

ORDINANCE NUMBER 15 - 11

AN ORDINANCE ADOPTING THE CITY OF SOMERSET, KENTUCKY ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016 ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS OF THE CITY OF SOMERSET, KENTUCKY; AND ADOPTING THE 2015-2016 FISCAL YEAR WATER AND WASTEWATER RATE STRUCTURE; AND REVIEWING AND APPROVING THE CITY'S CURRENT PAY AND CLASSIFICATION PLAN; AND REVIEWING AND APPROVING THE CITY'S ALCOHOL BEVERAGE CONTROL REGULATORY LICENSE FEE RATE STRUCTURE; ALL WHICH SHALL BE IN EFFECT UPON ADOPTION OF THIS ORDINANCE AND THEREAFTER THE DATE OF PUBLICATION BY LAW, UNLESS OTHERWISE STATED HEREIN; AND

WHEREAS, AN ANNUAL BUDGET PROPOSAL AND MESSAGE HAVE BEEN PREPARED AND DELIVERED TO THE COMMON COUNCIL OF THE CITY OF SOMERSET, KENTUCKY; AND

WHEREAS, ANY NECESSARY AMENDMENTS TO THE CITY'S ANNUAL BUDGET, AND WATER, GAS AND WASTEWATER RATE STRUCTURE, HAS BEEN DETERMINED BY THE COUNCIL AND IS ADOPTED AS SET FORTH HEREIN; AND

WHEREAS, THE CITY'S PAY AND CLASSIFICATION PLAN HAS BEEN REVIEWED AS REQUIRED BY LAW AND ANY NECESSARY AMENDMENTS TO SAID PAY AND CLASSIFICATION PLAN HAS BEEN DETERMINED BY THE COUNCIL AND IS ADOPTED AS SET FORTH HEREIN; AND

WHEREAS THE CITY'S CURRENT ALCOHOL REGULATORY LICENSE FEE RATE STRUCTURE HAS BEEN REVIEWED AS PREVIOUSLY ADOPTED AND AMENDED, AND IS CONFIRMED AS SET FORTH HEREIN;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SOMERSET, KENTUCKY:

SECTION 1. THAT THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016 IS HEREBY ADOPTED AS FOLLOWS:

	REVENUE	EXPENDITURES
GENERAL FUND	\$18,957,595.00	\$18,957,595.00
CEMETERY FUND	\$95,350.00	\$95,350.00

SANITATION SERVICE	\$2,612,500.00	\$2,612,500.00
GAS SERVICE	\$17,131,500.00	\$17,131,500.00
WATER SERVICE	\$7,650,700.00	\$7,650,700.00
WASTEWATER	\$3,182,000.00	\$3,182,000.00
WATER PARK	\$1,399,800.00	\$1,399,800.00
FUEL CENTER	\$217,100.00	\$217,100.00
TRAVEL AND TOURISM	\$200,000.00	\$200,000.00
PARKS AND REC	\$1,230,750.00	\$1,230,750.00
EMS	\$4,477,336.00	\$4,477,336.00
TOTAL ALL FUNDS	\$57,154,631.00	\$57,154,631.00

SECTION 2.

THE CITY OF SOMERSET HEREBY AMENDS THE WATER AND WASTEWATER RATE STRUCTURE AS SET FORTH IN EXHIBIT "A", ATTACHED HERETO AND INCORPORATED IN FULL HEREIN BY REFERENCE, BEGINNING JULY 1, 2015, WHICH SHALL REMAIN IN EFFECT UNTIL SUCH TIME AS IT IS AMENDED OR REPEALED BY PROPER ACTION OF THE COUNCIL.

SECTION 3.

THE CITY OF SOMERSET HEREBY REVIEWS AS REQUIRED BY LAW, AND AMENDS THE CITY'S PAY AND CLASSIFICATION PLAN AS SET FORTH IN EXHIBIT "B", ATTACHED HERETO AND INCORPORATED IN FULL HEREIN BY REFERENCE, BEGINNING ON THE EFFECTIVE DATE OF THIS ORDINANCE, WHICH SHALL REMAIN IN EFFECT UNTIL SUCH TIME AS IT IS AMENDED OR REPEALED BY PROPER ACTION OF THE COUNCIL.

SECTION 4.

THE CITY OF SOMERSET HEREBY REVIEWS, AND APPROVES, THE CITY'S CURRENT ALCOHOL REGULATORY LICENSE FEE RATE STRUCTURE AS SET FORTH IN EXHIBIT "C", ATTACHED HERETO AND INCORPORATED IN FULL HEREIN BY REFERENCE, BEGINNING THE EFFECTIVE DATE OF THIS ORDINANCE, WHICH SHALL REMAIN IN EFFECT UNTIL SUCH TIME AS

IT IS AMENDED OR REPEALED BY PROPER ACTION OF THE COUNCIL.

SECTION 5.

