



CAUCUS/COMMISSION MEETING MINUTES
MAY 15, 2023 – 6:00 PM
1843 BRISTOW DRIVE
UNION, KY 41091

WELCOME

CALL TO ORDER

The meeting was called to order at 6:00 PM, 2023 by Mayor Solomon.

PLEDGE OF ALLEGIANCE

Mayor Solomon led all attendees in the Pledge of Allegiance.

ROLL CALL

A quorum was present, and a roll call was taken. Commissioner Doug Bine, Commissioner John Mefford, Commissioner Brian Garner, and Mayor Larry Solomon. Commissioner Ramage was absent.

VISITORS/GUESTS WISHING TO SPEAK

Commissioner Garner presented Boone County Public Works Department Mike Wilson, Tyler Hill and Jackson Webster with a proclamation declaring the week of May 21 through May 27, 2023, as National Public Works Week in the City of Union. Tyler Hill spoke on behalf of the Public Works Department; he thanked the Commission for the recognition. Mr. Hill mentioned responsibilities of the Public Works Department include snow removal, tree trimming and filling potholes, all of which are vital to the community.

Mayor Solomon asked if there was anyone wishing to speak. No one had any issues to address.

CAUCUS DISCUSSION

Zone Change Request

Attorney Greg Voss discussed the three options for the zone change request from Boone County Planning and Zoning.

- Do nothing and the ruling from Boone County Planning Commission would stand as written.

- Pass an ordinance stating the Commission adopts the ruling from Boone County Planning Commission.
 - Make a motion to have a public hearing and decide as to whether to change the ruling.
- Attorney Voss asked if anyone would like to make a motion to change the request or leave it as written.

Commissioner Garner requested to explain his view on the zone change. He mentioned after taking time to review the request and the zoning requirements he personally does not feel there was anything to justify overruling the Boone County Planning Commission.

Mayor Solomon noted there was no motion made, the Commission will not take up the issue and will follow the final ruling of the Boone County Planning Commission.

Resident Jill Charles asked if the issue could be brought up prior to the deadline of July 5, she acknowledges there was a commissioner absent from the meeting. Mayor Solomon explained there was a quorum of Commissioners in attendance and the decision was made not to take up the issue. Ms. Charles also asked about the property on Old Union Road ("Union Park"/former pool) and why it was not being used as a park. Mayor Solomon explained that the property is within the city of Union however the property is owned and managed by Boone County. He suggested Ms. Charles contact Boone County for further inquiries about the property.

2022 Audit Report

John Chamberlin, CPA, MBA, Partner of Chamberlin Owen & Co., Inc. discussed the Audit Report for Fiscal Year ending June 30, 2022. Mr. Chamberlin mentioned the audit presentation was later in the year than he would like, he recognized the audit has been late the past few years. Commissioner Mefford asked Mr. Chamberlin to give an opinion as to why the audit was late, his response was the accountant did not prepare the financial statements in a timely manner. Extra charge of \$4,000 was added to the audit because of corrections made on fixed assets that the account should have completed. There were also corrections to financial statements that were necessary prior to the audit being ready to begin.

Mr. Chamberlin explained the Auditor reported an Unmodified Opinion, which the highest opinion is given. This means the financial statements were presented fairly with no modifications made. He went on to explain the prepared report, then gave detailed information on the following:

- Internal Controls/Compliance
- Auditor's Correspondence to Those in Charge of Governance
- Assets, Liabilities, and Net Position Comparison
- Cash Comparison
- City Wide Debt Analysis

- Revenues vs. Expenditures – All Governmental Funds
- Revenues by Source – All Governmental Funds
- Expenditures by Department – All Governmental Funds
- General Government Expenditures – Yearly Comparison
- Public Works and Waste Expenditures – Yearly Comparison

Mr. Chamberlain indicated that the city is in an acceptable position with cash assets. A city the size of Union should have three months of cash on hand, while in fact the City of Union currently has seventeen months of cash on hand.

City Administrator Amy Safran gave a follow up from the Regular Commission meeting on May 1, involving the discussion to replace the city's current accountant services. The recommendation is to use the accounting services of Ben Harrison CPA. Mr. Harrison was highly recommended by several other cities. CAO Safran mentioned a thirty-day notice would need to be given to the current accountant if the Commission decides to make a change.

Mayor Solomon asked for a motion to approve making a change in accounting services and to authorize notifying current accountant within the thirty-day period that their services are no longer needed.

