PLANNING AND DEVELOPMENT SERVICES COUNCIL
Special Meeting Minutes: January 23, 2020

President (Mayor) David Jansing called the quarterly business meeting to order at approximately 5:45 PM in Kenton Chambers at the Kenton County Government Center in Covington. President Jansing led members in a moment of silence and the Pledge of Allegiance.

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.

President Jansing noted that this special meeting was called to present the Structural Review Committee’s recommendations which will hopefully make PDS’ structure easier to understand. He thanked Judge-Executive Knochelmann and Sharmili Reddy for the time and effort they put into the review.

Attendance of members was as follows.

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<th>JURISDICTION</th>
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<th>NAME</th>
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<td>Mayor Mike Denham</td>
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<td>Mayor Marty Lenhof**</td>
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<td>Mayor Chris Reinersman</td>
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<td>Commissioner Joe Nienaber</td>
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PDS Board Members Present: Chairman Paul Meier, Vice Chair Beth Sewell, Mayor Jessica Fette, and Councilman Tyson Hermes.

Others Present: Garry Edmondson, PDS Legal Counsel; City Administrator Mike Daly, Crescent Springs; Judge-Executive Kris Knochelmann and County Administrator Joe Shriver, Kenton County Fiscal Court; and City Administrator Sharmili Reddy, Fort Mitchell.

PDS Staff Present: Trisha Brush, GISP, Director of GIS Administration; Nicole Cullum, CB, Finance/HR Administrator; Emi Randall, AICP, RLA, CFM, Director of Planning and Zoning; Dennis Andrew Gordon, FAICP, Executive Director; and Lori Remley, Executive Assistant/Office Manager.

President Jansing suggested moving item 9 up on the agenda to follow item 3 so Judge-Executive Knochelmann and Ms. Reddy wouldn’t have to sit through the whole meeting. Mayor Hehman made a motion to approve the change to the agenda and Mayor Link seconded the motion. A voice vote found unanimous approval.

President Jansing asked for review of the amended bylaws recommended by the Management Board’s Organization and Structure Committee. Judge-Executive Knochelmann thanked the members of the committee for their time and stated that Commissioner Nienaber had presented the committee’s findings to the Fiscal Court on Tuesday.

Judge-Executive Knochelmann stated that he and Ms. Reddy were involved due to the need to coordinate the effort. He said that PDS is a phenomenal organization. The goal was to put everyone’s thoughts together, work through them, and come back to the Council and Management Board with the committee’s findings/recommendations.

Judge-Executive Knochelmann advised members that there were three formal meetings during which committee members shared their thoughts and information. He indicated that Ms. Reddy reviewed the statutes and had one-on-one meetings with each committee member. Chris Nordloh provided outside legal advice with input and support from Mr. Edmondson.

Judge-Executive Knochelmann told members that the committee came up with five possible structures and everyone learned something about the current model.
Model 1 – Keep the current structure and focus on outreach and education.

Model 2 – Re-structure the Management Board and form a committee from the PDS Council to absorb those responsibilities.

Model 3 – Eliminate the current structure and transfer responsibilities to the County.

Model 4 – Eliminate the current structure and move toward the large jurisdictions providing services to the smaller cities under contract.

Model 5 – Forming a joint three county model.

The list was quickly narrowed down to Models 1, 2, and 3 – since Models 4 and 5 couldn’t be accomplished within the timeframe and weren’t feasible.

The committee found the Model 3 was not best for the community and that there was a consensus that Model 2 was the best option.

Judge-Executive Knochelmann reviewed the current structure and acknowledged the amazing Board Members some of whom who have given decades for the citizens of Kenton County – like Tom Litzler who has worked for years for the PDS Board and the community. He noted that they needed to find a way to show their appreciation for the members service.

Judge-Executive Knochelmann then reviewed the proposed structure.

- Jurisdictions with populations over 15,000 would have a permanent seat on the Management Board; Covington, Erlanger, Independence, and Kenton County should have a greater say because they have “more skin in the game” so to speak.
- The Council votes on the budget and the Management Board has oversight of the day-to-day running of PDS.
- The Management Board will be made up of the four representatives from the jurisdictions (Covington, Erlanger, Independence, and Kenton County) plus three representatives from the remaining jurisdictions. This will tie the Management Board and Council closer together and the Council will know what’s going on.

Judge-Executive Knochelmann stated that the current board members will have to resign their seats and noted that this speaks to their character. He expressed his appreciation and acknowledged their service and dedication to the citizens of Kenton County.

Judge-Executive Knochelmann stated that the committee recommended changes to the Council’s bylaws. These recommended changes are closely tied to the preferred model and address the accountability and ensure that decisions are being made by elected officials.