IF ANY PART OF THIS ORDINANCE, INCLUDING BUT LIMITED TO REVIEWS, AMENDMENTS, AND APPROVALS, IS DEEMED BY A COURT OF COMPETENT JURISDICTION TO BE UNENFORCEABLE OR UNCONSTITUTIONAL, THE REMAINING PROVISIONS OF THIS ORDINANCE AMENDMENT, AND ANY UN-AMENDED PORTIONS OF THE ORIGINAL ORDINANCES REFERRED TO HEREIN SHALL CONTINUE IN FULL FORCE AND EFFECT.

SECTION 6.

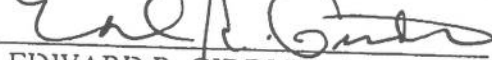
ANY ORDINANCE IN CONFLICT WITH THIS ORDINANCE, OR ANY POLICIES IN CONFLICT WITH THE ONES ENACTED HEREIN ARE REPEALED IN SO FAR AS THE SAME ARE IN CONFLICT HEREWITH.


SECTION 7.

THIS ORDINANCE SHALL TAKE EFFECT AFTER ITS APPROVAL AND UPON THE DATE OF PUBLICATION UNLESS STATED OTHERWISE IN THE BODY OF THIS ORDINANCE.

FIRST READING JUNE 8, 2015

SECOND READING JUNE 22, 2015

APPROVED 
EDWARD R. GIRDLER, MAYOR
CITY OF SOMERSET, KENTUCKY

ATTEST: 
NICK BRADLEY, CITY CLERK

CITY OF SOMERSET, KENTUCKY

WATER RATES

EXHIBIT "A"

EFFECTIVE Jul-15

July, 2015

(THESE RATES DO NOT REFLECT WHOLESALE DISTRICT OR OTHER CONTRACTS)

CITY-ALL CUSTOMERS INCLUDING INDUSTRIAL IN CITY LIMITS

First 1000 gallons Used Per Month	\$7.94
Next 9000	0.296
Next 15000	0.258
Next 25000	0.245
Next 50000	0.226
Next 100000	0.181

FERGUSON

First 1000 gallons Used Per Month	\$10.85
Next 9000	0.43
Next 15000	0.36
Next 25000	0.34
Next 50000	0.32
Next 100000	0.29

ALL OTHER CUSTOMERS INCLUDING INDUSTRIAL OUTSIDE CITY

First 1000 Gallons Used Per Month	\$13.80
Next 9000	0.52
Next 15000	0.48
Next 25000	0.42
Next 50000	0.39
Next 100000	0.35

CITY OF SOMERSET, KENTUCKY

WASTEWATER UTILITY RATES

EFFECTIVE Jul-15

EXHIBIT "A"

(THESE RATES DO NOT INCLUDE WHOLESALE CONTRACTS)

CITY RESIDENTIAL

MINIMUM	\$7.74
11 UNITS AND OVER	0.26

CITY COMMERCIAL AND ALL IN CITY OTHER

MINIMUM	\$10.00
11 UNITS AND OVER	0.36

OUTSIDE CITY LIMITS RESIDENTIAL

MINIMUM	\$13.75
11 UNITS AND OVER	0.55

OUTSIDE CITY LIMITS COMMERCIAL AND OTHER

MINIMUM	\$20.00
11 UNITS AND OVER	0.62

INDUSTRIAL IN CITY LIMITS

MINIMUM	\$20.00
11 UNITS AND OVER	0.37

INDUSTRIAL OUTSIDE CITY LIMITS

MINIMUM	\$25.00
11 UNITS AND OVER	0.62

FERGUSON

MINIMUM	12.48
1000 AND ABOVE	0.44

CITY OF SOMERSET
NATURAL GAS RATES
JULY 2015

Exhibit A-Utility Rates

These rates do not reflect contractual or special rates as may be determined by City for economic development related activities.