Commissioner Mefford for a motion and Commissioner Bine seconded that motion. **Motion approved 4-0.**

Union Promenade Update

Donnie Warner Attorney with Frost Brown Todd PLLC discussed the request for extension of Industrial Revenue Bonds (IRB) by the developers of the Promenade development. Mr. Warner explained the (IRB) are conduit obligations meaning the city is not obligated to pay for the bonds, they are paid solely from the project and the revenue created. They are also payable by a personal guarantee from both developers of the project. Mr. Warner made sure to mention this was an important aspect of how the bonds would be paid regardless of the outcome of the amendment for extension. The bonds were originally issued to construct public infrastructure improvements at the development site which is currently eighty percent complete including street and storm water improvement, with additional improvements still to come. There are two options; one being to create a general obligation bond that would be a debt of the city payable from the general taxes. If the city had taken this option there would be a general obligation of more than ten million dollars to build the streets, roads, and infrastructure. The alternative option to avoid paying taxes was to create an IRB for the developer. By creating the IRB, the city created an IRB structure where the city took title to the property and leased it to the development, by doing this it creates a property tax exemption for real property taxes. In conjunction the city negotiated pilot payments also known as payment in lieu of taxes at the rate of forty percent that are due annually. The Pilot is based on the value of the land and project as assessed by the Property Valuation Administration (PVA); revenues will increase once

the property is sold and developed. Another item negotiated in the transaction was excess revenues beyond what is needed to pay the bonds will be distributed to the city. The lease agreement that is needing to be extended is what is made between the city and development which states the city has no obligation to build or pay for anything, but the developer has an obligation to build and develop the agreement. The developer is asking for the completion dates of the agreement to be extended. The lease does reflect amendments for extensions may be required.

- Commercial Lots extension eight to thirteen months beyond June 2024.
- Residential Phase 1 extension eighteen months beyond June 2024.
- Residential Phase 2 extension eighteen months beyond June 2025.
- Multi Family Phase 1 extension seven months beyond June 2024.
- Multi Family Phase 2 extension seven months beyond June 2025.
- Multi Family Phase 3 extension seven months beyond June 2026.

If the completion date is delayed the pilot revenue will also be delayed. There is a potential to offset revenues through payroll tax and potential increased value of property. After explanation of Industrial Revenue Bonds, extension amendment and discussion Mayor Solomon asked Attorney Greg Voss to read Municipal Order 2023-23.

MUNICIPAL ORDER NO. 2023-23 AN ORDER OF THE CITY COMMISSION OF THE CITY OF UNION, KENTUCKY, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LEASE AGREEMENT RELATED TO THE CITY OF UNION, KENTUCKY, INDUSTRIAL BUILDING REVENUE BONDS (UNION PROMENADE), TO EFFECTUATE THE EXTENSION OF THE PRIVATE IMPROVEMENTS COMPLETION DATE SET FORTH UNDER THE LEASE

Commissioner Bine made a motion and Commissioner Mefford seconded that motion. Commissioner Garner abstained his vote. **Motion approved 4-0.**

Troops 702 - 1702 Yard Sale Permission

City Administrator Amy Safran mentioned Boy Scout Troops 702 and 1702 are asking the City of Union for permission to use property owned by the city. The location is corner of US Highway 42 and Old Union Road, the purpose is to host a yard sale to raise funds. The dates requested are August 3 to August 5 during the Longest Yard Sale event. The troops will provide liability insurance.

Mayor Solomon asked for a motion to approve the use of property located at US Highway 42 and Old Union Road by Troops 702 and 1702.

Commissioner Mefford made a motion and Commissioner Garner seconded that motion.

Motion approved 4-0.

Mt. Zion Beautification Project

Commissioner Bine discussed the Mt. Zion Beautification Project was originally introduced by former Commissioner Dulaney and went through Urban Forestry Commission and Kentucky Transportation Cabinet (KYTC). He mentioned Kevin Costello Executive Director with Boone County Planning Commission has reached out to the city to see if the city is still committed to

contribute \$40,000 toward the project.

Boone County will pay the remaining portion of costs. . The first set of encroachment permits were denied by KYTC, and the Urban Forestry Commission is now ready to resubmit the plans to KYTC. Commissioner Mefford asked if the funds for this project are in the budget and Mayor Solomon noted the funds are budgeted under City Growth.

Mayor Solomon asked for a motion to approve up to \$40,000 for the Mt. Zion Beautification project. Commissioner Garner made the motion and Commissioner Mefford seconded the motion. A roll call vote was taken. Commissioner Bine voted aye, Commissioner Mefford voted aye, Commissioner Garner voted aye, and Mayor Solomon voted aye. **Motion approved 4-0**

Budget Discussion

Mayor Solomon presented Budget discussion including American Rescue Plan Act funds (ARPA), Brilliance Avenue Extension and vision for Union Town Center and City Building (See attached).

Public Works Director Paul Kremer mentioned the environmental studies for Brilliance Avenue should be complete late July to early August 2023. Mayor Solomon mentioned this will not have any affect on the bid process moving forward. He also stated the bids need to be completed to get a cost for Brilliance Avenue project.

Commissioner Garner explained he was not comfortable with the cost estimate being double from what was originally agreed upon by the Commission. He wants the discussion to be whether Brilliance Avenue extension should be built based on the cost estimate of Viox and Viox.

