

**MAY 7, 2024
PAGE ONE
MINUTES OF SPECIAL COUNCIL MEETING
VERSAILLES MUNICIPAL BUILDING/5:00 P.M.**

ROLL CALL: MAYOR BRIAN TRAUOGOTT PRESIDED OVER THE MEETING. ALSO PRESENT WERE COUNCIL MEMBERS CHANTEL BINGHAM, MARY BRADLEY, LAURA DAKE, LISA JOHNSON, GARY JONES AND ANN MILLER. CITY ATTORNEY BILL MOORE WAS ALSO PRESENT.

DEPT. HEADS: BART MILLER, MIKE MURRAY, T.A. RANKIN AND ELIZABETH REYNOLDS WERE PRESENT REPRESENTING THEIR RESPECTIVE DEPARTMENTS.

City Clerk Elizabeth Reynolds stated there had been an addition submitted to the April 16, 2024 meeting minutes that the council received in their packets. On page two, there is a paragraph that discusses the Walkability Audit. A line was added to the end of the paragraph clarifying “No determination was made regarding moving the walkability issue to the Street and Stormwater Committee”.

MOTION BY BRADLEY, SECONDED BY BINGHAM TO APPROVE AND ADOPT THE MINUTES OF THE APRIL 16, 2024 REGULAR COUNCIL MEETING WITH THE CHANGE AS NOTED.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

Public Comment

Jordan Mefford, President of Mefford Contracting, was present to provide an update on the Entertainment Complex that will be going into the former Kroger building on Marsailles Road. He stated that the project is moving forward and that they are in the final stage of a lease negotiation with a family restaurant for the facility and they expect to begin construction this fall. He noted that the details for the Entertainment Complex have not been finalized, but that it will include putt-putt golf, inflatables, arcade games, and party rooms. Mr. Mefford said that the original plans allocated 15,000 square feet for offices and that area could be changed to something else that will benefit Versailles.

Fiscal Year 2023 Audit Presentation

Heather Cochran, of RFH CPAs, presented the Fiscal Year 2023 Audit with an unmodified “clean” audit opinion. She noted that there were two significant deficiencies: one due to the number of audit adjustments that they were required to make mostly due to period/timing issues or depreciation and one due to the Schedule of Expenditures of Federal Awards (SEFA). Ms. Cochran recommended that the City tighten and change their yearend procedures to ensure that adjustments are made prior to the beginning of the audit. As far as the SEFA, she noted that the City had reported using ARPA funds for the full amount expended on the High Street Sidewalk project but a portion of those expenditures were reimbursed by the Fiscal Court so only the City’s portion should have been reported on the SEFA. Ms. Cochran stated that since the City had several other projects that could be reported as using ARPA funds, it was simply a matter of reporting those funds under a different project. She mentioned two other issues, one related to credit cards not being paid timely, but that was due to a personnel issue and it had been resolved. The other issue was tangible tax being billed in October 2022 at the incorrect rate. It was corrected on the October 2023 tax bills and everyone that had been billed incorrectly was issued a credit on the 2023 tax bill. Ms. Cochran also presented the Single Audit which was required due to the City expending more than \$750,000 in federal grant funds. The Single Audit received an unmodified opinion and there were no findings or material weaknesses. Ms. Cochran presented graphs for general and enterprise funds comparing Fiscal Year 2023 to the two years prior. Mayor Traugott thanked Ms. Cochran and her staff for their work on the audit each year.

At the request of Council member Bradley, City Attorney Moore provided second reading of Ordinance 2024-6 Relating to the Franchise of Columbia Gas of Kentucky, Inc., as follows:

**MAY 7, 2024
PAGE TWO
MINUTES OF SPECIAL COUNCIL MEETING
VERSAILLES MUNICIPAL BUILDING/5:00 P.M.**

**CITY OF VERSAILLES, KENTUCKY
ORDINANCE NO. 2024-6**

AN ORDINANCE RELATING TO THE FRANCHISE OF COLUMBIA GAS OF KENTUCKY, INC.