CITY RESIDENTIAL

Minimum Charge	\$6.43 (*) Less than 1 unit
All Volumes	7.08

CITY COMMERCIAL

Minimum Charge	7.08 (Any usage less than 1)
All Volumes	7.98

CITY INDUSTRIAL

Minimum Charge	7.50 (Any usage less than 1)
All Volumes	8.93

NON-CITY RESIDENTIAL

Minimum Charge	7.08 (Any usage less than 1)
All Volumes	12.36/DTH

NON-CITY COMMERCIAL/INDUSTRIAL

Minimum Charge	12.15 (Any usage less than 1)
All Volumes	12.36

EDUCATIONAL/SERVICE

Minimum Charge	7.08 (Any usage less than 1)
All Volumes	7.08

HEAVY INDUSTRIAL OR LARGE USERS-NEGOTIATED RATES AND CONTRACT AUTHORIZED

CLASSIFICATION AND PAY SCHEDULE
 CITY OF SOMERSET
 EFFECTIVE Jul-15

TITLE/CLASSIFICATION	NO.	MINIMUM	AVG	MAXIMUM	SUBJECT TO OVERTIME
CITY CLERK	1	40000	19.23	50000	32.93 x
ASST CITY CLERKS	2	18200	8.75	24000	16.83 X
BUDGET DIRECTOR	1	35000	16.83	45000	27.64 X
ACCOUNTANT	2	25000	12.02	30000	31.25 X
CHIEF FINANCIAL OFFICER	1	65000	31.25	70000	38.22 x
ACCOUNTING/CLERKS	4	18200	8.75	24000	19.47 X
PURCHASING AGENT	1	30000	14.42	38000	23.56 X
OFFICE MANAGER/SECRETARY	1	22880	11	28000	17 X
HR DIRECTOR	1	28000	13.46	37000	23.8 X
SAFETY /PROPERTY INS COORDINATOR	1	35000	16.82	40000	22.11 X
CITY ATTORNEY	1	65000	31.25	75000	43.27
HOUSING SPECIALIST	1	28500	13.7	32500	18.27 X
CITY ENGINEER	1	55000	26.44	65000	39.78 X
CITY PLANNER	1	35000	16.83	42500	23.31 X
BUILDING INSPECTOR	1	35000	16.83	40000	22.11 X
CODE ENFORCEMENT	1	35000	16.83	40000	27.88 X(LONGEVITY)
PLANNING ASSISTANTS	3	18720	9	24000	17 X
CLERKS	2	18720	9	24000	18.27 X
INFORMATION TECHNOLOGY	2	40000	19.23	50000	31.25 X
DOWNTOWN DIRECTOR	1	40000	19.23	50000	26.92 X(TRANSFER)
DOWNTOWN ASSISTANT	1	25000	12.02	30000	17.31 X(TRANSFER)
ABC ADMINISTRATOR	1	35000	16.82	45000	24.03 x
ABC LICENSING AND REVENUE COORD	1	28000	13.46	35000	18.27 X

NATURAL GAS DEPARTMENT

DIRECTOR	1	55000	26.44	65000	31.25	75000	36.06 x
OPERATIONS MANAGER	1	35000	16.83	40000	19.23	54000	25.96 X
NG ENGINEER	1	55000	26.44	65000	31.25	73000	35.1 x
ECONOMIC/BUSINESS/MARKETING FOREMEN	4	40000	19.23	45000	21.63	50000	24.04 X
OPERATORS/SPECIALIST	4	30000	14.42	35000	16.83	55000	25 XLONGEVITY
SERVICE TECHNICIANS	6	25000	12.02	30000	14.42	49500	23.8 X
CORROSION TECHNICIANS	4	18200	8.75	30000	14.42	48500	23.31 X
METER READERS/GENERAL	2	30000	14.42	35000	16.83	42000	20.19 X
CLERK/ACCOUNTING	3	18200	8.75	24000	11.53	32990	15.86 X
	2	18200	8.75	24000	11.53	32990	15.86 X

WATER AND SEWER DEPARTMENT

WATER/SEWER DIRECTOR	1	45000	21.63	55000	26.44	71500	34.37 X
TECHNICIANS	22	22500	10.81	35000	16.82	50500	24.28 X
FOREMEN	4	24000	11.53	36000	17.3	50500	24.28 X
PLANT SUPERVISOR/WATER	1	30000	14.42	38000	18.27	55600	26.73 x
COORDINATOR/W-S PROGRAMS	1	28000	13.46	35000	16.82	41000	19.23 X
CROSS CONNECTION SPECIALIST	1	25000	12.01	35000	16.82	41500	18.51 X
EQUIPMENT OPERATORS	3	25000	12.01	35000	16.82	38500	18.51 X
METER READERS/GENERAL	4	18200	8.75	24000	11.53	32990	15.86 X
PLANT SUPERVISOR/SEWER	2	30000	14.42	36000	17.3	60500	26.44 X(LONGEVITY)
ASSISTANT DIRECTOR FOR OPERATIONS	1	35000	16.83	42000	20.19	58000	27.88 XLONGEVITY
OPERATIONS CLERKS	2	18200	8.75	30000	14.42	44930	21.6 X
LIFT STATION TECHNICIANS	2	25000	12.01	35000	16.82	46000	22.11 X
GENERAL	4	18200	8.75	24000	11.53	33000	15.86 X
PRETREATMENT CLERK	1	18200	8.75	24000	11.53	33000	15.86 X

