Chairman Paul Meier called the monthly business meeting of the Planning and Development Services Management Board to order at 5:15 PM in the Commission Chambers of the PDS Building in Fort Mitchell. Chairman Meier led those gathered in a moment of silence and the Pledge of Allegiance.

Chairman Meier asked Ms. Remley to call the roll. Attendance of members was as follows.

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<th>Term</th>
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<td>Chairman Paul Meier</td>
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<td>Vice Chairman Beth Sewell</td>
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<td>Treasurer Tom Litzler</td>
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<td>Jessica Fette</td>
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<td>Tyson Hermes</td>
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<td>Matt Mattone</td>
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<td>Gary Waugaman</td>
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Following the roll call, he asked that the record reflect that a quorum was present.

PDS Council Members: President (Mayor) David Jansing; Secretary (Councilman) Greg Pohlgeers; and, Commissioner Joe Nienaber.

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

**ACCEPTANCE OF AGENDA**

Chairman Meier asked if there was a motion to accept the meeting agenda.

Councilman Hermes advised members that he would like to make a motion to remove item 7 from the agenda.
Councilman Hermes stated that he doesn’t feel that the salary and wage data provided by staff is in line with Commissioner Nienaber’s request from the June Council meeting and that he has spoken to him and he concurs. (Commissioner Nienaber was not yet in attendance.)

Councilman Hermes went on to state that staff’s data is one sided, slanted to favor Mr. Gordon’s position on staff salaries and wages, and is nothing more than a sales pitch and should therefore be removed from the agenda. He also stated that more detail is needed and that he still hasn’t received several things he requested from Mr. Gordon on Tuesday of this week. Councilman Hermes told the other members that he believes an independent study is needed and that nothing presented has changed his mind.

Mayor Fette seconded the motion. Chairman Meier asked if there was discussion on the motion and stated that the comparisons requested by Commissioner Nienaber have been provided and that everyone was here but one person. He also reminded members that a comprehensive organizational study that included a salary and wage component was recommended in 2013 by a Council financial review committee and that that proposal for well over $100,000 was voted down by the Board and the Council as being too expensive.

Commissioner Nienaber joined the meeting at this time.

Mr. Mattone asked if this presentation and possible action would require a new budget or if proposed changes could be accommodated within the approved budget. Mr. Gordon responded that any changes approved going forward could be funded with funds put in reserves when the FY20 budget was approved.

Mr. Waugaman stated his opinion that members should move forward and let Mr. Gordon give his presentation and answer any questions they may have.

Mayor Jansing agreed that 2% was approved for increases and the other 2% was put in reserves, that staff was to collect additional data for Board and Council members to review, and that they were here to hear this new data before the Council’s August 28th special meeting.

Commissioner Nienaber stated that he was confused, relaying his recollection that the salary study was brought up to Council during its February meeting. He assumed that meant an “apples to apples” comparison would be done and that the results would be brought back to the Council. He stated that this is a government agency and we can’t compete with the private sector.

Commissioner Nienaber repeated his earlier confusion about who is responsible for reviewing the salary scale, asserting that the Board is “advisory only” and that the Council is ultimately responsible.

Chairman Meier reminded members that there was a motion and a second.
Mr. Mattone asked if Mr. Gordon was just going to give them information and Mr. Gordon stated that he was.

Chairman Meier repeated that Councilman Hermes’ pending motion was to remove item 7 from the agenda and that Mayor Fette had seconded the motion. With no further discussion on the motion, he asked for a roll call vote which found Board Members Hermes and Fette in favor of the motion and Litzler, Mattone, Sewell, Waugaman, and Chairman Meier voting no. Mr. Mattone noted that his vote was for discussion, not to make changes to the budget. The motion failed to pass by a vote of 2 to 5.

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

PRESENTATION AND DISCUSSION

Chairman Meier asked Mr. Gordon to begin his presentation.

Mr. Gordon stated that he would like to apologize to those who took his comments at the June Council meeting to be disrespectful. He said that that was not his intention, emphasizing that his passion for staff and for doing what he had been told by the Council over the past couple years are what drove his comments.

Mr. Gordon stated that he would like to start the presentation with the expanded salary and wage survey. He reiterated that Mayor Reinersman had stated back in June that staff relied too heavily on macro data in the initial wage/salary survey. He noted that the Budget Review Committee specifically asked for more information from Boone and Campbell Counties which was included now.

