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PUBLIC SERVICE
COMMISSION



KNOTT COUNTY FISCAL COURT

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54 West Main Street
Hindman, KY 41822

Telephone: 606-785-5592
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April 30, 2019

Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RE: Reappointment of Water District Member

The Knott County Water and Sewer District has a board member that had a term expire in April 2018. The Knott County Fiscal Court did not vote on or approve this member to be reappointed at that time. There was also no vote or motion to name a replacement member.

On February 19, 2019 the Knott County Fiscal Court passed a motion to officially request that the PSC consider removing Dale Hamilton as a member of the Knott County Water and Sewer District Board. The Fiscal Court made the recommendation that Dion Slone be appointed to replace him as a board member for the remainder of the term.

A copy of the minutes from our February 19, 2019 meeting is enclosed with the discussion of the board member term highlighted. Please contact our Fiscal Court Clerk, Michael Sturgill, with any questions or concerns at 606-438-2946 or by email at msturgill@knottky.com.

Respectfully,

A handwritten signature in blue ink that reads "Jeff Dobson".

Jeff Dobson
Knott County Judge Executive

RESOLUTION

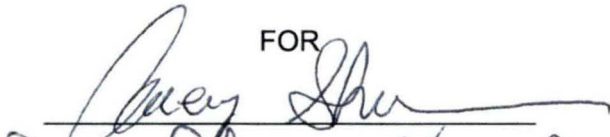
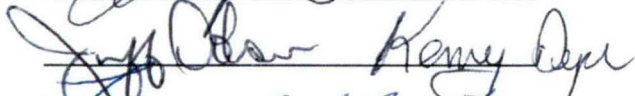
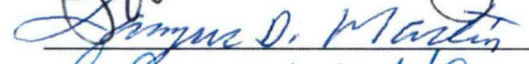

A RESOLUTION TO APPROVE THE MINUTES OF THE KNOTT COUNTY FISCAL COURT MEETING HELD ON FEBRUARY 19, 2019

WHEREAS, the Knott County Fiscal Court Clerk has submitted the minutes of the Fiscal Court meeting held on February 19, 2019, and

WHEREAS, the Fiscal Court has reviewed minutes in their entirety.

NOW THEREFORE, be it resolved by the Knott County Fiscal Court that the minutes presented by the Knott County Fiscal Court Clerk be approved in their entirety.

Motion for adoption of this resolution was made by Calvin Waddles, seconded by Lanus Martin, and vote taken as follows:

FOR	AGAINST
<u></u>	_____
<u></u>	_____
<u></u>	_____
<u></u>	_____

THEREUPON, said motion was declared passed and the resolution adopted, this 11th day of March, 2019.

Attest: 
By: _____
Knott County Fiscal Court Clerk


Knott County Judge-Executive

**SPECIAL MEETING OF THE KNOTT COUNTY FISCAL COURT
FISCAL COURT MEETING ROOM
TUESDAY, FEBRUARY 19, 2019
6:00 PM**

A. CALL TO ORDER - Jeff Dobson

B. ROLL CALL

Present - Kenny Dyer, Avery Shrum, Jeff Dobson, Langus Martin, Calvin Waddles, Tim Bates, Kevin Jacobs, Michael Sturgill

C. PRAYER - Jeff Dobson

D. PLEDGE OF ALLEGIANCE

E. APPROVAL OF MINUTES – January 22, 2019

Avery Shrum made a motion to approve the January 22 meeting minutes. Kenny Dyer seconded the motion. Everyone voted in favor of the motion.

F. AGENDA

1. Ordinance 2019-0219A, 2% Occupational Tax, First Reading

Jeff Dobson stated that the Court has cut every expense they can. The Court is not looking to add any more debt than it has. The Court still has to have funds to pay its bills. Jeff Dobson asked for any input on the idea of a 2% Occupational Tax.

Kenny Dyer stated that he doesn't think there are enough people working in the County to bring in enough revenue.

Avery Shrum stated that if he had to pick one, he would choose the Occupational Tax. He stated that he cannot be in favor of the Insurance Tax because people on fixed incomes have to pay it. He stated that neither tax is good but the County has to do something to keep going.

Langus Martin stated that he hates to tax anything but feels the Occupational Tax would take too much work on the Court's part to collect. The Occupational Tax would also be a harder hit on working people with low incomes. He doesn't think the Occupational Tax would work.

Calvin Waddles stated that the Occupational Tax was discussed in 2011 and 2013. Cuts were made back then. The budget in 2011 was around \$14,000,000.00. Now it's down to \$8,000,000.00, almost half of what it was. He has tried to explain the situation to the public but they insist they don't want either tax. He was told they only want a minimal road crew. Calvin Waddles stated he is not in favor of either tax. His recommendation was to consider a fee pool with other offices and no tax.

