Chairman Tom Litzler called the special work session of the Planning and Development Services Management Board to order at 11:53 AM in the Commission Chambers of the PDS Building in Fort Mitchell. Attendance of members was as follows.

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<th>Term</th>
<th>Present</th>
<th>Absent</th>
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<tbody>
<tr>
<td>Chairman Tom Litzler</td>
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<td>Vice Chairman Paul Meier</td>
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<td>Sherry Carran</td>
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<td>Jessica Fette</td>
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<td>Matt Mattone</td>
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<td>Beth Sewell</td>
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<td>Bernie Wessels</td>
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Also present were: Garry Edmondson, Legal Counsel; Gary Waugaman, Board Member-Elect; Nicole Cullum, CB, Accountant; Dennis Andrew Gordon, FAICP, Executive Director; and Lori Remley, Executive Assistant.

Chairman Litzler asked Ms. Remley to call the roll. Following the roll call, he asked that the record reflect that a quorum was present.

**ACCEPTANCE OF AGENDA**

Chairman Litzler asked for a review of the agenda. Councilman Wessels made a motion to accept the agenda as presented; Commissioner Sewell seconded the motion. A voice vote found unanimous approval.

Chairman Litzler asked if there were any comments from the public and noted that there were none.

**NEW BUSINESS**

Chairman Litzler opened discussion on a recommendation from the executive director to accept the lowest and best bid from Imaging Office Systems, Inc. of Louisville for scanning services for PDS’ legacy records in an amount not to exceed $55,000 with funds to come from the Building Maintenance/Relocation Reserve fund.
Mr. Gordon advised members that Judge-Executive Knochelmann advised him that the Fiscal Court is unable to help with the costs of this project for several reasons but has committed to finding storage space in the area of the new building. Mr. Gordon outlined the RFP/grant process PDS went through along with the cost estimates received.

Mayor Meier asked about the additional cost for electronic storage. Mr. Gordon indicated that this year’s budget included adding additional disc space to PDS servers.

Following additional discussion, Chairman Litzler asked for a motion regarding the executive director’s recommendation. Councilman Wessels made a motion to authorize the executive director to enter into a contract with Imaging Office Systems, Inc. of Louisville for scanning services for PDS’ legacy records in an amount not to exceed $55,000 with the funds to come from the Building Maintenance/Relocation Reserve fund; Mayor Meier seconded the motion. Chairman Litzler asked for a roll call vote on the motion which found Board Members Carran, Mattone, Meier, Sewell, Wessels and Chairman Litzler in favor of the motion with Mayor Fette voting no. The motion passed by a vote of 6 to 1.

Mayor Fette stated that she keeps going back to the budget challenge and asking if this is a need or want. She asked if the floor issue in the Bavarian Building was known when PDS agreed to move into the building. Ms. Carran stated that they knew there could be additional costs based on what happened before with the County needing to beef up the floors. Additional discussion regarding the floors and the goal of going digital followed.

Chairman Litzler then opened discussion on a second proposed budget work session on April 8th if needed. Mr. Gordon stated that the proposed budget and work program needs to be sent to the full Council by May 1st and recommended holding another work session on April 8th.

Following a brief discussion, Chairman Litzler asked for a motion regarding a second proposed budget work session. Councilman Wessels made a motion to hold a special meeting on Monday, April 8, 2019, at 11:30 AM to discuss the draft budget; Commissioner Sewell seconded the motion. Chairman Litzler asked for a voice call vote on the motion which found unanimous approval and the motion passed.

Mayor Meier asked if the April 18th meeting time still needed to be at 3:30 PM since the Council approved its regular meeting schedule. Following discussion, Chairman Litzler stated that the April 18th meeting time will remain at 3:30 PM.

Mr. Gordon asked members if they are receiving the budget information they want. Ms. Carran recommended providing additional historic data since Mayor Fette may not have been on the Board at the time some decisions were made and to help refresh members’ memory.
ONGOING BUSINESS

Chairman Litzler opened discussion on critical issues to the FY20 budget and annual work program.

- Updates to early revenue and expenditure projections for FY20, 21, and 22 budgets
- Kenton County Planning Commission financing agreement
- Possible opportunities for new revenue streams

Ms. Cullum noted that the numbers for FY21 and FY22 had been filled in using mandatory cost numbers only – discretionary expenses have not been included. She stated that the salary and wages number for FY20 includes the recommendations made by Ms. Crabb at the last meeting (3.9% increase and reclassifications) as well as a 3% health care increase for FY20, FY21 and FY22.

Chairman Litzler asked what the FY19 revenue was based on. Ms. Cullum stated it was compensating plus 2% rate. Mayor Meier asked about the costs for the Z21 consultants. Ms. Cullum stated that the Z21 consultants will be done this year and that the costs are being paid from reserves. Councilman Wessels asked for clarification of the salary costs. Ms. Cullum stated that the FY20 figure includes 1.9% COLA adjustment to the FY19 pay plan, another 2% adjustment to bring salaries in line with outside public sector entities, the reclassification of several positions, and the CERS increase for FY20. She stated that the CERS increase for FY19 was 21.48% and FY20 will be 26.05%. Commissioner Sewell suggested increasing salaries by 2% rather than 3.9%. Mayor Fette recommended not reclassifying positions. Mayor Meier suggested spreading the 3.9% increase over a couple of years.