Commissioner Bine stated Brilliance Avenue would add value to citizens, assist Grammas with moving forward with development that will add jobs, vibrance to the city and payroll tax. He mentioned this is a project the city should consider completing if the cost falls within the proposed budget parameter which is why he suggests the project needs to bid to get actual cost.

Mayor Solomon asked for a motion to have Brilliance Avenue Extension go out for bid. Commissioner Mefford made a motion and Commissioner Bine seconded that motion. Commissioner Garner voted no. **Motion approved 3-1.**

Budget Discussion

Mayor Solomon gave a follow up to the budget discussion presented at the Caucus meeting April 24, 2023. He mentioned Municipal Road Aid (MRA) funds which have been previously identified as emergency funds are available to be used in lieu of passing a Duke Energy Franchise fee. Community Investment funds which were once set aside for Whispering Trail are also available.

Commissioner Garner commented he was told MRA funds were for emergency funds, and he was not aware of the Community Investment funds.

Commissioner Mefford commented that MRA funds have historically been used for emergencies. He stated the payroll tax and Duke Energy Franchise fee are needed revenue streams as the city grows not to pay for a particular item but to give citizens what they have been asking for over the past ten years.

Commissioner Bine commented there is a need to generate new revenue streams to give citizens what they want including parks, events, maintenance of roads and lighting.

Mayor Solomon stated the Duke Energy Franchise fee is in the budget, if removed the budget will be out of balance. If removed another item will need to be removed from the budget. Both Commissioner Bine and Mefford recommend leaving the Duke Franchise in place.

ORDINANCE NO. 2023-09 AN ORDINANCE OF THE CITY OF UNION, KENTUCKY ESTABLISHING A NON EXCLUSIVE FRANCHISE FOR THE USE OF THE PUBLIC STREETS, ALLEYS, AND OTHER PUBLIC GROUNDS OF THE CITY FOR THE TRANSMISSION AND DISTRIBUTION OF EITHER OR BOTH NATURAL GAS AND ELECTRICITY THROUGH AND FOR CONSUMPTION WITHIN THE CITY; AND PROVIDING THE TERMS THEREOF (2nd Reading)

Commissioner Mefford made a motion and Commissioner Bine seconded that motion. Commissioner Garner voted no. **Motion approved 3-1.**

Streetlight Assessment

Commissioner Garner mentioned a Public Works request to have an assessment of streetlights by Sturm Electric in the amount of \$1,500 to find out which lights need to be changed out.

Mayor Solomon asked for a motion to spend up to \$1,500 for assessment of streetlights. Commissioner Mefford made a motion and Commissioner Bine seconded that motion. **Motion approved 4-0**

LEGISLATION

Municipal Orders

MUNICIPAL ORDER NO. 2023-22 A MUNICIPAL ORDER ACCEPTING THE CONTRACT OF NEYRA PAVING FOR PHASE A PARTS 1 THRU 8 FOR VARIOUS BITUMINOUS ASPHALT REPAIRS WITHIN THE CITY OF UNION, KENTUCKY AND AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT

Commissioner Bine made a motion and Commissioner Garner seconded that motion. **Motion approved 4-0**

Ordinance

ORDINANCE NO. 2023-07 AN ORDINANCE ENACTING AND ADOPTING A SUPPLEMENT TO THE CODE OF ORDINANCES OF THE CITY OF UNION, KENTUCKY (2nd Reading)

Commissioner Garner made a motion and Commissioner Mefford seconded that motion.

Motion approved 4-0.

ORDINANCE NO. 2023-08 AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR THE FISCAL YEAR JULY 1, 2023 THROUGH JUNE 30, 2024 BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE OPERATION OF CITY GOVERNMENT FOR THE CITY OF UNION, KENTUCKY (2nd Reading)

Mayor Solomon stated Ordinance 2023-08 would be tabled due to there was not a full Commission present. The Commission was in total agreement.

ANNOUNCEMENTS

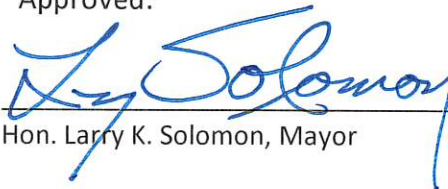
Mayor Solomon announced that the City Commission will hold the next Regular Commission Meeting on Monday June 5, at 6:00 PM. He also stated that the next Caucus/Commission Meeting will be on Monday June 19, at 6:00 PM both meetings will be held at the city building located 1843 Bristow Drive Union, KY 41091.

ADJOURNMENT

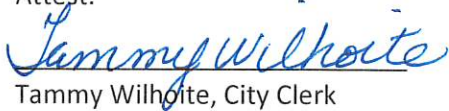
Mayor Solomon asked for a motion to adjourn. Commissioner Mefford made a motion and Commissioner Bine seconded that motion. **Motion approved 4-0.**

The meeting was adjourned at 8:22 PM.

Approved:


Hon. Larry K. Solomon, Mayor

Attest:


Tammy Wilhoite, City Clerk