UTILITY BILLING

BILLING SUPERVISOR	1	25000	12.02	28500	13.7	38500	18.51 x
BILLING CLERKS	6	18200	8.75	26000	12.5	41000	19.71 XLONGEVITY

PARKS AND RECREATION

DIRECTOR	1	40000	19.23	47500	22.84	56000	26.92 X
SUPERVISORS/PROGRAM	2	25000	12.01	30000	14.42	40500	19.47 X
PROGRAM SPECIALIST	5	25000	12.01	30000	14.42	40500	19.47 X
ACTIVITIES/MAINTENANCE	5	18200	8.75	25000	12.02	36000	17.31 XLONGEVITY
GENERAL LABORER	2	18200	8.75	22000	10.58	27500	13.22 X
CEMETARY MANAGER	1	28500	13.7	30000	14.42	35000	16.83 X

WATER PARK

MANAGER	1	38000	18.27	44000	21.15	50000	24.04 X
OPERATIONS/SUPERVISOR	1	26000	12.5	34000	16.34	40000	19.23 X
MAINTENANCE	1	18200	8.75	25000	12.01	30000	14.42 X

STREETS AND SANITATION

MANAGER/STREETS	1	36000	17.31	42000	20.19	56000	26.92 X
FOREMAN	2	26000	12.5	32000	15.38	43500	20.91 X
SOLID WASTE HANDLERS	11	18200	8.75	32000	15.38	48000	23.08 X
TRUCK DRIVERS	4	24000	11.54	32000	15.38	48500	23.31 X
SERVICE WORKERS	9	18200	8.75	25000	12.01	45000	21.63 XLONGEVITY
MECHANICS	2	22800	10.96	30000	14.42	46000	22.11 XLONGEVITY
CLERK	2	18200	8.75	25000	12.01	30000	14.42 X
MANAGER/SANITATION	1	36000	17.31	42000	20.19	56000	26.92 X

FUEL CENTER

MANAGER	1	26000	12.5	32000	15.38	36500	17.54 X
CLERK	1	18200	8.75	24000	11.54	28000	13.46 X

FIRE DEPARTMENT

FIRE CHIEF	1	42000	20.19	48000	23.08	58000	27.89 X
TRAINING OFFICER /CAPTAIN	1	37000	17.79	43000	20.67	55000	26.44 X
MAJOR	3	34000	16.34	38500	18.51	59000	28.37 X
CAPTAIN	3	32000	15.38	37500	18.03	52000	23.55 X
LIEUTENANT	7	30500	14.66	33500	16.1	49000	23.56 X
FIREFIGHTERS	12	23000	11.06	26500	12.74	44000	21.15 X

POLICE DEPARTMENT

POLICE CHIEF	1	45000	21.63	55000	26.44	62000	29.81 X
CAPTAIN	4	37500	18.01	45000	21.63	56000	26.92 X(LONGEVITY)
LIEUTENANTS	3	35000	16.82	42500	20.43	50000	24.01 X
SARGENTS	3	32500	15.62	40000	19.23	47500	22.84 X
DETECTIVES	3	35000	16.82	42500	20.43	50000	24.01 X
POLICE OFFICERS	25	23000	11.05	35000	16.82	42000	20.19 X
PROPERTY OFFICER	1	18200	8.75	25000	12.02	34000	16.35 X
SPANISH LIASON	1	18200	8.75	25000	12.01	30000	14.42 X
CLERK/DATA ENTRY	2	18200	8.75	25000	12.01	38000	18.27 LONGEVITY
SAFETY OFFICER	1	18200	8.75	25000	12.02	30000	14.42 X

EMS DEPARTMENT

EMS CHIEF	1	48000	23.08	54000	25.96	60000	28.85 X
MAJOR	3	44000	21.15	50000	24.04	55000	26.44 X
CAPTAIN	4	42000	20.19	48000	23.01	53000	25.48 X
LIEUTENANT	4	35000	18.27	40000	19.23	51000	24.52 X
PARAMEDICS(*)	29	30000	14.42	35000	16.83	45000	21.63 X
EMT (*)	6	23000	11.06	28000	13.46	36000	17.31 X
TRAINING DIRECTOR	1	26000	12.5	35000	16.83	45000	21.63 X
OFFICE/CLERICAL	3	18200	8.75	28500	13.7	41500	19.95 LONGEVITY
EMS QUALITY ASSURANCE	1	26000	12.5	28500	13.7	38000	18.27 X

(*) PARAMEDICS AND EMT INTERCHANGEABLE WITH POSITIONS

City of Somerset

Alcoholic Beverage Regulatory License Fee Schedule

- All alcoholic beverages sold by the drink 6% of gross sales
- Retail sales of package distilled spirits and wine 5% of gross sales
- Retail sales of package malt beverages 4% of gross sales

**CITY OF SOMERSET
FINDING IN SUPPORT OF
ALCOHOLIC BEVERAGE REGULATORY LICENSE FEE SCHEDULE**

At the regularly scheduled meeting of the Common Council of the City of Somerset, Kentucky, held on Monday, June 22, 2015, the Council met and upon motion and sufficient vote as reflected in the minutes, hereby, approved and made the following findings in support of the City of Somerset's Alcoholic Beverage Regulatory License Fee Schedule, which was adopted by Alcohol Beverage Control Ordinance 13-19 and which is attached as Exhibit C to the 2015-2016 Budget of the City of Somerset. The City Clerk is hereby directed to make and include these findings as an addition to this Exhibit C of the 2015-2016 Budget.