President Jansing noted that the proposed bylaws had been sent to members last week in accordance with the current bylaws – five business days prior – and that members would be asked to vote on these changes tonight.
Judge-Executive Knochelmann indicated that they need to get this accomplished to allow time for the FY21 budget to be prepared. He stated that changes are also needed to the legislation to clean up the language and maybe other changes to enact legislation down the road. The clean up can get done relatively easily but the other changes will take more work.

Mayor Meier noted for newer members that when the Kentucky General Assembly did away with the classification of cities, KRS 147.640 was changed. This made basic changes to the PDS Council’s operating procedures. Where it once took the County and Covington plus a majority of the remaining jurisdictions for a motion to pass, it will now require two jurisdictions with a population over 15,000 plus a majority of the remaining jurisdictions. He said the proposed bylaws changes—for both the Council and Board—will accommodate the new processes. He stated that it would be tough for the current members to step down early, but they will do what is best for Kenton County.

Mayor Hehman asked if cities can be added if their population reaches 15,000. Mayor Meier stated that if that happens, the seats on the Management Board could be increased to eight – the “Big Five” plus three from the remaining jurisdictions.

Ms. Reddy noted that some of the changes to the bylaws were simply clean up and then began a page by page review –

- **Page 1** Add (PDS)
- **Page 3** Committees – “shall” has been changed to “may” appoint a Budget and Work Program Review Committee.
- **Page 3** Meetings – changed to six meetings per calendar year.
- **Page 4** Special meetings can be called by any member of council, not just the president.
- **Page 4** Article 9 – reference to Article 13 added to make clear that legislative provisions for voting applies.
- **Page 5** Article 13 – language added regarding the requirements for an affirmative vote
  - Either two (2) cities with a population equal to or greater than fifteen thousand (15,000) based on the most recent federal decennial census and a majority of the remaining membership in attendance OR Kenton County and one (1) city with a population equal to or greater than fifteen thousand (15,000) based on the most recent federal decennial census and a majority of the remaining membership in attendance.
- **Page 5** Article 15 – to allow for up to nine (9) Management Board Members with three seats from jurisdiction with populations of less than 15,000.

Ms. Reddy stated that the changes to the Management Board bylaws had been provided for their information and to show the committee’s recommendations.

Mayor Link asked what would happen if the Council doesn’t meet six (6) times per year. Mayor Brown asked if there isn’t anything on the agenda, who would have the authority to cancel the meeting. President Jansing stated that the Council president could cancel a meeting if there wasn’t a quorum or anything on the agenda and that the reason for the additional meetings was
to allow the Council more time for budget review. Commissioner Nienaber indicated that the additional meetings were meant to get the Council more involved and to become more informed especially at budget time.

Mayor Reinersman suggested changing Article 8.2 to “no less than six (6) scheduled Council meetings per year”. Following a brief discussion, Mayor Meier noted that the Council may want to schedule the meetings in April, May, and June to address the budget and another in August to address the tax rate. Additional discussion followed.

President Jansing asked if there was a motion regarding the recommended amendments to the bylaws. Mayor Brown made a motion to adopt the amended Council bylaws, including the additional amendment to Article 8.2 - “no less than six (6) scheduled Council meetings per year”; Mayor Reinersman seconded the motion. President Jansing asked for a roll call vote which found unanimous approval. The motion passed by a vote of 16 to 0.

Ms. Reddy then reviewed the recommended changes to the Management Board bylaws.

- Page 1 Article 4 Terms of Office – changed to reflect the structural changes
- Page 3 Article 8 – clean up and use consistent terms
- Page 3 Article 9 – organizational meeting shall be held in the first month of the Board’s organization year
- Page 4 Article 13 Tax Rate – language added to clarify
- Page 5 Article 15 Annual Audit – removed “on an annual basis” – contracts are usually for a period of two years.

With no questions or comments regarding the recommended changes to the Management Board bylaws, Ms. Reddy thanked Judge-Executive Knochelmann for the opportunity and the committee members for their time.

Ongoing Business

President Jansing noted that members had received a copy of the minutes of the October 24, 2019 meeting (sent to members on January 21, 2020). He asked if there were any changes or corrections.

With none, President Jansing asked for a motion. Commissioner Nienaber made a motion to accept the minutes for the October 24, 2019 meeting as presented; Commissioner Williams 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 with Mayor Brown, Mayor Denham, Mayor Hehman, Mayor Reinersman, Councilman Shields, and Councilman Wessels abstaining from the vote.

President Jansing asked for a review of the second quarter financial report. Ms. Cullum reviewed the December financial statement (a copy of which is attached to the original minutes). She reported that, at 50 percent of the way through the fiscal year, revenues are above projections at 67.9 percent, fees for services are above projections at 60.7 percent, and expenses
are below projections at 45.7 percent of budget. She noted that One Stop Shop Program revenue was above projections at 60.5 percent with expenses below projections at 47.1 percent.