Mr. Gordon advised the group that staff reached out to both counties as well as other local governmental agencies that have similar duties, that have hired staff away from PDS, and that are seen as regional employment leaders. He said that other nearby metro jurisdictions have also been included. Mr. Gordon noted that the macro data were also kept because they fall in line with the data collected from the individual jurisdictions.

Mr. Gordon stated that these real-world data confirm that PDS salaries and wages are falling behind our competitors in the metro region and, if taken at face value, could suggest that the difference is up to 20% behind.

Mr. Gordon asserted quickly that staff isn’t recommending a two-digit increase because there are too many variables to justify taking these numbers at face value. Instead, he said, the report could certainly be used as justification for a 2% upward adjustment in PDS’ pay plan.

Mr. Gordon said he respectfully asks for the group’s endorsement to complete a four percent increase for staff – the 2% already approved by Council and the 2% that was put into reserves.
Mr. Gordon asked members if they had any questions before he got into numbers.

Commissioner Nienaber questioned what KRS provides for establishing this Board and reiterated his confusion regarding who is in control and responsible for setting salaries. Mr. Edmondson indicated that KRS 147.630 established the Board in that role.

Following a lengthy discussion regarding the KRS statute, Chairman Meier stated that the meeting had gotten off topic. Commissioner Nienaber argued that it’s not off topic and that he is questioning whether the Board has the authority to set pay.

Mr. Waugaman stated that it was his understanding the Board sets a bottom end and a top end and recommends the budget to the Council. Mr. Edmondson stated that the Council has ultimate control because it adopts the budget which includes salaries. Discussion followed.

Commissioner Nienaber stated that the pay scale increases every year and that an increase can put employees over the top range. Mr. Gordon stated that the pay scale is adjusted every year based on the Kentucky CPI and Ms. Crabb indicated that salaries wouldn’t be increased over the top of the range.

Commissioner Nienaber said that the pay plan should be included with the budget for Council’s consideration since it is fluid from year to year. Mr. Waugaman indicated that salaries still stay within the set ranges. Mr. Litzler added that the scale only changes for cost of living. Mr. Mattone noted that salaries have to stay within the budget approved by the Council.

Commissioner Nienaber questioned the range of value and where in the range experience comes in to play.

Mr. Litzler questioned what everyone is doing here tonight. Commissioner Nienaber stated that he wanted more information regarding the salary study brought back to the full Council. Commissioner Sewell asked if he wanted an outside study done. Commissioner Nienaber said that he would prefer an outside study that would look at salaries, benefits, etc. and that he wants to see the whole picture.

Commissioner Sewell stated that the information Commissioner Nienaber requested at the June Council meeting has been provided and that Councilman Hermes’ statement that it was “slanted” and a “sales pitch” were not appropriate.

Commissioner Nienaber asked several questions about the pay plan. Ms. Crabb attempted to answer his questions and explain how the scale works using building inspectors as an example. She stated that that there are three levels of inspectors – associate (Grade IV), principal (Grade V), and senior (Grade VI) – and noted that the grades are listed down the left side of the grid. She explained that as the inspectors serve time, their pay progresses as noted on the grid – Column 1-Hire-in, 2-Six Months, 3-Three Years, 4-Five Years, 5-Ten Years, 6-15 Years, 7-20 Years – and that based on this chart the “median” or “market” would be column 4 for each of the job grades.
Commissioner Nienaber stated that Ms. Crabb was wrong and that doing it this way created an artificial median. He went on to say that this pay structure restricts employees and holds back high performers. Mr. Gordon inserted that this system has been in place for 15 years and is predictable and fair. He continued that employees know when they can expect larger raises as long as they continue to perform.

Mr. Waugaman noted that longevity could be a hinderance and, if eliminated, would allow for more flexibility when hiring.

Commissioner Nienaber said that people progress faster without the restrictions of a grid and that we just need to set the range and not limit them within arbitrary time spans. Discussion followed.

Mr. Mattone asked if the Board wants to recommend releasing the $72,000 put in reserve for future salary increases if the study shows salaries need to be increased. Commissioner Nienaber stated that the amount wasn’t $72,000 and asked Ms. Cullum what it was. Ms. Cullum stated that she thought it was closer to $96,000.