Jeff Dobson stated that the Court has around \$14,000,000.00 in outstanding debt, counting the Justice Center. He doesn't want either tax but the Court has to do something before July or there could be a huge increase in property taxes to make the

Sportsplex bond payment. He thinks that would be much more devastating to the residents than either tax would be. In 2017 there was a bond for \$395,000 to work towards relocating the County garage, \$525,000 for road repairs and \$627,000 for the Sportsplex payment. The Court is tied to the Regional Jail. It would be much too expensive to try to run a local jail.

Calvin Waddles stated that the State actually encourages rural counties to partner together as regional jails. It's not feasible to try to operate with less than 125 beds. Calvin Waddles stated that he would like to put the Sportsplex ordinance on Facebook so citizens can see how it was written. People don't realize that the Court doesn't own the property to get businesses up there. He doesn't believe estimated revenue for an Occupational Tax that were presented in the past were correct.

Kevin Jacobs stated that the Insurance Tax brings in around \$150,000.00 for each percentage point. An Insurance Tax at 4% would be functional but leaves no room for a disaster or unexpected expense. If the Jail bill stays at \$35,000 then 4% would not be enough.

Langus Martin asked how much property taxes would increase if neither tax is passed. Jeff Dobson stated that the Soil Conservation District gets \$45,000 for 1%. The Sportsplex bond is \$700,000 so it would take around an additional 16% bringing the total tax rate for the Court to around 34%. It would basically double the rate.

Jeff Dobson stated that the County has roads slipping and breaking. Three State of Emergencies have been declared for over \$100,000.00. One of those roads had to be shut down and the other two could be lost at any time. The Court has no intention of passing both taxes. It will be one or the other.

Michael Sturgill read a summary of the Occupational Tax Ordinance as required for the first reading.

2. Ordinance 2019-0219B, 4% Insurance License Fee, First Reading
Michael Sturgill read a summary of the Insurance Tax Ordinance as required for the first reading.
3. Ordinance 2019-0219C, Continuity of Government, First Reading
Langus Martin made a motion to approve the first reading of the Continuity of Government Ordinance. Calvin Waddles seconded the motion. Everyone voted in favor of the motion.
4. Ordinance 2019-0122C, January County Road Changes, Second Reading
Jeff Dobson made a motion to approve the second reading of the January Road Changes. Avery Shrum seconded the motion. Everyone voted in favor of the motion.
5. Resolution - Clerk 2017 Excess Fees
Langus Martin made a motion to accept the 2017 excess fees from the County Clerk. Avery Shrum seconded the motion. Everyone voted in favor of the motion.

6. Resolution - Sheriff Corrected 2017 Franchise and Telecommunications Tax Settlement
Avery Shrum made a motion to approve the Corrected 2017 Franchise and Telecommunications Tax Settlement of the Knott County Sheriff. Kenny Dyer seconded the motion. Everyone voted in favor of the motion.
7. Resolution - Sheriff 2018 General Fee Account Settlement
Calvin Waddles asked if the Court will receive \$55,000 in addition to the excess fees. James Ratliff stated that it will not be in excess of \$55,000. He doesn't expect to have that much in excess fees but the Court will receive it if it is available. Avery Shrum made a motion to approve the 2018 General Fee Account Settlement of the Knott County Sheriff. Kenny Dyer seconded the motion. Everyone voted in favor of the motion.
8. Resolution - Sheriff 2018 Excess Fees
Avery Shrum made a motion to accept the 2018 excess fees of the Knott County Sheriff. Kenny Dyer seconded the motion. Everyone voted in favor of the motion.
9. Resolution - TEA Board Appointment
Jeff Dobson made a motion to table this item. Avery Shrum seconded the motion. Everyone voted in favor of the motion.
10. Resolution - Water Board Appointment
Jeff Dobson stated that one of the board members at the Knott County Sewer and Water District had expired in April 2018. The deadline has passed for the Court to name a replacement so that term renewed automatically. The Court can make a recommendation to the Public Service Commission to replace a board member. The PSC then has the option to accept it or not. Avery Shrum stated that he talked to the PSC and was advised that they have regulations that state they should advertise and appoint members when a term expires. Tim Bates stated that he would like to do some research before advising the Court on this issue. He has heard different opinions but has never researched it. Avery Shrum stated that he has documentation that states the PSC has to advertise and appoint a member 90 days after a term expires. Tim Bates asked if the Court was aware the member's term had expired. Jeff Dobson stated that the KCWSD is required to notify the Court prior to the expiration. He is not sure if that happened but the Court did not vote on it. He is unsure if the PSC would even accept a recommendation at this point. Tim Bates stated that it would be fine to go ahead and make a recommendation to the PSC. If it is inaccurate then they won't accept it. Kenny Dyer made a motion to recommend Dion Slone in place of Dale Hamilton. Angus Martin seconded the motion. Jeff Dobson and Calvin Waddles voted in favor of the motion. Avery Shrum abstained due to his employment with KCWSD. The motion passed by a majority vote.
11. Resolution - LKLP Board Appointment
Avery Shrum made a motion to appoint Jeff Dobson and Zach Sandlin to the LKLP Board. Angus Martin seconded the motion. Everyone voted in favor of the motion
12. Resolution - Tourism Commission Appointments
Michael Sturgill stated that some of the members of the Knott County Tourism Commission were not approved by the Fiscal Court. This resolution would make the