1. Pursuant to KRS 243.075(1), the City of Somerset "is authorized to impose a regulatory license fee upon the gross receipts of the sale of alcoholic beverages," which "may be levied at the beginning of each budget period."
2. City of Somerset Ordinance 12-09 first imposed and levied the regulatory license fee authorized by KRS 243.075(1) and the fee has continued to be levied by the City's budget ordinance for each budget period thereafter, including the City's 2015-2016 budget herein.
3. The fee authorized by KRS 243.075(1) is subject to KRS 243.075(4) "[a]fter July 15, 2014," which becomes applicable to the City beginning with its 2015-2016 budget period from July 1, 2015 through June 30, 2016.
4. In relevant part, KRS 243.075(4) requires:

[The fee] shall be established at a rate that will generate revenue that does not exceed the total of the reasonable expenses actually incurred by the city or county in the immediately previous fiscal year for the additional cost, as demonstrated by reasonable evidence, of:

- (a) Policing;
- (b) Regulation; and
- (c) Administration;

as a result of the sale of alcoholic beverages within the city or county.

5. For the City's 2015-2016 budget period, the alcohol regulatory license fee rates levied above are estimated to generate revenues in the amount of \$600,000.00.

6. Pursuant to and in accordance with KRS 243.075(4), it is the finding of the City Council of the City of Somerset that revenues in the amount of \$600,000.00 do not exceed the total reasonable expenses for the additional costs of policing, regulation, and administration incurred by the City from the immediately previous fiscal year as a result of the sale of alcoholic beverages based on the following reasonable evidence:
- a. Personnel costs for the City's Alcoholic Beverage Control office have been \$172,896.07 (including compensation and benefits) for July 2014 through May 2015, with data for June 2015 incomplete at the time of preparation of these findings. Final personnel costs to include June 2015 are reasonably estimated to be \$189,000.00.¹ It is the finding of the City Council that these personnel costs to staff the City's Alcoholic Beverage Control office were actually incurred and reasonable for the regulation and administration of the sale of alcoholic beverages within the City.
 - b. Rent for the City's Alcoholic Beverage Control office is \$1,000.00 per month, or \$12,000.00 annually.² It is the finding of the City Council that this rent for the City's Alcoholic Beverage Control office was actually incurred and reasonable for the regulation and administration of the sale of alcoholic beverages within the City.
 - c. Other operating costs (excluding personnel and rent) reported by the City's Alcoholic Beverage Control office have been \$69,513.80 for July 2014 through May 2015, with data for June 2015 incomplete at the time of preparation of these findings. Final operating costs to include June 2015 are reasonably estimated to be \$76,000.00.³ It is the finding of the City Council that these operating costs for the City's Alcoholic Beverage Control office were actually incurred and reasonable for the regulation and administration of the sale of alcoholic beverages within the City.
 - d. In addition to operating costs reported by the City's Alcoholic Beverage Control Office, the City's departments, including its Alcoholic Beverage Control office, receive general and administrative support from the City for certain operations, such as accounting, payroll, human resources, etc. The City's total allocable general and administrative expenses have been \$2,368,584.51 for July 2014 through May 2015, with data for June 2015 incomplete at the time of preparation of these findings. Final total allocable general and administrative expenses to include June 2015 are reasonably estimated to be \$2,583,910.37. Using total department costs less out of ordinary expenses to allocate general and administrative expenses, the Alcoholic

¹ Source: Expense reports maintained by Somerset Chief Finance Officer Michelle King. For convenience, final projected costs have been rounded to the nearest thousand. Since data for 2014-2015 is incomplete, the figures are unaudited at this time. However, the findings are believed to be conservative and reasonable because final figures will likely increase.

² Source: Expense reports maintained by Somerset Chief Finance Officer Michelle King.

³ Source: Expense reports maintained by Somerset Chief Finance Officer Michelle King. For convenience, final projected costs have been rounded to the nearest thousand. Since data for 2014-2015 is incomplete, the figures are unaudited at this time. However, the findings are believed to be conservative and reasonable because final figures will likely increase.

Beverage Control office's allocation is 1.10%, which equals \$28,000.⁴ It is the finding of the City Council that these allocated general and administrative expenses for the City's Alcoholic Beverage Control office were actually incurred and reasonable for the regulation and administration of the sale of alcoholic beverages within the City.