Ms. Cullum noted one exception – consumable supplies – due to timing and receipt of invoices for the move which will be paid from reserves. She also provided an update regarding employee benefit costs and stated that they are up 24% over FY19 and 34% over FY18.

She outlined various TIF payments and stated that staff was waiting for additional information from Jim Parsons to provide to the Council.

Ms. Cullum asked if there were any questions from members. Councilman Wessels asked if PDS was limited regarding what they can invest in. Mr. Edmondson stated that whatever they invest in must be FDIC insured. Councilman Wessels asked about what the interest rate was on the account. Ms. Cullum stated it was 1.2% and that she is checking with KLC to see what other programs PDS qualifies for.

With no additional questions, President Jansing thanked Ms. Cullum for the report.

President Jansing stated that the Council has received a request from the PDS Management Board for feedback regarding a possible contract with Graves Consulting of Tulsa, Oklahoma for a PDS Pay Plan Review at a cost not to exceed $20,220.

Mr. Gordon provided background information regarding the study and what brought it about. He stated that the proposed FY20 budget sent to the Council’s Budget Review Committee included a 4% salary increase for staff—2% for performance increases based on performance and 2% as a result of staff’s internal salary/wage study which showed PDS salaries and wages slipping against other public sector employers in the metro area. The review committee questioned the internal salary study. When the budget went to the full Council, members approved the 2% increase based on the CPI and instructed staff to put the other 2% in reserves until an outside study could be done.

Mr. Gordon stated that an RFP was published, and two bids were received – one from a Lexington firm for $38,000 + expenses and the other from a Tulsa firm for $20,220 including expenses. The Management Board discussed the bids and is recommending the Tulsa firm with the caveat that they would like feedback from the Council.

President Jansing asked if the Northern Kentucky Area Development District (NKADD) could do the study. Mr. Gordon indicated that he had spoken to Lisa Cooper and she said that they could do the study for $5,000 to $8,000. President Jansing indicated that others have used NKADD and that he isn’t aware of any issues. Councilman Meyer indicated that he agrees with spending a lower amount.

There was discussion regarding using someone from the private sector versus using the NKADD. Mayor Reinerman noted that the Council had asked for an “outside” agency. Mr. Gordon stated that during its discussion at the June meeting, the Council had stated that they wanted an “outside” study and that staff took that to mean private. Commissioner Nienaber indicated that he had led the June discussion and that he wanted to see a firm that specifically deals with this...
type of issue but that he would be fine with the NKADD. He noted that it has already been six 
months since June and that the employees are the most important issue. He stated that he just 
wants to make sure it is an apples to apples comparison.

Additional discussion followed regarding the gap between the two bid proposals. Mr. Gordon 
noted that the Lexington firm had provided a breakdown and most of the difference appeared to 
be the amount of time projected to gather salary and wage information from other public sector 
entities. He stated that it is very time consuming to collect this information – calling people, 
leaving messages, waiting for return calls, etc.

Councilman Shields asked if Mr. Gordon could provide more background information for the 
newer members of the Council. Mr. Gordon stated that over the years staff has pursued informal 
surveys to compare salaries to ensure PDS stays mid-range with what it pays. He said that the 
recent informal study done by Ms. Crabb, now retired, showed that the pay plan was lagging 
behind and needed to be adjusted accordingly – 2% CPI increase and 2% to bring the plan back in 
line to remain competitive.

Commissioner Nienaber stated that the Council wanted to take a comprehensive look to ensure 
salaries aren’t lagging and that retention didn’t seem to be an issue. Councilman Shields noted 
that retention isn’t the only issue to be considered.

Mayor Brown asked if benefits are taken into consideration. Mr. Gordon advised members that 
benefits are included as a factor.

Councilman Meyer asked if an employee survey has been done. Mayor Meier indicated that this 
probably wouldn’t be a good idea now since staff was moved from Fort Mitchell to Covington 
with no say and they went from paying a 1.45% payroll tax to paying 2.5%. Mr. Gordon noted 
that bottom line was that staff received an 0.8% increase in July.

Mayor Hehman asked if Mr. Gordon knew the reason for the most recent turnover. Mr. Gordon 
stated that there hasn’t been a huge turnover but when people leave it is usually for more 
money. Mayor Hehman agreed that benefits need to be considered and that they also need to 
consider offsetting the increase in payroll tax since staff didn’t have a choice.

Mayor Jansing advised members that PDS staff is loyal and dedicated and that the Council needs 
to provide the Management Board with feedback as to the salary study bids so it can move 
forward.

There was discussion regarding the pay scale/grid. Councilman Nienaber indicated that he 
believes the current pay scale holds performers back with hard step raises being given only every 
five years. Councilman Shields asked if the study would address this issue and Mr. Gordon stated 
that it is part of the RFP.