WHEREAS, by Ordinance No. 2014-37 adopted August 19, 2014, the City of Versailles provided for the creation and sale of a non-exclusive franchise, for the transmission, distribution, and sale of gas for heating and other purposes within the public rights-of-way of the City of Versailles for an initial ten (10) year period with up to two (2) additional extensions of time of five (5) years each,

WHEREAS Ordinance No. 2014-37 authorized the advertising for bids on said franchise, and Columbia Gas submitted a timely bid to acquire said franchise; and

WHEREAS, by Ordinance No. 2014-42, the City of Versailles accepted the bid of Columbia Gas of Kentucky, Inc. (“Columbia”) to acquire said franchise and entered into a franchise agreement dated October 6, 2014 with Columbia (the “Agreement”), and

WHEREAS, on April 5, 2024, pursuant to Ordinance 2014-42 and the Agreement, Columbia submitted a written request to renew the Agreement for an additional period of five (5) years (Attachment “A”); and

WHEREAS, but for the extension requested by Columbia, the Agreement is scheduled to expire on October 6, 2024; and

WHEREAS, pursuant to Section 1 of the Ordinance, 2014-37 the City may “upon sixty (60) days written notice, during the effective period of the franchise to be awarded hereby to impose upon Columbia Gas a franchise fee in an amount not to exceed five percent (5%).” And

WHEREAS, the City of Versailles desires to for an increase to the Franchise Fee from its current two percent (2%) of Columbia’s annual gross revenues to three percent (3%).

NOW THEREFORE BE IT ORDAINED BY THE CITY OF VERSAILLES:

Section 1 – The City of Versailles hereby renews the Agreement for an additional period of five (5) years. The new expiration date of the Agreement is October 6, 2029.

Section 2. The City of Versailles hereby directs the Mayor of Versailles to send a letter to Columbia advising Columbia that the City of Versailles directs them to pay the City of Versailles a Franchise Fee in the amount of three percent (3%) of Columbia’s annual gross revenues.

Section 3. Columbia shall begin remitting a Franchise Fee in the amount of three percent (3%) of Columbia’s annual gross revenues with sixty days of receipt of said letter referenced in Section 2.

Section 4 - This Ordinance shall become effective on the date of its passage.

DATE OF PASSAGE: May 7, 2024

MAYOR, CITY OF VERSAILLES, KENTUCKY

ATTEST:

CITY CLERK

MOTION BY BRADLEY, SECONDED BY DAKE TO APPROVE AND ADOPT ORDINANCE 2024-6 AN ORDINANCE RELATING TO THE FRANCHISE OF COLUMBIA GAS OF KENTUCKY, INC.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

**MAY 7, 2024
PAGE THREE
MINUTES OF SPECIAL COUNCIL MEETING
VERSAILLES MUNICIPAL BUILDING/5:00 P.M.**

At the request of Council member Bradley, City Attorney Moore provided second reading of Ordinance 2024-7 Amending Sections 33.01 and 33.02 of the Versailles Code of Ordinances to Increase the Dollar Amount for Purchases That Must Comply with the Kentucky Model Procurement Code, as follows:

**CITY OF VERSAILLES
ORDINANCE NO. 2024-7**

TITLE: AN ORDINANCE AMENDING SECTIONS 33.01 and 33.02 OF THE VERSAILLES CODE OF ORDINANCES TO INCREASE THE DOLLAR AMOUNT FOR PURCHASES THAT MUST COMPLY WITH THE KENTUCKY MODEL PROCUREMENT CODE.

Whereas, the Kentucky General Assembly has modified the Kentucky Model Procurement Code to increase the dollar amount for small purchases from \$ 30,000 to \$ 40,000; and

Whereas, the City's procurement policies and procedures are based upon the Kentucky Model Procurement Code,

NOW, THEREFORE, BE IT ORDAINED IN THE CITY OF VERSAILLES, KENTUCKY as follows:

Section 1. Section 33.02 of the Versailles Code of Ordinances is hereby amended as follows:

§ 33.01 Delegation of Responsibility.

A) The Mayor and City Council are responsible for the performance and administration of the government of the city.

(B) The city shall designate department heads who shall be authorized to make a written determination identifying all purchases and authorized by the city budget which exceeds ~~thirty-four~~ thousand dollars (~~\$30,000.00~~ 40,000.00) in the aggregate for any fiscal year, with the approval of the City Council. Those items exceeding ~~thirty-four~~ thousand dollars (~~\$30,000.00~~ 40,000.00) shall be subject to the requirements of the "Kentucky Model Procurement Code," hereinafter referred to as "Procurement Code."

Section 2. Section 33.02 of the Versailles Code of Ordinances is hereby amended as follows:

§ 33.02 Small Purchase Procedure.

(A) (1) The City Clerk/Treasurer/Tax Administrator and each department head shall have the authority to make all small purchases of five thousand dollars (\$5,000.00) or less for their respective departments. The City Clerk/Treasurer/Tax Administrator or department head shall obtain two or more quotes from vendors whenever practicable and select that quote most advantageous to the city.