There was a lengthy discussion regarding why people had left PDS, the improved economy, and staffing shortages, people being recruited by competitors who offer more money, training expenses lost if staff is recruited by someone else, and which positions are harder to find replacements for.

Chairman Litzler asked why the carry over for FY20 is only $100,000 when it has been averaging $400,000 to $600,000. Ms. Cullum stated that FY19 was budgeted more tightly and with CERS and health care cost increases there will be less left over. She indicated that she will have a better idea of the carry over amount in April.

Discussion returned to salaries and wages. Mr. Gordon stated that this is only part of the discussion and recommended getting all the information on the table before deciding what can or should be cut, what additional expenses there are, how to pay for it, and what other sources of revenue might be available.

Chairman Litzler opened discussion regarding the Kenton County Planning Commission financing agreement. Mr. Gordon provided historical background regarding the relationship between KCPC and PDS and stated that there has been a contract between the two since 1966. Under the current contract, PDS pays quarterly payments to KCPC to cover staff services. He
stated that the application fees collected pay expenses such as legal counsel, secretarial, auditing fees, and insurance.

Mr. Gordon reviewed the handout provided and advised members that application fees had covered everything including the discounted rate of staff costs which were billed 40% in an effort to keep KCPC solvent. Everything was working until 2014 when the economy hit the wall and PDS ended up forgiving KCPC’s shortage ($42,249).

Mr. Gordon explained that PDS cannot charge for services that they are statutorily required to provide under Chapter 147 (Exhibit A on page 4 of the agreement). He stated that the agreement was reached and PDS started subsidizing KCPC.

Since that time fees have covered KCPC’s operational expenses with the remainder going into reserves to cover future needs in the event PDS is dissolved. Mr. Gordon stated that KCPC’s budget for staff time was divided into quarters and PDS gives KCPC that amount to cover services provided.

Discussion regarding the agreement, statutory requirements, level of reserves KCPC would need if PDS were to be dissolved, and the petition drive followed.

Members clarified that KCPC has paid nothing to PDS in the last five years except the amount that PDS has subsidized. Mr. Gordon confirmed that this was correct. Councilman Wessels asked what the reserve level would need to be to get KCPC back to “normal” if PDS was dissolved – how much would it cost for KCPC to function for a year? Ms. Cullum stated that the KCPC’s budget for one year is approximately $400,000.

Councilman Wessels asked what staff is statutorily required to do and Mr. Edmondson stated that they are required to provide a report and recommendation on the issues. Councilman Wessels asked what could be cut back and if staff is required to attend KCPC meetings. Mr. Gordon stated that they aren’t required to attend but that the bulk of the costs are incurred prior to the meeting and that not attending wouldn’t make much difference. Ms. Carran stated that staff’s presentation at the meetings isn’t just for KCPC’s benefit but for the benefit of the citizens. She stated that staff’s comments inform the citizens and give them a chance to speak.

Mr. Waugaman questioned the need to give the money to KCPC and KCPC paying it to PDS. Mr. Edmondson stated that it was the accounting process recommended by the auditors to keep things clean.

Mr. Waugaman indicated that KCPC should be self-sufficient and needed to raise fees to cover its costs. Ms. Cullum reminded members that planning commissions outside of Kenton County are subsided to some extent by their legislative bodies.
Councilman Wessels asked what KCPC’s reserve level should be and Mr. Gordon stated that he believes $200,000 is a good level. There was discussion regarding KCPC budget and operational expenses that total approximately $70,000.

Additional discussion followed regarding application fees and reverting to the pre-2014 system now that the economy is better and KCPC is considerably more solvent.

There was discussion regarding Chapter 100 and Chapter 147 as well as using tax revenue to support KCPC. Mayor Fette asked what staff wanted to change. Mr. Gordon indicated that staff would like to change the amount being paid by KCPC. Mayor Fette stated if they can’t pay, then they can’t stay separate. Councilman Wessels stated that KCPC can’t raise its fees high enough and remain competitive with surrounding jurisdictions.

Following additional discussion, Chairman Litzler asked Mr. Gordon and Councilman Wessels to meet with Paul Darpel to discuss the agreement and application fees.

Chairman Litzler then opened discussion regarding possible opportunities for new revenue streams. Mr. Gordon stated that there are several areas that PDS could charge fees where it doesn’t currently –

1. Performance Bonds – charge a fee to manage
2. Driveway inspection (apron) – charge an additional fee if staff has to go back a second time
3. Building Inspections – charge an additional fee if staff has to re-inspect or re-visit because the builder isn’t ready. Councilman Wessels indicated that this may cause a problem because sometimes it is a matter of dueling schedules
4. Paperless Office – since PDS has gone paperless, charge an additional fee for submitting paper copy that staff would have to scan

Mayor Meier asked where OSS revenue is for building inspections. Mr. Gordon stated that staff had been tasked with keeping it at 70% recovery and that this issue is on the agenda for the next discussion.

Following discussion regarding the current status of CERS, Chairman Litzler asked if there was any new business to come before the Board. There was none. Mayor Meier made a motion to adjourn the meeting and Mr. Mattone seconded it. With all in favor, the meeting adjourned at 2:00 PM.
Tom Litzler, Chairman

Dennis Andrew Gordon, FAICP
Executive Director/Secretary