PLANNING AND DEVELOPMENT SERVICES COUNCIL
Business Meeting Minutes: June 21, 2018

President (Mayor) David Jansing called the quarterly business meeting to order at approximately 6:05 PM in the Commission Chambers at the PDS Building in Fort Mitchell. Attendance of members was as follows.

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>POSITION</th>
<th>NAME</th>
<th>PRESENT</th>
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<td>Alternate</td>
<td>Councilman Carl Dietz</td>
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* Indicates the jurisdiction was represented during votes taken by the Council.

* President ** Vice President *** Secretary
PDS Board Members Present: Sherry Carran and Tom Litzler.

Others Present: Craig Bohman, City of Villa Hills; Garry Edmondson, PDS Legal Counsel; James Parsons, Keating, Muething & Klekamp, PLLC; and Tom West, City of Covington.

PDS Staff Present: Trisha Brush, GISP, Director of GIS Administration; Jan Crabb, PHR, Finance/HR Administrator; Nicole Cullum, CB, Accountant; Scott Hiles, CPC, Director of Infrastructure Engineering; Emi Randall, AICP, RLA, Director of Planning and Zoning; Brian Sims, Chief Building Official; Dennis Andrew Gordon, FAICP, Executive Director; and Lori Remley, Executive Assistant/Office Manager.

President Jansing led members in a moment of silence and the Pledge of Allegiance.

Mr. Edmondson administered the oath of office to the 2018 Council alternates from Ludlow and Villa Hills who were not present at the February or April meetings.

President Jansing requested Ms. Remley call the roll to determine whether a quorum was present. Upon hearing the results, he asked that the record show a quorum of the Council was present.

Ongoing Business

President Jansing asked if there were any changes to the agenda. With none, he asked if there was a motion to accept the agenda as presented. Councilman Sommerkamp made a motion to accept the agenda as presented; Councilman Waugaman seconded the motion. President Jansing asked for a voice vote which found unanimous approval.

President Jansing noted that members had received a copy of the minutes of the February 22, 2018 Minutes meeting (sent to members on April 18, 2018 – no quorum at April 25th meeting). He asked if there were any changes or corrections. With none, President Jansing asked for a motion. Councilman Pohlgeers made a motion to accept the minutes for the February 22, 2018 meeting as presented; Mayor Link seconded the motion. President Jansing asked if there were any questions; there were none. He then asked for a voice vote which found unanimous approval.

President Jansing noted that members had received a copy of the minutes of the April 25, 2018 meeting (sent to members on May 31, 2018). He asked if there were any changes or corrections. With none, President Jansing asked for a motion. Councilman Pohlgeers made a motion to accept the minutes for the April 25, 2018 meeting as presented; Councilman Waugaman seconded the motion. President Jansing asked if there were any questions; there were none. He then asked for a voice vote which found unanimous approval.

President Jansing asked for a review of the May financial report. Ms. Cullum reviewed the May financial statement (a copy of which is attached to the original minutes). She indicated that, at 91.7% of the way through the year, revenue is above projections at 101.5% and that expenses are
at 84.2% of budget—below projections. She stated that One Stop Shop revenues are over projections at 101.3%.

Ms. Cullum asked if there were any questions from members. After a brief discussion, President Jansing thanked Ms. Cullum for the report.

President Jansing stated that one of his duties as president was to name a committee to review the budget and to work with Mr. Gordon and Ms. Cullum. He thanked the members of the committee for agreeing to serve, their time and effort.

President Dave Jansing  
Vice President Gary Waugaman  
Secretary Greg Pohlgeers  
Past President Chris Reinersman  
Commissioner Joe Nienaber

He also congratulated staff on a job well done on the annual budget and work program.

President Jansing asked for reports/comments from members of the Council. With no reports, President Jansing asked for a report from the PDS Board Chair.

Chairman Tom Litzler thanked members for the opportunity to speak and recognized the other Management Board member who was present – Sherry Carran.