- e. Total operating expenses for the City's Police Department have been \$3,086,047.73 for July 2014 through May 2015, with data for June 2015 incomplete at the time of preparation of these findings. Final operating costs to include June 2015 are reasonably estimated to be \$3,367,000.00.⁵ It is the finding of the City Council that the sale of alcoholic beverages within the City has consumed at least 10% or more of the Police Department's resources through additional policing costs, which equals at least \$337,000.00 of the Police Department's operating budget. The reasonable evidence in support of this finding includes:
 - i. Since the City discontinued prohibition in mid-2012, the increase in arrests for all crimes as well as for alcohol-specific offenses has been significant and well above average. Table 1.1 compares arrests for all crimes as well as for alcohol-specific offenses from 2011 (the City's last full year of prohibition) with 2013 and 2014 (the City's first two full years of alcohol sales). Table 1.2 reflects the average number of arrests for all crimes as well as for alcohol-specific offenses for the three-year period from 2009 to 2011 with the two-year period from 2013 to 2014. The City's 2013 and 2014 arrests ranged from 19% to 29% higher from 2011. Although DUI arrests did not increase as dramatically, AI arrests spiked by 57% during those time periods. Based on multi-year average comparisons, total arrests increased by 20% and AI arrests increased by 37%.⁶

Table 1.1

	2011	2013	2014	% Change
Total arrests all crimes	1,572	1,871	2,025	19% increase between 2011 and 2013 29% increase between 2011 and 2014
DUI arrests	237	259	235	9% increase between 2011 and 2013 No increase between 2011 and 2014
AI arrests	125	196	196	57% increase from 2011 compared to 2013 and 2014

⁴ Source: Department General and Administrative Expense allocation based on total department cost prepared by Somerset Chief Finance Officer Michelle King. For convenience, final projected allocation has been rounded to the nearest thousand. Since data for 2014-2015 is incomplete, the figures are unaudited at this time. However, the findings are believed to be conservative and reasonable because final figures will likely increase.

⁵ Source: Expense reports maintained by Somerset Chief Finance Officer Michelle King. For convenience, final projected costs have been rounded to the nearest thousand. Since data for 2014-2015 is incomplete, the figures are unaudited at this time. However, the findings are believed to be conservative and reasonable because final figures will likely increase.

⁶ Source: Crime data maintained by the Somerset Police Captain Shannon Smith.

Table 1.2

	2009 to 2011 avg.	2013 to 2014 avg.	% Change
Total arrests all crimes	1,628	1,948	20% more arrests for all crimes
DUI arrests	300	247	21% less DUI arrests
AI arrests	143	196	37% more AI arrests

- ii. The increase in arrests after prohibition was discontinued as reflected by Somerset’s internal police crime data is corroborated by county-wide arrest data. In addition to Somerset’s Police Department, several other law enforcement agencies operate within Somerset and/or Pulaski County. Published county-wide arrest data, which includes all of these agencies, establishes similar increases in arrest data. Table 2 compares 2011 to 2013 arrest data. Total arrests in Pulaski County increased by 48% from 2011 to 2013 and drunkenness offenses increased by 25%, which corroborates the City’s arrest data. While DUI arrests by Somerset’s Police Department only increased by 9% from 2011 to 2013, DUI arrests in Pulaski County by all law enforcement agencies increased by 27%.⁷

Table 2

	2011	2013	Increase
Total arrests all crimes	3,416	5,046	48%
DUI arrests	377	478	27%
Drunkenness arrests	266	333	25%

- iii. The correlation between discontinuing prohibition and increased police activity is not isolated to the City of Somerset or Pulaski County. The most recent state-wide published arrest data also reflects higher arrest rates for jurisdictions having discontinued prohibition (wet counties) compared to jurisdictions that have not (dry counties). Table 3.1 compares 2013 arrest data for all crimes between dry counties (all of which have populations below 30,000) and similarly sized wet counties with populations below 30,000 as well as wet counties with populations between 30,000 and 90,000. Tables 3.2 and 3.3 reflect the same comparison for 2013 DUI and drunkenness arrest data. To adjust for population differences, total arrests were divided by total population and then multiplied by 1000 to compute arrest rates per 1000

⁷ Source: Kentucky State Police, Crime in Kentucky (2011) and (2013) (available at www.kentuckystatepolice.org). County-wide arrest data published by Kentucky State Police is not yet available for 2014.

persons. The arrest rates for jurisdictions having discontinued prohibition are 30% to 60% higher, which further corroborates the City's arrest data.⁸

Table 3.1

	Arrest rate all crimes	Increase
Dry Counties (below 30K pop.)	77.6	-
Wet Counties (below 30K pop.)	100.5	30% higher arrest rate than dry counties
Wet Counties (30K to 90K pop.)	115.6	49% higher arrest rate than dry counties

Table 3.2

	DUI arrest rate	Increase
Dry Counties (below 30K pop.)	5.1	-
Wet Counties (below 30K pop.)	8.2	61% higher DUI arrest rate than dry counties
Wet Counties (30K to 90K pop.)	7.6	49% higher DUI arrest arrest than dry counties