Mr. Gordon stated that once complete, the payroll study would be brought back to the Council so 
everyone understands. Mayor Link stated the NKADD has said that they can do the study within 
$8,000. President Jansing asked if they have experience doing this type of study. Mr. Gordon 
reiterated that when asked that question, Ms. Cooper replied “Yes, we’ve done lots of those.”
Mayor Reinersman stated that a new Board would be in place next month and that they may want to ask the NKADD for more information.

Councilman Wessels asked what the additional 2% would add to the budget. Ms. Cullum noted that $96,000 was put into reserves and that this amount included FICA, CERS, etc.

President Jansing suggested holding off on the study until the new board was in place and could ask the NKADD more questions. Mr. Gordon stated that he could submit the questions and RFP to Ms. Cooper.

Commissioner Nienaber asked what the timeline would be for the study. Mr. Gordon stated that they expected it to take three months. Commissioner Nienaber indicated that staff would have been waiting for almost a year.

Following additional discussion regarding the two bids and the NKADD, Commissioner Murray indicated that he believes they should use the NKADD. Mayor Denham asked about the NKADD’s experience and Mr. Gordon again stated that Ms. Cooper had indicated that they have done a lot of these studies.

Mr. Gordon stated that the new board members would be in place the 1st of March and that it may take some time for them to be brought up to speed on the issue. Commissioner Nienaber suggested that staff use this time to check the references of the two outside firms and the NKADD. Mr. Gordon responded that staff had checked the apparent low bidder’s references and found them to be good.

With no further discussion, President Jansing asked if there was a motion regarding the Management Board’s request. Commissioner Nienaber made a motion to recommend that the Management Board use the Northern Kentucky Area Development District (NKADD) for review of the pay plan. It was noted that this was not what the Management Board had requested.

Commissioner Nienaber restated his motion to address the Board’s request for feedback and moved to recommend that the Management Board reject the bids received from the two outside firms for the pay plan review; Councilman Meyer seconded the motion.

There was discussion regarding whether to include a recommendation to contract with the NKADD. Mayor Reinersman stated that there were enough of the potential new Management Board members present that they will know what the Council’s wishes are.

President Jansing asked for a roll call vote on the motion which found unanimous approval. The motion passed by a vote of 16 to 0.

New Business

President Jansing stated that he needed volunteers to serve on the Council’s Nominations Committee to consider candidates (from the jurisdictions with populations of less than 15,000) for the three seats on the Management Board. He noted that anyone wishing to be considered for one of the seats shouldn’t volunteer.
Commissioner Nienaber, Councilman Shields, and Mayor Reinersman volunteered. Both Commissioner Nienaber and Councilman Shields stated that they would be willing to let Mayor Reinersman serve as chair.

President Jansing asked for one more volunteer and Mayor Link stated that he would be willing to serve on the committee again this year.

The 2020 PDS Council’s Nominations Committee members will be -

- Commissioner Joe Nienaber  Kenton County
- Councilman Joe Shields  Park Hills
- Mayor Chris Reinersman  Independence
- Mayor John Link  Edgewood

President Jansing asked staff to coordinate the meeting for the committee.

President Jansing asked for the report from the Management Board Chair.

Chairman Meier introduced other members of the Board present – Commissioner Beth Sewell, Mayor Jessica Fette, Councilman Tyson Hermes. He also acknowledged Tom Litzler, Matt Mattone, and Gary Waugaman who couldn’t attend this evening.

Chairman Meier expressed the Board’s appreciation for the work done by the Structure Committee and thanked Judge-Executive Knochelmann and Ms. Reddy for their time.

Chairman Meier outlined several items the Management Board has been working on –

- Personnel Handbook changes were approved at the December meeting
- 2332 Royal Drive – has been sold and the surplus equipment has been dealt with
- A timeline has been developed to find Mr. Gordon’s successor
- The FY21 budget process has begun with an initial review of revenues
- A part-time position has been approved to help with the code enforcement workload and a recommendation has been made to review cost sharing for this program

Mayor Link asked who would receive the proceeds from the sale of the building on Royal. Chairman Meier indicated that the money would go to the County in exchange for PDS’ space here for 15 years.

President Jansing asked if there was any other new business to come before the Council. There was a brief discussion regarding who was eligible to serve on the Management Board – on the primary representatives are eligible not the alternates.

With nothing further, President Jansing reminded members that the next scheduled Council meeting would be held on February 27, 2020 at 5:45 PM.
Commissioner Murray made a motion to adjourn; Commissioner Williams seconded the motion and a voice vote found unanimous approval. The meeting adjourned at 7:50 PM.

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Mayor David Jansing, President

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Councilman Greg Pohlgeers, Secretary