Chairman Litzler updated members on the Board’s recent annual organizational meeting/election of officers and reported the 2018 officers.

Tom Litzler  
Mayor Paul Meier  
Commissioner Beth Sewell  
Chair  
Vice Chair  
Treasurer

Chairman Litzler then read an email Mr. Gordon sent out on May 4th regarding PDS’ Founders’ Day.

“On this date in 1961, elected officials from Kenton and Campbell County Fiscal Courts and the Cities of Covington, Erlanger, Taylor Mill, Winston Park, Elsmere, South Fort Mitchell, Bromley, Newport, Fort Thomas, Dayton, Crestview, Woodlawn, and Southgate gathered at Covington City Hall to execute a contract establishing an area planning council and commission pursuant to legislation enacted the previous year by the Kentucky General Assembly.

“They elected officers for the Council—Charles Kuhn of Fort Thomas was chosen the first president—and the first eight members to serve on the Area Planning Commission: George Nelson (community unknown); June Lukowski (Fort Mitchell); Paul Swanson (Erlanger); E.R. Morlidge (Fort Thomas); Charles Creekmore (Taylor Mill); Edward Beiting (Alexandria); George Neack (Newport); and, Lawrence Rechtin (Dayton).
“Those actions capped off a several-year effort by members of the several chambers of commerce, the Home Builder’s Association of Northern Kentucky, local elected officials, members of the 23 local planning commissions that existed across the three northern Kentucky counties, and ultimately the area’s legislative delegation to the General Assembly to provide for “a more efficient planning operation.” (KRS 147.610)

“The post-World War II explosion of suburban development was in full swing. Bulldozers and other heavy equipment were on the move, connecting Cincinnati and Northern Kentucky to the brand-new Eisenhower interstate highway system. And, many were worried that without coordination and the technical support of a professional staff, Northern Kentucky would fail to capture the opportunities presenting themselves through new growth and development.

“So, here’s to those far-sighted individuals and the history they initiated that Thursday evening... here’s to all who have served on the Council and Commission Board these past 57 years... here’s to those who have filled positions we hold now, who have built the foundation on which we pursue our responsibilities today... and, here’s to the Kenton County of 2018, a community much better off than what it would have been without the collective effort of those who came before us.”

President Jansing asked for the report from legal counsel. Mr. Edmondson advised members that he had nothing to report but noted that his former law partner and judge, Joe Condit, passed away earlier today.

President Jansing asked for the presentation on the Covington tax increment financing district formed in December 2012 and how PDS contributions to it will be/are being used.

Mr. Gordon provided some background regarding the Covington TIF district and then introduced Tom West, AICP, from the City of Covington.

Mr. West stated that it was a pleasure to be here and that he had recently moved back to the area from time in Frankfort and Indianapolis. He then gave a brief overview of the TIF district and stated that a baseline was estimated using the amount of taxes collected in 2011. He stated that the incremental increase above that baseline would be split each year of the TIF.

Mr. West outlined the TIF boundary as well as the pledges made.

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<th>Contribution</th>
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<tbody>
<tr>
<td>City of Covington</td>
<td>80% of real estate and occupational taxes</td>
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<tr>
<td>Kenton County</td>
<td>60% of real estate and occupational taxes</td>
</tr>
<tr>
<td>PDS</td>
<td>50% of real estate</td>
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He then showed members the contributions to date noting that the amounts show there was negative growth in 2013, some growth in 2014, and that things were better in 2015 and 2016. He stated that they are anticipating 2017 to be along the line of 2016.
Mr. West stated that the city’s TIF fund is overseen by the Covington Economic Development Authority (CEDA) which is a five-member board appointed by the mayor. He noted that funding is versatile and designed to assist developers and businesses. Loans and grants are made based on need, structure, and return on investment for the city.

Mr. West highlighted three projects for which TIF provided funding.