Table 3.3

	Drunkenness arrest rate	Increase
Dry Counties (below 30K pop.)	3.9	-
Wet Counties (below 30K pop.)	5.8	49% higher drunkenness arrest rate than dry counties
Wet Counties (30K to 90K pop.)	5.7	46% higher drunkenness arrest rate than dry counties

⁸ Source: Kentucky State Police, Crime in Kentucky (2013) (available at www.kentuckystatepolice.org); Kentucky Department of Alcoholic Beverage Control, Wet-Dry-Moist Territories (January 2015) (available at www.abc.ky.gov); U.S. Census Bureau, Annual Estimates of Resident Population (July 2014) (available at www.factfinder.census.gov). The 2013 crime report is the most recent state-wide published crime data; the 2014 crime report has not yet been released by Kentucky State Police. Since 2013 crime data was used, 2013 population estimates were also used, which were released as recently as July 2014. To compare dry and wet jurisdictions, dry counties include those for which prohibition had not been discontinued by the county or any cities or precincts within the county while wet counties included those for which prohibition had been discontinued by the county or all of its cities. Counties which were moist or wet in some but not all cities or precincts were not compared because of the difficulty in evaluating and controlling for the effect of partial or limited introduction of alcohol sales.

- iv. The 2013 and 2014 increase in the City's arrests has been demonstrably above average and coincides with prohibition having been discontinued, which has been further correlated with increased arrest rates throughout Pulaski County as well as in other jurisdictions that have also discontinued prohibition. While many variables may influence arrest data, it is the opinion of Somerset Police Chief Doug Nelson that the sale of alcoholic beverages has been an appreciable factor in the City's above-average 2013 and 2014 increases in arrests. The City Council credits the opinion of Chief Nelson as reasonable evidence based on: (a) his experience and expertise from managing the police department for ___ years; (b) his first-hand knowledge of the police department's operations both before and after prohibition was discontinued within the City in mid-2012; and (c) the corroborating local and state statistical data.
- v. It is also the finding of the City Council that an estimated 10% increase in police activity and corresponding consumption of police department resources is supported by reasonable evidence. State arrest data indicates increased police activity in the range of 30% to 60% for jurisdictions having discontinued prohibition, with most increases measuring between 40% and 50%. Somerset's 2013 and 2014 arrest data indicates increased police activity in the range of 20% to 30% after prohibition was discontinued, which Chief Nelson has attributed, in part, to the sale of alcoholic beverages within the City based on his experience and observation. The estimated 10% increase in police activity and corresponding consumption of resources is conservatively below the statistical ranges above and is accordingly reasonable.
- f. Some of the City's policing requires and is performed in conjunction with assistance from the City's Fire Department and EMS services. Total operating expenses for the City's Fire Department have been \$1,861,020.02 for July 2014 through May 2015, with data for June 2015 incomplete at the time of preparation of these findings. Final operating costs to include June 2015 are reasonably estimated to be \$2,030,000.00.⁹ Total operating expenses for the City's EMS have been \$3,485,416.65 for July 2014 through May 2015, with data for June 2015 incomplete at the time of preparation of these findings. Final operating costs to include June 2015 are reasonably estimated to be \$3,802,000.00.¹⁰ It is the finding of the City Council that the sale of alcoholic beverages within the City has consumed approximately 5% of the Fire Department and EMS resources through additional policing assistance, which equals \$292,000.00

⁹ Source: Expense reports maintained by Somerset Chief Finance Officer Michelle King. For convenience, final projected costs have been rounded to the nearest thousand. Since data for 2014-2015 is incomplete, the figures are unaudited at this time. However, the findings are believed to be conservative and reasonable because final figures will likely increase.

¹⁰ Source: Expense reports maintained by Somerset Chief Finance Officer Michelle King. For convenience, final projected costs have been rounded to the nearest thousand. Since data for 2014-2015 is incomplete, the figures are unaudited at this time. However, the findings are believed to be conservative and reasonable because final figures will likely increase.

of the combined operating budgets of those two departments. The reasonable evidence in support of this finding includes:

- i. When police respond to fatal or non-fatal injury vehicular accidents, both fire and EMS generally respond to assist. Since the City discontinued prohibition in mid-2012, the increase in alcohol-related fatal and non-fatal injury vehicle accidents has been above average. Table 4.1 compares total alcohol-related fatal and non-fatal injury accidents from 2011 (the City's last full year of prohibition) with 2013 (the City's first full year of alcohol sales) in proportion to total fatal and non-fatal injury accidents during both of those years. Table 4.2 reflects the same data compared to a three-year average from 2009 to 2011 before prohibition was discontinued. Although the number of fatal and non-fatal accidents declined in 2013 by 19% to 28% compared to 2011 and the three-year 2009 to 2011 average, the number of alcohol-related accidents nearly doubled by comparison. Due to the declining total accidents and increasing alcohol-related accidents, the proportion of alcohol-related accidents more than doubled from 3.9% to 8.8%.¹¹ For reported collisions, Somerset Police Department records also indicate whether drinking is suspected. Somerset Police Department records also reflect a near doubling of suspected alcohol-related vehicular collisions in 2013 compared to 2009 to 2011, which is reflected by Table 4.3.¹²

