



**Matthew G. Bevin**  
Governor

**COMMONWEALTH OF KENTUCKY**  
**TRANSPORTATION CABINET**  
Frankfort, Kentucky 40622  
[www.transportation.ky.gov/](http://www.transportation.ky.gov/)

**Greg Thomas**  
Secretary

May 1, 2018

Dear Judge,

Due to the circumstances surrounding the *passage of and now validity to* the bills passed in the 2018 Regular Session, more specifically the Transportation Cabinet's Budget, House Bill 201 (HB 201), the Department of Rural and Municipal Aid made the decision to delay the release of the County Cooperative Agreement and Resolution. However, the Kentucky Transportation Cabinet recognizes your need to make budgetary forecasts, and therefore has chosen to release this Agreement and Resolution to you with the notification and acknowledgement, that funds will be held for disbursement until HB 201 is ruled valid. The funding allocation amounts within your agreement are based on the passing of HB 201. Should HB 201 be deemed invalid, causing the road fund to endure any alterations in a legislative special session, then this Agreement and Resolution will be null and void. We appreciate your patience and understanding in this matter.

With that said, the Department for Rural and Municipal Aid would like to extend an invitation to participate in the Cooperative Program for fiscal year 2019. Participation in the Cooperative Program allows you to enter into an agreement with the Transportation Cabinet for the expenditure of your allotted share of the County Road Aid Funds. This program provides the eligible opportunity to receive emergency funding assistance for unforeseen County emergencies. Three percent (3%) of each participating County's apportionment is placed into the emergency fund for emergency needs.

Counties that choose to participate in the Cooperative Program will receive three payments annually. For participating governments during fiscal year 2019, we will make sixty percent (60%) of the total projected revenue available on August 1, 2018. The remaining funds will be made available later in the fiscal year with the final payment being made at the end of the fiscal year after the actual gas receipt collections are tabulated. Please note there are no administrative charges to the program. Counties which choose not to participate in the program will receive County Road Aid funding on a monthly basis through the Department for Local Government (502-892-3487). The monthly funds received are based on the motor fuels sales of the preceding month.

If you are interested in participating in the Cooperative Program, you must print, sign and return the original version of the enclosed agreement to our office by July 1, 2018. If you require additional information, please feel free to contact our office by phone at (502) 564-2060, option no. 2, or email the Rural Secondary Engineering Branch Manager Craig Caudill ([Craig.Caudill@ky.gov](mailto:Craig.Caudill@ky.gov)).

Sincerely,

Gray Tomblin II, Commissioner  
Department of Rural and Municipal Aid

Enclosed: FY 2019 County Cooperative Agreement



An Equal Opportunity Employer M/F/D

COUNTY ROAD AID COOPERATIVE  
PROGRAM AGREEMENT

THIS AGREEMENT, entered into as of the date of the signature below of the Secretary of the Transportation Cabinet, is made by and between the Commonwealth of Kentucky, Transportation Cabinet, Department of Rural and Municipal Aid (“the Department”), and the Fiscal Court of **MARSHALL** County, Kentucky (the “County”).

WHEREAS, Kentucky Revised Statutes (KRS) § 177.320(2) provides that 18.3% of revenue resulting from the imposition of motor fuel taxes on taxpayers pursuant to KRS § 138.220(1)(2), KRS § 138.660(1)(2), and KRS § 234.320 shall be set aside for the construction, reconstruction, and maintenance of county roads and bridges provided by KRS 179.410 and 179.415, (“County Road Aid Funds”), and

WHEREAS, the County has accepted an invitation from the Department to allow it to participate in a cooperative program to aid the County in the construction, reconstruction, and maintenance of certain roads and bridges using its share of the County Road Aid Funds apportioned to it by the Department as provided below (the “Cooperative Program”), and

NOW THEREFORE, in consideration of the terms and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Department and the County agree as follows:

1. Apportionment of County Road Aid Funds. The County’s apportionment of County Road Aid Funds shall be based on revenue estimates supplied by the Office of State Budget Director. For the Fiscal Year beginning July 1, 2018, this amount is **\$1,297,628.94** (the “Apportionment”). The Apportionment shall be distributed by the Department to the County in accordance with the terms of this Agreement.

2. Assignment of the Apportionment. The County hereby assigns all of its right, title and interest in and to the Apportionment to the Transportation Cabinet's Division of Accounts for Fiscal Year 2019.

3. Distribution of County Road Aid Funds. The County and the Department agree that the Apportionment shall be distributed by the Department to the County as follows:

a. First Distribution. The Department shall initially distribute to the County sixty percent (60%) of the Apportionment, less three percent (3%) of the Apportionment set aside for the emergency fund below. This initial amount is **\$755,220.00**.

b. Second Distribution. The Department shall distribute up to and including an additional thirty percent (30%) of the Apportionment to the County, less three percent (3%) of the Apportionment set aside for the emergency fund below. The amount of the second distribution will depend on how actual revenues compare to revenue estimates.

c. Final Distribution. The Department shall allocate and distribute the remaining balance of the Apportionment, less three percent (3%) set aside for the emergency fund below. The Final Distribution shall be based on actual revenues tabulated after the end of the fiscal year (June 30).

4. Emergency Fund. The County agrees that three percent (3%) of the Apportionment shall be withheld by the Department in an emergency fund (the "Emergency Fund"). The Emergency Fund shall include three percent (3%) of the total apportionments of all participants in the Cooperative Program, plus any remaining balances from previous fiscal years. The Department, upon written application from a duly authorized representative of the County, may disburse up to fifty percent (50%) of the approved funds to the County for the purpose of it using said funds for emergency roadway and bridge projects designated by the County. Following the completion of the project, after final cost documentation has been submitted and processed, the

Department will then distribute the determined remaining amount. If the actual cost of an emergency project is less than the amount of emergency funds disbursed by the Department, then the County shall reimburse the difference to the Department.