1. Road ID – a tech company that received a $200,000 façade grant and a 1.25% payroll tax reduction. He noted that PDS also helped with a text amendment to allow for a small restaurant to be allowed onsite.
2. The Bradford on Scott – this old building will house five new condos with five retail spaces on the first floor. They hope to have the space completed this Fall.
3. Phase 2 of Duveneck Square – a 700-space garage and three office buildings which will create 300 to 400 jobs. Mr. West noted that this is an incredible opportunity for the community. He also stated that Phase 1 has been open for six weeks and that 50% of the 110 apartments have already been leased.

Mr. West stated that they are starting to look at the return on investments and outlined several items at which they are looking.

- Building Permits
- Investments
- Revenues
- Community Benefits

He then showed a map which reflected the areas for which the permits were being issued and the highest concentration of activity. President Jansing thanked Mr. West for his presentation.

He then asked Mr. Gordon for his report. Mr. Gordon thanked the Council for the opportunity to update members.

Mr. Gordon stated that he would first like to take the opportunity to recognize key members of staff and the contributions each made to PDS’ success over the last year. A round of applause followed.

- Emi Randall, AICP, RLA, Director of Planning and Zoning
- Scott Hiles, CPC, Director of Infrastructure Engineering
- Trisha Brush, GISP, Director of GIS Administration
- Brian Sims, CBO, Chief Building Official
- Nicole Cullum, CB, Accountant
- Jan Crabb, PHR, SHRM-CP, IPMA-CP, HR Administrator
- Lori Remley, Executive Assistant

Mr. Gordon advised members that he has asked each of department head to share with the Council what they believe was their team’s greatest achievement in 2018 and what they think their biggest challenge will be in 2019.
Mr. Gordon then outlined the achievements for 2018 for Administration.

- Transitioning PDS' financial accounting from a ‘departmental’ to a ‘programming’ format.
- Employing OpenGov platform for financial and work program accountability.
- Pursuing HB138 with the Kentucky General Assembly to facilitate the creation of a joint board of adjustment for Kenton County

He said the challenges for 2019 are as follows.

- Keeping up with the workload with six unfilled staff positions.
- Struggling to meet all program expectations with a bare-bones budget.
- Maintaining customer service while planning for, packing up, and moving all PDS operations to the new Kenton County Administration Building.

Ms. Randall outlined the achievements and challenges for Planning and Zoning Administration.

2018 Achievements

- Processed 722 permits / average turnaround time of 1.8 days
- Opened 1099 code enforcement cases with 94% resolve rate
- Pursued 3,732 code enforcement inspections
- Processed 227 final orders from the Joint Code Enforcement Board
- Processed 34 board of adjustment cases
- Processed 52 Kenton County Planning Commission cases
- Attended 249 community meetings
- Completed the Z21 zoning ordinance assessment process for 12 jurisdictions

2019 Challenges

- The largest challenge will be the pursuit of the Z21 project, developing a blueprint ordinance

In addition, staff will work to complete Kenton Connects, update the comp plan, and contract work for Covington and Ludlow.

President Jansing took the opportunity to recognize the fantastic job Rob Himes does for the City of Lakeside Park and asked Ms. Randall to pass his comments and appreciation on to Mr. Himes.

Mr. Himes stated that Infrastructure Engineering’s greatest achievement in 2018 was as follows.

- Geotechnical Testing Compliance

He noted that there was one new subdivision in FY16 and that 300 feet of pavement and soil had to be removed. In FY17 there were eight new subdivisions and 12 ditches had to be re-
excavated. Mr. Hiles advised the council that there were 14 new subdivisions in FY18 and that there were no failing soil tests reported. A lengthy discussion followed regarding the soil testing process and why the testing results changed.

Mr. Hiles indicated that the biggest challenge for 2019 is going to be developing a way to track these test results digitally. Additional discussion regarding testing followed.