Table 4.1

	2011	2013	% Change
Alcohol-related fatal and non-fatal vehicle accidents	12	23	92% increase
Total fatal and non-fatal vehicle accidents	311	262	19% decrease
Proportion	3.9%	8.8%	-

¹¹ Source: Kentucky State Police, Traffic Collision Facts (2009), (2010), (2011), and (2013). The traffic collision facts published by Kentucky State Police do not reflect city-by-city statistics but are aggregated based on state and county jurisdictions only; however, the City's EMS responds county-wide. Tables 4.1 and 4.2 reflect traffic collision facts published for Pulaski County for 2009, 2010, 2011, and 2013. Since prohibition was discontinued in mid-2012, the data from that year has not been included. Traffic collision data for 2014 has not yet been published by the Kentucky State Police. Neither the City's fire nor EMS services maintain internal statistics distinguishing alcohol from non-alcohol incidents. The City's Fire Department does not respond county-wide but collisions within the City account for most of Pulaski County's collision data.

¹² Source: Crime data maintained by the Somerset Captain Shannon Smith.

Table 4.2

	2009-2011 Average	2013	% Change
Alcohol-related fatal and non-fatal vehicle accidents	13	23	77% increase
Total fatal and non-fatal vehicle accidents	335	262	28% decrease
Proportion	3.9%	8.8%	-

Table 4.3

	2009	2010	2011	2013
Collisions for which police reported that alcohol was suspected	15	10	17	28

- ii. It is the opinion of Somerset Fire Chief Stephen Jasper that the sale of alcoholic beverages is an appreciable factor in the above-average 2013 increases in alcohol-related fatal and non-fatal vehicle accidents. The City Council credits the opinion of Chief Jasper as reasonable evidence based on: (a) his experience and expertise from working within emergency services for five years; (b) his first-hand knowledge of the fire department's operations both before and after prohibition was discontinued within the City in mid-2012; and (c) the corroborating statistical data.
- iii. It is the opinion of Somerset/Pulaski EMS Chief Duncan that the sale of alcoholic beverages is an appreciable factor in the above-average 2013 increases in alcohol-related fatal and non-fatal vehicle accidents. The City Council credits the opinion of Chief Duncan as reasonable evidence based on: (a) his experience and expertise from managing the EMS department for ___ years; (b) his first-hand knowledge of EMS department operations both before and after prohibition was discontinued within the City in mid-2012; and (c) the corroborating statistical data
- iv. In addition to assisting with police with fatal and non-fatal vehicle accidents, fire and EMS also assist police on other non-vehicular calls. Although data is unavailable regarding whether these calls involved alcohol, it is the opinion of Chief Jasper and Chief Duncan, based on their experience and observation, that alcohol-related non-vehicular calls have increased in similar proportion, with the sale of alcoholic beverages being a factor for that increase. The City Council credits the opinions of Chief Jasper and Chief Duncan for the same reasons stated above.

v. Based on the opinions of Chief Jasper and Chief Duncan as well as the statistical data, the proportion of alcohol-related calls to assist police has increased by approximately 5%. It is the finding of the City Council that an estimated 5% increase in police assistance and corresponding consumption of fire and EMS resources related to the sale of alcoholic beverages within the City is supported by reasonable evidence.

7. From the above findings, the total reasonable expenses for the additional costs of policing, regulation, and administration incurred by the City from the immediately previous fiscal year as a result of the sale of alcoholic beverages based on reasonable evidence includes the sums identified by Table 5, which do not exceed the \$600,000.00 revenues estimated to be generated from the City's alcohol regulatory license fee rates for the 2015-2016 budget period.

Table 5

Expense	Amount
ABC personnel (compensation and benefits)	\$189,000.00
ABC office space rental	\$12,000.00
ABC operating expenses (excluding personnel and rent)	\$76,000.00
ABC general and administrative expense allocation (1.10% of City's total)	\$28,000
Increased consumption of police department resources (10% of operating budget)	\$337,000.00
Increased consumption of fire and EMS resources (5% of combined operating budgets)	\$292,000.00
Total	\$934,000.00

8. Since it is the finding of the City Council based on reasonable evidence that total reasonable expenses for the additional costs of policing, regulation, and administration incurred by the City from the immediately previous fiscal year as a result of the sale of alcoholic beverages do not exceed the \$600,000.00 revenues estimated to be generated from the City's alcohol regulatory license fee rates, it is the further finding that the alcohol regulatory license fee rates levied by the City comply with KRS 243.075(4).