(2) Each department head shall be responsible for all purchases of five thousand dollars (\$5,000.00) or less made by any employee under their control. All purchases made under this section shall be documented in writing, be specific as to item purchased, dated, signed by the employee who made the purchase and approved by the department head in writing.

(B) For any item which exceeds five thousand dollars (\$5,000.00) but is less than ~~thirty-four~~ thousand dollars (~~\$30,000.00~~ 40,000.00), the department head shall obtain two or more quotes from vendors, whenever practicable, and for expenditures in excess of five thousand dollars (\$5,000.00) the City Council shall select the quote most advantageous to the city. Where two (2) or more local suppliers offer the same product at the same price, the person in charge of procurement may purchase from each vendor on a rotating basis upon approval of the City Council.

(C) A copy of the bill shall be submitted to City Council for their approval. The Mayor shall then review and approve all bills and the City Treasurer shall promptly pay all bills that have been approved.

Section 3. This ordinance shall become effective after passage and publication as required by law.

**MAY 7, 2024
PAGE FOUR
MINUTES OF SPECIAL COUNCIL MEETING
VERSAILLES MUNICIPAL BUILDING/5:00 P.M.**

Introduced and given first reading at a meeting of the City Council of the City of Versailles, Kentucky, held on the 16th day of April, 2024, and fully adopted after the second reading at a meeting of said council held on the 7th day of May, 2024.

CITY OF VERSAILLES

BRIAN TRAUGOTT, MAYOR

ATTEST:

ELIZABETH REYNOLDS, CITY CLERK

MOTION BY BINGHAM, SECONDED BY JOHNSON TO APPROVE AND ADOPT ORDINANCE 2024-7 AN ORDINANCE AMENDING SECTIONS 33.01 AND 33.02 OF THE VERSAILLES CODE OF ORDINANCES TO INCREASE THE DOLLAR AMOUNT FOR PURCHASES THAT MUST COMPLY WITH THE KENTUCKY MODEL PROCUREMENT CODE.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

At the request of Council member Bradley, City Attorney Moore provided first reading of Ordinance 2024-8 Amending Section 91.05 of the Versailles Code of Ordinances to Restrict the Planting of Trees and Shrubs in the City Cemeteries.

At the request of Council member Bradley, City Attorney Moore provided first reading of Ordinance 2024-9 An Ordinance Of The City Of Versailles, Kentucky Authorizing The Issuance Of Its City Of Versailles, Kentucky General Obligation Bonds, Series 2024a (Federally Taxable) In The Approximate Aggregate Principal Amount Of \$5,435,000 (Which Principal Amount May Be Increased By Up To \$545,000 Or Decreased By Any Amount) For The Purpose Of Financing (I) The Purchase Of Approximately 134 Acres Of Land Within The Jurisdictional Boundaries Of The City To Be Purchased By The City Of Versailles Public Properties Corporation (Ii) The Acquisition, Construction, And Installation Of A Premier Standardbred Training Center, With Capacity To House Up To 700 Horses And To Utilize A Barn And Paddock Layout Designed By Equestrian Architects For The Health And Safety Of Horses In Training, To Be Developed By Standardbred Group, Llc, (Iii) Funding A Debt Service Reserve; (Iv) Funding Capitalized Interest, If Desirable, (V) Paying Costs Of Credit Enhancement, If Any, And (Vi) Paying Costs Of Issuance Of Such Bonds; Approving The Form Of The Bonds; Authorizing The Designated Officers Of The City To Execute And Deliver The Bonds; Authorizing And Directing The Filing Of A Notice With The State Local Debt Officer; Providing For The Payment And Security Of The Bonds; Establishing A Bond Payment Fund For The Bonds; Directing The Maintenance Of The Existing Sinking Fund; Authorizing The Acceptance Of The Bid Of The Purchaser For The Bonds; And Repealing Any Inconsistent Ordinances.

Mayor Traugott stated that Stan Kramer, with First Kentucky Securities, and Alex Riddle, a principal investor in the project, were both present to answer any questions relating to Ordinance 2024-9. He noted that they would not be in attendance at the May 21st council meeting, when it will be on the agenda for second reading.

Mr. Kramer stated that the Ordinance is the result of the Resolution that was recently approved by the Public Properties Corporation and disseminated to the council. The Ordinance authorizes the City of Versailles to issue taxable general obligation bonds in the approximate amount of \$5,435,000 for the purchase and installation of a Standardbred training facility. He noted that the Public Properties Corporation will purchase the land from the City then enter into a lease with the Standardbred training facility.