Councilman Vergamini asked Mr. Hiles about a recent meeting regarding water/fire flow levels. Mr. Hiles indicated that the requirement established by the Kenton County Subdivision Regulations is 500 gallons per minute and said that the Subdivision Regulation Committee met with members of various fire departments and the Builders’ Industry Association to discuss flow concerns.

Mr. Hiles stated that flow levels may not be able to be increased due to the age of the lines. President Jansing indicated that the Water District only requires 250 gallons per minute while the fire flow requirement is 500 gallons per minute and went on to provide additional background. After a lengthy discussion, Mr. Hiles indicated that the Planning Commission’s Committee would be looking at this issue.

Ms. Brush stated that the biggest achievement in 2018 for GIS Administration was following through with results of the partnerships’ Visioning Session. She then outlined the top items from this session.

- Service
- Data Reliability
- Addressing Standard
- Analytical Capabilities
- Carto Rep
- Development
  - GIS Portal
  - Customer Facing Tech
  - AVL
- Innovation
  - UAS
  - Emergency Response
  - Regional Lens

Challenges GIS staff will face in 2019 are –

- Collaboration
- Constant Changes – i.e. four websites going to the Cloud

Ms. Brush stated that she is extremely proud of the GIS team and that another challenge will be keeping them. She then quoted former Area Planning Commission Chairman Afton Kordenbrock, “You have to hire the best to be the best.”
Commissioner Nienaber asked if PDS was charging for drone services and Ms. Brush indicated that they are looking at this issue this coming year. Following a lengthy discussion, Mayor Hermes indicated that he would like to brag on PDS’ drone / mapping services, specifically the Stevenson Road mapLAB project. President Jansing indicated that he would like to get through the agenda first and that Mayor Hermes could show members the video at the end of the meeting.

Mr. Sims stated that the Building Codes Administration’s accomplishment in 2018 was keeping up with the workload. He compared the 2018 workload to that of 2011.

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Mr. Sims stated that he expects to be busier next year and that they are still operating one building inspector short. He also noted that they are working on the goal of going paperless.

Mr. Sims advised members that their biggest challenges for 2019 will be engagement.

Keeping up with the workload while also:
• training a new inspector
• learning and administering the newly-adopted codes
• implementing eTRAKiT online services

Mayor Hermes expressed concern about staff running lean and maintaining the level of service/inspections and a lengthy discussion followed.

**New Business**

President Jansing opened discussion regarding the request from the PDS Management Board for feedback regarding pledging the incremental increase in real property taxes and authorizing the execution of a local participation agreement to pay for project costs and redevelopment assistance within the City of Villa Hills’ Sanctuary Village Local Development District.

Jim Parsons thanked the Council for supporting the previous five Kenton County TIF districts in Covington, Erlanger, Fort Wright, Fort Mitchell, and Walton. Since members are familiar with how TIF districts work, Mr. Parsons stated that he would skip the basics of TIF and provide details regarding the Villa Hills’ District (handout attached to the original minutes).

Mr. Parsons stated that the Sanctuary Village Local Development Area consists of approximately 85.5 acres and includes part of Amsterdam and Collins Roads. He stated that none of the tax dollars will be used to pay for any developer costs but rather will be used to
pay public infrastructure costs related to the project. He also stated that the fund will probably not run for 30 years due to the limited use of the funds.

Mr. Parsons advised members that the Kenton County Fiscal Court pledged 60 percent of its incremental tax increase for 30 years and the City of Villa Hills pledged 70 percent. Mr. Parsons stated that the City is asking PDS for 50 percent of its incremental tax increase for 30 years. He noted that the County and City will only be pledging the incremental increase for real property taxes collected, not occupational taxes.

Discussion regarding the infrastructure improvements needed followed. Commissioner Nienaber stated that this was a unique, and probably safest TIF with all funds going into the local community’s infrastructure. Mr. Parsons agreed and stated that it is the most conservative.