appointments legal so the Commission can hold an election for new officers. Calvin Waddles stated that the Tourism Commission does not receive any compensation. Everyone involved is a volunteer. Calvin Waddles made a motion to approve the appointments of Tourism Commission members. Avery Shrum seconded the motion. Everyone voted in favor of the motion

13. Resolution - Pool and Skate Park Lease

Tracy Niece stated the agreement for operation of the pool is for 4 years with an option for 4 more. Calvin Waddles stated that APT repaired the leak so it should be more efficient. Tracy Niece stated he had someone look at it and it still leaks. Calvin Waddles asked if there was a verbal agreement that the City would pave around the Courthouse if the County paved Tadpole Hollow. Tracy Niece stated there was no agreement. The City always removes snow around the Courthouse because people use it and it's in town. Tim Bates stated that verbal agreements are not valid. Any legal agreement must be in writing.

Tim Bates stated that he did some research on the road around the Courthouse and determined it was a City road. Tracy Niece stated that it has never been a part of his road system. The road from the Justice Center over to the Settlement School is not part of the City road system either. Jeff Dobson stated that he has worked well with the City and any issues can be worked out.

Tim Bates stated that he has a few issues with the pool agreement. Avery Shrum stated that he would like to read through it before voting on anything. Tracy Niece stated the longer it goes it delays being able to open the pool. Calvin Waddles stated that he is against it. Tim Bates stated that it likely needs a contingency clause in case the agreement doesn't work out for both parties.

Jeff Dobson stated that the Court is trying to save money and the pool was a huge expense. If the Court tries to keep the pool open then the tax amounts discussed are not enough. The City would be able to keep it open for people to use. The Court still owes the last bill from 2018. The City has agreed to cut that bill down to the minimum amount as well. Tracy Niece stated that he isn't opposed to adding a clause to the agreement but doesn't want to put money into it if the County is going to take it back. Avery Shrum stated the main objective is for people to be able to use it. Tim Bates stated that he thinks the agreement is close to the way it needs to be but not complete. Avery Shrum made a motion to authorize Jeff Dobson to enter into an interlocal agreement with the City of Hindman for operation of the swimming pool pending approval of the agreement by Tim Bates. Kenny Dyer seconded the motion. Everyone voted in favor of the motion

14. Budget Amendment 2019-03, Second Reading

Langus Martin made a motion to approve the second reading of Budget Amendment 2019-03. Calvin Waddles seconded the motion. Everyone voted in favor of the motion

15. Resolution - Checking Account Transfers

Kenny Dyer made a motion to approve the checking account transfers. Langus Martin seconded the motion. Everyone voted in favor of the motion

16. Discussion - Rumpke Contract

Jeff Dobson stated that the previous agreement with Rumpke called for a \$2.75 increase over a 5 year period. He has tried to negotiate with them to reduce that. The current offer from the Court is a cap of \$20.50 per month for residential and \$12.50 per month for seniors with an 8% increase on commercial over 5 years. They are asking for 11% on commercial customers. Avery Shrum stated that the contract was not approved by the Court. Jeff Dobson stated that it was not voted on and he told Rumpke the contract was not valid. Rumpke provides good service to the County but they have to work with the Court on the pricing. Avery Shrum asked if the Franchise fee stays the same. Jeff Dason stated that it would stay at 10%. Avery Shrum stated that he thinks 5 years is too long and the next Fiscal Court should not be locked into that contract.

Avery Shrum asked if they plan to buy new equipment. Jeff Dobson stated that they said they will consider buying new equipment with a longer contract. Avery Shrum asked if the Rumpke employees would get a raise. Jeff Dobson stated that he isn't sure about that. Calvin Waddles stated that he heard they plan to make some upgrades at the Transfer Station and wanted a longer contract for that. Jeff Dobson stated that he has a conference call with Rumpke tomorrow. Kenny Dyer said he heard from some of the workers that they plan to buy new equipment. Calvin Waddles stated that previous companies had bad service. The only complaints with Rumpke are the price increases.

Kenny Dyer made a motion to approve a 4 year contract with Rumpke at a price point of \$20.50 for residential, \$12.50 for seniors and an 8% increase for commercial customers if Rumpke agrees to it. Avery Shrum seconded the motion. Everyone voted in favor of the motion.