Council member Johnson asked why the City would bond the project rather than pay cash. Mr. Kramer explained that the cost and liability of the project is transferred to the Standardbred training facility, including principal and interest.

Council member Jones asked why the City is bonding the project rather than the facility securing it's own loan. Mr. Kramer responded that the City can get a lower interest rate that they then pass on and the City retains control over the project. City Attorney Moore noted that it is our way of keeping our obligations under the Edgewood settlement agreement.

**MAY 7, 2024
PAGE FIVE
MINUTES OF SPECIAL COUNCIL MEETING
VERSAILLES MUNICIPAL BUILDING/5:00 P.M.**

Mr. Kramer further explained that there are many other local governments that enter into similar deals for economic development.

Mr. Riddle, principal investor in the project, stated that they have the full support of the racing commission and several area tracks, they have solid commitments from trainers, and that by the Public Properties Corporation leasing them improved land it allows them to slow down their cash expense early in the project.

Council member Dake confirmed that the lease agreement will spell out insurance requirements.

Mayor Traugott stated that he would email the council the current draft of the proposed lease for their review prior to the second reading which will be on the May 21, 2024 agenda.

Mayor Traugott noted that the council had received a copy of the proposed Zoning Text Amendment – Revisions to Articles III, IV, V, and IX. Steve Hunter, Planning Director, went over the draft changes, noting that the processes were spread out and disorganized and that a lot of work went into moving items around to make it simpler for the residents of Versailles and Woodford County. Mayor Traugott stated that an ordinance will be on the next agenda to adopt the proposed text amendments.

Mayor Traugott stated that the agenda item Zoning Map Amendment – Bluegrass Railroad Museum – 175 Beasley Road – A-1 to A-1 & B-1 (Neighborhood Business) would be on the agenda until the council decides how they would like to proceed.

He also noted that the agenda item Zoning Map Amendment – CH Holding Co., LLC – 140 Park Street – CO-1 to B-2 (Central Business) will also stay on the agenda until the council decides how they would like to proceed.

Council member Dake presented Resolution 2024-7 Safe Streets For All Grant. She stated that she has been working with Assistant Public Works Director Dan Knight and Planning and Zoning Engineer Mary Beth Robson in gathering information to apply for the Safe Streets For All Grant. Ms. Dake noted that the grant is for approximately \$300,000 and is a planning grant. The City could then also apply for the implementation grant later on in the project.

MOTION BY DAKE, SECONDED BY MILLER TO APPROVE AND ADOPT RESOLUTION 2024-7 SAFE STREETS FOR ALL GRANT APPLICATION PROCESS.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

Police Chief Mike Murray asked for the council's approval to apply for the COPS Hiring Program Grant which would provide \$120,000 in reimbursement funds for the hiring of additional officers.

MOTION BY BINGAM, SECONDED BY BRADLEY TO APPROVE AND ADOPT A VERBAL RESOLUTION PROVIDING SUPPORT FOR THE APPLICATION OF THE COPS HIRING PROGRAM GRANT.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

Mayor Traugott distributed a draft line-item budget for the Fiscal Year 2024-2025. He noted that property tax rates will likely remain the same with revenue projections showing continued increase as well as an increase in health insurance rates and a cost of living increase for all employees. He stated that CERS hazardous and non-hazardous rates have decreased for the upcoming year. Mayor Traugott provided information for the capital projects that are budgeted.

Public Works Director Bart Miller presented three change orders for the new maintenance garage. Change Order No. 7 in the amount of \$6,031.00 to install lights in the office and data rough-in before drywall. Change Order No. 8 is a credit in the amount of \$8,401.52 for owner purchasing two heaters and DGA gravel. Change Order No. 9 is a credit in the amount of \$4,343.35 for owner purchasing apron concrete from IMI.

**MAY 7, 2024
PAGE SIX
MINUTES OF SPECIAL COUNCIL MEETING
VERSAILLES MUNICIPAL BUILDING/5:00 P.M.**

MOTION BY DAKE, SECONDED BY MILLER TO APPROVE CHANGE ORDER NO. 7 FOR THE NEW MAINTENANCE GARAGE PROJECT IN THE AMOUNT OF \$6,031.00.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

MOTION BY BINGHAM, SECONDED BY DAKE TO APPROVE CHANGE ORDER NO. 8 AND CHANGE ORDER NO. 9 FOR THE NEW MAINTENANCE GARAGE PROJECT IN THE TOTAL CREDIT AMOUNT OF \$12,744.87.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

Mayor Traugott presented two Change Orders for the Downtown Revitalization Project. One for the support building HVAC in the total amount of \$30,407.69 and one for Pro-Sound Requirements in the amount of \$7,693.50.