President Jansing asked if there was a motion regarding the City of Villa Hills’ TIF District request. Mayor Cole responded with a motion to recommend to the PDS Board pledging the incremental increase in real property taxes and authorizing execution of a local participation agreement to pay for project costs and redevelopment assistance within the City of Villa Hills’ TIF District; Mayor Hermes seconded the motion.

President Jansing asked if there was any discussion regarding the motion. Additional discussion followed regarding the length of the TIF, the process for terminating a TIF prior to the term, and what would happen to any unused funds.

With no further discussion, President Jansing asked for a roll call vote which found 12 to 0 in favor of the motion with two abstentions. The motion passed unanimously. (The roll call on the motion is attached to the original minutes.)

President Jansing asked for the overview of the proposed FY19 PDS Annual Work Program and Budget. Mr. Gordon advised members that this year’s budget has been challenging and thanked staff, the Board, and Council for their hard work and support.

Mr. Gordon began his presentation (a copy of which is attached to the original minutes) with an explanation of the budget process and highlighted KRS 147.670 which gives the Management Board the power and duty to prepare and submit an annual budget to the Council. He outlined KRS 147.640 which sets forth the PDS Council’s involvement and states that only elected officials may serve on the Council.

Mr. Gordon outlined PDS’ major goals for FY19.

- Maintain service levels
- Stay current with the workload
- Review One Stop Shop cost-recovery revenue
- Create a joint board of adjustment
- Address payroll issues
- Move the Z21 initiative forward
• Transition to the 2018 Kentucky Building Code
• Prepare for the move to the new Kenton County Administration Building

Mr. Gordon stated that under the proposed budget, staff was able to address some but not all of PDS’ needs for the coming year. Specifically, they were able to address pension reform, health insurance costs, and the unexpected building costs that will be incurred due to the delay of the move. The proposed budget also includes a 2.1 percent allocation for wage and salary increases based on performance reviews along with the annual contribution to the Operations Reserve.

Mr. Gordon stated that this budget would allow staff to address some but not all of the critical staffing needs which include the following.

• adding a building inspector
• funding for a professional services agreement for IT support with the County since there aren’t enough funds to fill the open assistant IT position
• additional funds to help cover increased transportation engineering costs since the budget does not including enough funding for the open position

Mr. Gordon advised the Council that staff was unable to address the following items under the proposed budget as proposed.

• many of the funding levels for individual line items have been cut
• the 1.4 percent payroll tax increase to fund the difference between Covington’s and Fort Mitchell’s rates
• payroll deficiencies in staff wages/salaries identified by our recent study
• open staff positions
• no new major initiatives can be started

Mr. Gordon stated that there were several factors that played a role in this year’s budget, the first of which is tax revenue. He stated that this budget depends on $110,000 in new tax revenue that will be realized from a proposed comp plus four percent tax rate. He indicated that the budget relies on a 2.1 percent increase in user fees and that this increase is based on the 2017 Kentucky CPI. Mr. Gordon also advised members the budget relies on $15,000 in new revenue from greater financial participation by staff in health insurance costs.

Mr. Gordon indicated that PDS’ tax revenue has remained flat for the past eight budgets by taking four less-than-compensating rates and four compensating rates. He stated that while PDS’ revenue has remained flat, its budget has been impacted by the cumulative inflation rate of 15.9 percent since FY10 which has been absorbed without any additional funding.

Mr. Gordon noted that the proposed comp plus four percent will add approximately $1.00 to the real property tax bill of a home assessed at $100,000 and will likely raise PDS’ actual tax rate from 2.9 cents to roughly 3.0 center per $100 valuation.

Mr. Gordon also stated a decrease in One Stop Shop cost sharing also played a role in the proposed budget which assumes unanticipated costs. He noted that the OSS program will need
to be restructured slightly to resolve this issue and suggests each jurisdiction’s costs could increase by up to $1,000 per year.

Mr. Gordon advised members that the FY20 will be even more problematic if PDS doesn’t take the comp plus four percent rate this year. He stated that next year’s CERS assessment is expected to be $65,000+ above this year’s increase and that the increase in staff’s payroll tax will add at least $30,000 by moving to Covington.