5. Disbursement of Funds. Upon execution of this Agreement, the Department will disburse the foregoing allocated funds directly to the County to pay for materials, labor and equipment necessary for the County to accomplish construction, reconstruction, and maintenance on county roads designated by the County. This assistance is extended insofar as funds are available from the Apportionment. The County shall be responsible for all costs associated with the construction, reconstruction and maintenance of roadways and bridges in excess of the amount of the Apportionment allocated and disbursed by the Department to the County. The Department may assist the County in fulfilling its needs by disbursing funds to the County for materials and work performed by contract, for materials obtained by contract and for the rental or purchase of road maintenance and construction equipment. Any rental rates shall be based on current edition of the "Blue Book for Rental of Equipment" or the Department's official rental rates. The Department may also disburse funds to the County for the hourly rate for personnel who perform the work. This rate may include employee fringe benefits such as leave overlay, retirement, social security, insurance, etc.

6. Use of County Road Aid Funds. The County agrees and certifies that the Apportionment will be expended by the County solely for the purpose of construction, reconstruction, and maintenance of county roads as defined in KRS § 178.010(1)(b).

7. Rights of Way. The County, if required under applicable law, will acquire any rights-of-way contemplated under this Agreement and assumes responsibility for any claims for damages arising from such acquisitions.

8. Indemnification. The County shall fully indemnify, hold harmless and defend the Department from and against all claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation reasonable attorney's fees and costs), whether or not involving a third party claim, which arise out of, relate to or result from (a) any breach of any representation or warranty of the County contained in this Agreement, (b) any breach of any covenant or other obligation or duty of the County under this Agreement or under applicable law, in each case whether or not caused by the negligence of the Department and whether or not the relevant claim has merit.

9. Reimbursement of Losses. The County will reimburse the Department for losses it may sustain arising out of performance of this Agreement. Such loss as sustained by the Department may be charged to the Apportionment in this or future fiscal years.

10. Termination of Agreement. The Department reserves the right to cancel this Agreement at any time deemed to be in the best interest of the Department by giving thirty (30) days written notice of such cancellation to the County. If this Agreement is canceled under this provision, then the County will receive any unpaid portion of the Apportionment from the Department for Local Government.

11. Access to Records. The County acknowledges and agrees that pursuant to KRS § 179.415(3) it shall retain all records of the expenditures of the Apportionment for a period of five (5) years and said records, including any books, documents, papers, records, or other evidence, which are directly pertinent to this agreement [records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent and shall be exempt from disclosure as provided in KRS 61.878(1)(c)], shall be subject to audit by the Department for Local Government or its duly authorized agent and made accessible by the County

to the Department for Local Government or its duly authorized agent for said period of time in order to determine the proper expenditure of said money for the purposes required by KRS § 177.320(2). The County also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS § 61.870 to KRS § 61.884.

12. Authorization. The Fiscal Court of the County shall pass a resolution adopting and approving the terms of this Agreement in the form of the resolution attached to this Agreement and made a part hereof. The County Judge/Executive of the County, and the Commissioner of the Department, or their authorized representatives, insofar as their actions are in accord with the laws of the Commonwealth of Kentucky, shall act for their respective parties on all matters arising under this Agreement.

13. Choice of Law and Venue. All questions as to the execution, validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. Furthermore, the parties hereto agree that any legal action which is brought on the basis of this Agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the dates listed below.

**MARSHALL COUNTY FISCAL COURT**

BY: \_\_\_\_\_  
County Judge/Executive

Date: \_\_\_\_\_

**DEPARTMENT OF RURAL AND MUNICIPAL AID  
OFFICE OF RURAL & SECONDARY ROADS**

BY: \_\_\_\_\_  
Commissioner

Date: \_\_\_\_\_

**APPROVED AS TO FORM AND LEGALITY:**

BY: \_\_\_\_\_  
Office of Legal Services

Date: \_\_\_\_\_

**COMMONWEALTH OF KENTUCKY  
TRANSPORTATION CABINET**

BY: \_\_\_\_\_  
Secretary of the Transportation Cabinet

Date: \_\_\_\_\_

R E S O L U T I O N

Fiscal Court of MARSHALL County

Resolution adopting and approving the execution of a County Road Aid Coop Program Contract between the Fiscal Court and the Commonwealth of Kentucky, Transportation Cabinet, Department of Rural and Municipal Aid, for the fiscal year beginning July 1, 2015, as provided in the Kentucky Revised Statutes and accepting all roads and streets referred to therein as being a part of the County Road System.

Be it resolved by the Fiscal Court that:

The Fiscal Court does hereby accept all roads and streets referred to in said contract as being a part of the County Road System; and

The Fiscal Court does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in said Contract and does hereby accept said Contract and by such acceptance agrees to all the terms and conditions therein stated; and

The County Judge/Executive of the county is hereby authorized and directed to sign said Contract as set forth on behalf of the Fiscal Court of MARSHALL County, and the County



Clerk of MARSHALL County is hereby authorized and directed to certify thereto.

The vote taken on said Resolution, the result being as follows: AYES NAYS

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

COMMONWEALTH OF KENTUCKY ( SS MARSHALL )

I, \_\_\_\_\_, County Clerk of MARSHALL County certify that the foregoing is a true copy of the Order above. Given under my hand and seal of office this the \_\_\_\_ of \_\_\_\_\_, 2018.

SIGNED \_\_\_\_\_

CLERK OF MARSHALL COUNTY