17. Discussion - Fiscal Court Meeting Times

Calvin Waddles made a motion to move the regular Fiscal Court meetings to the third Monday each month at 6pm. Avery Shrum seconded the motion. Everyone voted in favor of the motion.

18. Discussion - Declaration of State of Emergency - Hummingbird Ln, Calf Hollow, Watts Fork

Jeff Dobson stated that he has declared a State of Emergency for Hummingbird Ln, Calf Hollow and Watts Fork Rd. Meadow Branch Rd was picked up by AML for repairs. Calf Hollow had to be closed. Calvin Waddles stated that the Court can't control how fast the State repairs its highways. Jeff Dobson stated that Wiley Fork also has major damage.

G. CLAIMS LIST

The Jail bill increased by \$10,000 this month. The Court can't afford to keep paying that much. Calvin Waddles made a motion to approve the claims list. Langus Martin seconded the motion. Everyone voted in favor of the motion

H. TREASURER'S REPORT

Kevin Jacobs stated that he is still waiting on money from FEMA. All previous bills have been paid. The severance checks stayed about the same. The Court also got a Jail bill for medical

expenses that was \$47,000. The Court shouldn't owe anything on medical. The Court has no control over the cost of the Jail bills. Calvin Waddles stated that part of the tax revenue funds the Jail. Kevin Jacobs stated that it takes over \$500,000.00 from the General fund to pay the Jail expenses. Calvin Waddles made a motion to approve the Treasurer's Report. Langus Martin seconded the motion. Everyone voted in favor of the motion

I. NEW BUSINESS

There will be a special meeting on March 11 at 6pm to hold the second reading of the tax ordinances.

Calvin Waddles stated that the Court cannot enact a sales tax. Kevin Jacobs stated that the only options the Court has are property taxes, the insurance tax or an occupational tax. Avery Shrum stated that it would be up to the state legislature to pass a law authorizing counties to collect a sales tax.

Michael Sturgill stated that the Court needs to approve payment for its share of the Regional Jail bond payment. Kevin Jacobs stated that it works out to around \$12,000 per month. Jeff Dobson made a motion to approve the Jail bond payment. Calvin Waddles seconded the motion. Everyone voted in favor of the motion.

J. PUBLIC COMMENTS

There were no public comments.

K. CLOSED SESSION

Avery Shrum made a motion to go into closed session to discuss legal issues. Kenny Dyer seconded the motion. Everyone voted in favor of the motion.

Calvin Waddles made a motion to return to open session to discuss legal issues. Kenny Dyer seconded the motion. Everyone voted in favor of the motion.

L. ADJOURNMENT

Langus Martin made a motion to adjourn. Kenny Dyer seconded the motion. Everyone voted in favor of the motion

M. SIGNING OF RESOLUTIONS

RESOLUTION

A RESOLUTION TO MAKE A REQUEST TO THE PUBLIC SERVICE COMMISSION TO APPOINT DION SLONE TO THE KNOTT COUNTY WATER AND SEWER DISTRICT BOARD

WHEREAS, Dale Hamilton's term as a board member of the Knott County Water and Sewer District expired in April 2018, and

WHEREAS, the Knott County Fiscal Court did not vote on the renewal of Mr. Hamilton's term, and

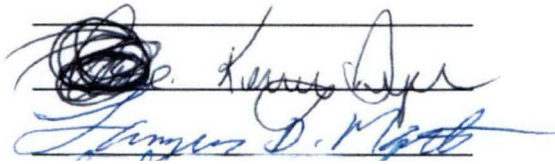
WHEREAS, the Knott County Fiscal Court desires to make a request to the Public Service Commission to remove Dale Hamilton as a member of the Knott County Water and Sewer and to appoint Dion Slone to serve as a board member for the remainder of the term.

THEREFORE, Be it resolved by the Court to make a request to the Public Service Commission to remove Dale Hamilton as a member of the Knott County Water and Sewer and to appoint Dion Slone to serve as a board member for the remainder of the term.

Motion for adoption of this resolution was made by Kenny Dyer, seconded by Langus Martin, and vote taken as follows:

FOR

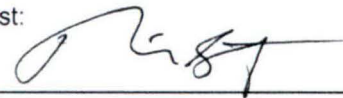
AGAINST

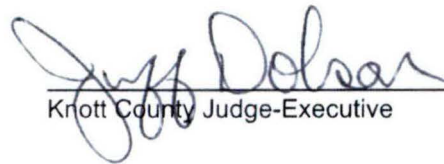

Langus Martin

Calvin Weddler

THEREUPON, said motion was declared passed and the resolution adopted, this 19th day of February, 2019.

Attest:

By: 
Knott County Fiscal Court Clerk


Knott County Judge-Executive

Abstain 