jimmy Ingram who reported that he prepares over 500 tax returns per year which represents small wage earners, business owners, and people with an income of \$200,000. Attached to and made a part of these minutes is the presentation made by Mr. Ingram:

JAMES INGRAM, CPA

Mayor reported that Cynthiana is a fourth class city. There are restrictions involving the sale of alcohol by the drink. It can only be served in a restaurant where 50% of their revenue is derived from the sale of food and must have at least 100 seats.

Mayor reported there are five of these in Cynthiana. Whether or not they would choose to sell alcohol would be their choice. There would be some issues, such as licensing to work out.

Mayor Keith recognized Commissioner Mattmiller who has done some research on the numbers involving revenue issues.

Commissioner Mattmiller reported he was prepared to discuss the financial position of the City but asked Attorney Lair if there was certain terminology that he needed to use in his presentation such as revenue shortfall.

Attorney Lair reported that he had done some research for the Mayor to allow the sale of alcohol by the drink. KRS 242.185 allows fourth class cities to permit the sale of alcohol by the drink in certain hotels, motels, inns, and restaurants if the restaurant derives at least 50% of their revenue from the sale of food and seats at least 100 people. In order to adopt liquor by the drink, the City must make at least two particular legislative findings. One is that evidence presented at a meeting must demonstrate an economic hardship exists in the City.

ALCOHOL BY THE
DRINK IN 4TH CLASS
CITIES

Attorney Lair reported the second finding the City must make is that the sale of alcoholic beverages by the drink would aid in the economy of the City and help alleviate an economic hardship.

Commissioner Mattmiller reported that with regards to the economic hardship and revenue shortfalls in Cynthiana, he has some figures and information he wants to share with the Commission. Unemployment in Harrison County remains at 10-11% which is very high. Any city should anticipate an increase in revenues each year to keep up. A growing community, a vibrant community should show growth each year. Commissioner Mattmiller reported revenues from Fiscal year 2006 thru 2010 showing their decline. A comparison of November 2009 with November 2010 was also reported. Commissioner Mattmiller stated that the City has a serious revenue situation. Attached hereto and made a part of these minutes is the presentation made by Commissioner Mattmiller:

ECONOMIC
HARDSHIP IN
CYNTHIANA

Commissioner Mattmiller made a motion that this Commission make a finding, based on the evidence presented, that in this community, Cynthiana, Kentucky, is in a time of economic hardship. Commissioner Moore seconded. Commissioner Mattmiller; yes; Commissioner Moore; yes; Commissioner Grayson: yes; Commissioner New: yes; Mayor Keith: yes. Opposed: none. Motion carried.

Commissioner Moore stated as for the second finding, would the sale of alcohol by the drink alleviate economic hardship, it is an unknown in Cynthiana but they can look to the communities surrounding Cynthiana and see the benefits they have as presented by Mr. LeBus. Georgetown, Paris and Falmouth have passed this. Danville is also a city that has recently adopted the sale of liquor by the drink. Falmouth, a city smaller than Cynthiana, is receiving almost \$30,000 in annual revenues from this.

Mayor Keith referred to an article in the Herald that discussed the economic improvements in Danville after they passed the sale of alcoholic beverages. A copy is attached hereto and made a part of these minutes:

Frazer LeBus stated Cynthiana could realize revenues in more ways than just the liquor sales. It would stimulate other revenues such as occupational license fees, perhaps additional jobs. Would this bring a new factory, no one knows, but this is a question that is asked by potential new business owners looking at Cynthiana as a possible location. LeBus also stated that there are only one or two factories in Cynthiana that require their management to live in the community. Their management lives in other communities because of what other things are offered. Cynthiana needs to level the playing field. We need to do something. We need to make it possible for the existing restaurants to be competitive and expand.

Commissioner Moore reported that by allowing the sale of alcohol by the drink, this would remove a roadblock that some have previously encountered.

Mayor Keith stated that when he first ran for Commissioner four years ago and asked people what we needed in Cynthiana, the most consistent remark he heard was that Cynthiana needed better restaurants with more choices. He has talked to companies who work with restaurants to come in. The first question is do we have alcohol by the drink. Without this, there would never be an Applebee's or Ruby Tuesdays.

Commissioner Moore stated more restaurants would mean more jobs, more revenue.

Commissioner Mattmiller asked if they were saying the sale of alcoholic beverages would help to alleviate the economic hardship. He cannot imagine that it would not do just that.

Commissioner Moore made a motion to make a finding that the sale of alcohol by the drink could alleviate an economic hardship and aid economic growth. Commissioner Mattmiller seconded. Commissioner Moore: yes; Commissioner Mattmiller: yes; Commissioner Grayson: yes; Commissioner New: yes; Mayor Keith: yes. Opposed; none. Motion carried.

ALCOHOL BY THE
DRINK TO ALLEVIATE
ECONOMIC
HARDSHIP & AID
ECONOMIC GROWTH

Commissioner Moore stated that there are certain parts of the statute they have no control over but they can tailor the ordinance to fit our city.

Mayor agreed. Some of those would be Sunday sales, what fiscal period would this be.

Mayor Keith directed Attorney Lair to prepare a draft ordinance.

Mayor Keith noted that there was a terrible fire in Berry. The Cynthiana Fire Department was also at the scene to assist. This was a tragedy in our community.

Commissioner Moore reported that she wanted to recognize Kendra Jones, a 911 Operator, who handled the call, remained very calm and did an excellent job during this tragic event.

Mayor Keith stated there was an executive session on the agenda to discuss the employment of a specific individual and disciplinary action.

EXECUTIVE SESSION

Commissioner Moore made a motion to go into Executive Session to discuss employment of a specific individual and disciplinary action of an individual. Commissioner New seconded. Commissioner Moore: yes; Commissioner New: yes; Commissioner Grayson: yes; Commissioner Mattmiller: yes; Mayor Keith; yes. Opposed: none. Motion carried.
7:10PM

8:00PM Commissioner Moore made a motion to return to regular session. Commissioner New seconded. Commissioner Moore: yes; Commissioner New: yes; Commissioner Grayson: yes; Commissioner Mattmiller: yes; Mayor Keith: yes. Opposed: none. Motion carried.

Commissioner Moore made a motion to offer employment to an individual as an Assistant Police Chief subject to completing all pre-employment requirements. Commissioner Mattmiller seconded. Commissioner Moore: yes; Commissioner Mattmiller: yes; Commissioner Grayson: yes; Commissioner New: yes; Mayor Keith: yes. Opposed: none. Motion carried.

OFFER EMPLOYMENT
ASST. POLICE CHIEF

There being no further business to come before the Commission, Commissioner New made a motion to adjourn. Commissioner Grayson seconded. In favor: Commissioner New: yes; Commissioner Grayson: yes; Commissioner Mattmiller: yes; Commissioner Moore: yes; Mayor Keith: yes. Opposed: none. Motion carried. 8:06 P.M.

Charleen McIlvain, City Clerk

John M. Keith, Jr.