MOTION BY BRADLEY, SECONDED BY BINGHAM TO APPROVE A CHANGE ORDER FOR THE DOWNTOWN REVITALIZATION PROJECT FOR THE SUPPORT BUILDING HVAC IN THE TOTAL AMOUNT OF \$30,407.69.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

MOTION BY JOHNSON, SECONDED BY BINGHAM TO APPROVE A CHANGE ORDER FOR THE DOWNTOWN REVITALIZATION PROJECT FOR PRO-SOUND REQUIREMENTS IN THE TOTAL AMOUNT OF \$7,693.50.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

Mayor Traugott recommended Tim Middleton to serve the remainder of the unexpired term of Tim Parrott, who recently resigned from the Planning and Zoning Commission.

MOTION BY BRADLEY, SECONDED BY MILLER TO APPOINT TIM MIDDLETON TO THE PLANNING AND ZONING COMMISSION WITH A TERM ENDING DECEMBER 31, 2026.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

Mayor Miscellaneous

Mayor Traugott expressed his sympathy to City employee Brandon Walton in the recent passing of his mother.

He announced that Midway Mayor Stacy Thurman resigned last night, noting the demands of her full-time position with the Woodford County Library. He praised the work she did in her time as Mayor.

He announced the upcoming Work Session on May 14th will include Fiscal Year 2025 budget discussions as well as vape shops and short term rentals.

Mayor Traugott noted that this year's first Block Party will be May 17th on North Main Street and Art in the Park will be held May 17th and 18th, while Leafest is also that weekend.

Council Miscellaneous/ Committee Reports

Council member Bingham reminded everyone of the Juneteenth events – on June 14th 6:00pm-10:00pm there will be a celebration downtown at the new pavilion and on June 15th 3:00pm-8:00pm at Hunteertown Interpretive Park.

Council member Dake wished Council member Johnson a happy birthday today.

Ms. Dake stated that the ninth issue of the City newsletter went out last week.

She noted that the Main Street Clean Sweep was successful with eighteen volunteers and the City beat the Fiscal Court with three volunteers to their two.

**MAY 7, 2024
PAGE SEVEN
MINUTES OF SPECIAL COUNCIL MEETING
VERSAILLES MUNICIPAL BUILDING/5:00 P.M.**

Council member Johnson recognized an exchange student from France in attendance at tonight's meeting.

Council member Miller stated that the Housing Task Force will be in attendance at the May 21st council meeting to provide a presentation of their work so far.

Ms. Miller also thanked the Public Works department for taking the barbed wire down at the Simmons Cemetery.

Department Directors

Public Works Director Miller stated that the Rumpke contract will end on August 31st and he will have proposals at the next council meeting for renewal.

Mr. Miller also announced that they are expecting to be in the new maintenance garage by the next council meeting.

Deputy Johnny Mills, Emergency Management, reminded everyone to be weather aware tonight and tomorrow as storms are expected.

MOTION BY MILLER, SECONDED BY BINGHAM TO ENTER INTO EXECUTIVE SESSION PURSUANT TO KRS 61.810(1)(b) TO DELIBERATE ON THE FUTURE ACQUISITION OR SALE OF REAL PROPERTY AND PURSUANT TO KRS 61.810(1)(c) TO DISCUSS PROPOSED OR PENDING LITIGATION AGAINST OR ON BEHALF OF THE CITY OF VERSAILLES.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

MOTION BY MILLER, SECONDED BY BRADLEY TO RETURN FROM EXECUTIVE SESSION WITH NO ACTION TAKEN.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

MOTION BY MILLER, SECONDED BY DAKE TO ACCEPT THE OFFER PURSUANT TO LETTER OF INTENT DATED MAY 3, 2024 FOR THE PURCHASE OF 168 KROGER WAY (PARCEL NO. 30-0000-044-03) AND A PORTION OF PARCEL NO. 30-0000-044-04.

The vote was as follows: Bingham, Bradley, Dake, Johnson, Jones and Miller voting aye.

Mayor Traugott adjourned the meeting without objections.

APPROVED:

BRIAN TRUGOTT, MAYOR

ATTEST:

ELIZABETH C. REYNOLDS, CITY CLERK