Mr. Gordon indicated that PDS must address ongoing staffing needs. He stated the workload continues to increase to pre-recession levels, yet staffing has not recovered from the layoffs.

Mr. Gordon also expressed concerns about maintaining the quality staff PDS has built without being able to compete with wages/salaries being offered in the outside market—both public and private sectors.

Mr. Gordon then showed members historical graphs of PDS’ tax rates, revenues, staffing, payroll, pension and health care costs, and asked members for their support of the proposed budget as proposed.

A lengthy discussion followed regarding One Stop Shop pricing, wage/salary concerns, maintaining the quality staff PDS has, and pension costs. President Jansing stated that the City of Lakeside Park would have to hire three or four people to handle the work PDS does for them and that they couldn’t do that for the anticipated OSS increase of up to $1,000 per year.

Commissioner Nienaber stated that PDS has a wonderful staff and that work can’t be hampered by staffing shortages but before a decision is made regarding wages/salaries, he would like to see the study that increases would be based on.

Councilman Vergamini noted that the public sector doesn’t provide pensions but agreed that PDS needs to retain quality people. Members agreed that the job market is tight. Mr. Gordon noted that the proposed budget includes a 2.1 percent performance-based increases and elaborated that staff’s internal study did not show the need for across-the-board wage/salary increases. He also stated that the study shows some of the positions are out of sync from where we want to be. Mr. Gordon advised members that they are only looking at a percentage of what the outside private sector is paying and aren’t looking at matching it dollar for dollar. Additional discussion followed.

President Jansing asked for the recommendation from the PDS Council’s Budget Review Committee that the proposed FY19 budget and tax rate be approved as submitted.

Councilman Waugaman stated the names of those who served on the Budget Review Committee. He reported that members had several weeks to review the budget and that the members met on May 17th. Members reviewed the budget line by line and asked a lot of questions which staff answered satisfactorily.
Councilman Waugaman stated that, with the Budget Review Committee’s endorsement and recommendation, he would like to make a motion that the Council approve the proposed FY19 budget as presented which includes the compensating rate plus four percent increase; Commissioner Nienaber seconded the motion. President Jansing asked if there were any final questions; there were none.

He then asked for a roll call vote which found Councilman Waugaman, Commissioner Nienaber, Commissioner Burdge, President Jansing, Councilman Whiteley, Councilman Reser, Mayor Cole, Councilman Vergamini, Councilman Sommerkamp, Mayor Link, Mayor Lenhof, Councilman Pohlgeers, and Councilman Feinauer in favor of the motion with Mayor Hermes voting against the motion. The motion passed 13 to 1. (The roll call on the motion is attached to the original minutes.)

President Jansing thanked the Budget Review Committee and staff for their time and hard work. He then asked if there was any new business to come before the Council.

Mayor Hermes stated that he would like to express his appreciation for the work PDS staff did for the City of Erlanger. He stated that the recent mapLAB project featured Stevenson Road and that the video created by PDS staff showed the road conditions that the City has been dealing with for decades. He noted that pavement conditions weren’t the only issue as shown in the video; there are multiple line-of-site issues as well as storm water issues.

Mayor Hermes announced that within a month of presenting PDS’ video and story map to the Kentucky Transportation Cabinet, the City of Erlanger received an immediate commitment from KYTC for $800,000 toward design costs, $1M next year for right of way acquisition, and additional money for improvements.

Mayor Hermes also stated that KYTC is using PDS’ video and story map to support the project.

With nothing further, President Jansing reminded members that the next Council meeting would be held on Wednesday, October 24, 2018 at 5:45 PM.

Councilman Sommerkamp made a motion to adjourn; Councilman Waugaman seconded the motion and a voice vote found unanimous approval. The meeting was adjourned at 8:46 PM.

Mayor David Jansing, President

Councilman Greg Pohlgeers, Secretary