Commissioner Nienaber also noted that the FY19 to FY20 carryover was higher than expected and asked if the Council would need to amend the budget to show those dollars. Mr. Edmondson stated that the budget would need to show those carryover funds. Commissioner Nienaber stated that adjustments would have to be made by the Council, not the Board.

Mayor Jansing stated that more detail has been provided than can be discussed during the August 28th special meeting and that he believes it is a good starting point for the full Council.

Commissioner Nienaber stated again that the additional carry over needs to be considered when working on the tax rate.

Mr. Waugaman suggested removing the longevity from the pay scale and using the extra carry over to increase salaries. Mayor Jansing indicated that the City of Lakeside Park doesn’t have as many employees, but their salaries aren’t capped and that they are given yearly merit raises which are usually 3%.

Chairman Meier stated that they can look at other pay scale solutions, but it can’t be done before the August 28th meeting.

Commissioner Nienaber pointed out again that the median on the pay scale is wrong, that it isn’t the middle of the range, and that longevity is holding back good employees.

Councilman Pohlgeers stated that good hard data are needed and that he doesn’t think they’ve been given that. He also stated that there are a lot of moving parts to consider.

After a lengthy discussion, Chairman Meier asked members what they wanted to do.
Councilman Hermes stated that there is a lot more to consider.

Mr. Litzler said that members are looking at finite reasons and complicating things unnecessarily. He indicated that the pay scale has a range—a bottom and a top with a median in between. He stated that the Board spent three months, looked at six comparisons, recommended a 4% salary increase which the Council reduced to 2%, and now they aren’t happy with the 18-organization comparison that they requested and staff provided.

Commissioner Nienaber stated again that the median provided isn’t a true median.

Commissioner Sewell stated that, since Commissioner Nienaber doesn’t think the information provided is trustworthy and Councilman Hermes has referred to it as a sales pitch, they are faced with two options: initiate an outside study or leave salaries where they are.

Commissioner Nienaber stated that a 3% increase wasn’t offered as an option. Commissioner Sewell indicated that the 3% increase was based on the same numbers. Commissioner Nienaber indicated that the numbers provided aren’t on the same ballfield and the comparison isn’t apples to apples.

Mayor Jansing stated that he doesn’t want to lose staff to competitors and that he can’t thank them enough for all they do. He indicated that members can’t get the broader information in two weeks for the August 28th special Council meeting but that the money is there and that it isn’t going anywhere. He also noted that the study would need Council approval.

Mayor Jansing excused himself from the meeting at approximately 7:00 PM to attend another meeting.

Mr. Mattone stated that the additional carry over could be used for any salary corrections and that they needed to look at how increases would affect CERS. Discussion followed.

Mr. Waugaman stated that board members need to remove the confusion around the pay plan. Councilman Pohlgeers stated that he didn’t know how to proceed about the pay plan adjustments and the 4% increase.

Commissioner Nienaber stated that he had asked if the pay scale adjustments had been taken out but still didn’t know if they had been. Mr. Gordon apologized and stated that he didn’t understand Commissioner Nienaber’s question during the Council meeting. Mr. Gordon then confirmed that the pay scale adjustments—several job reclassifications—plus the additional proposed 2% increase had been taken out of the General Fund. Discussion followed.

Commissioner Nienaber stated that he wasn’t against staff but that it was a process thing for him and that he doesn’t think the Board can adjust the pay scale and give a 4% increase without discussing it with the Council first. He asked how much the reclassifications would cost, and Mr. Gordon stated that it was approximately $24,000.
Councilman Pohlgeers stated that they needed to come up with a better way.

Chairman Meier stated the first step is the salary study.

Commissioner Nienaber stated that PDS’ most valuable asset is its unbelievable staff but that members need to make decisions based on data not emotion. He went on to say that it is an important issue and that they need to be informed. He again stressed how valuable the staff is and that they are worth being taken care of. Commissioner Nienaber stated that he has no problem compensating staff but not without input from the full Council.

Chairman Meier stated that the second step needed is to review the budget.

Mr. Litzler stated that the Board needed to present the revised budget to the Council with this salary information and asked Councilman Hermes what information he was still waiting for from Mr. Gordon. Councilman Hermes stated that, in all fairness, he had told Mr. Gordon that he could wait on the information that he didn’t need it by this meeting, and not to put off his regular duties to provide it.

Commissioner Nienaber stated again that he has a problem with the PDS median as included in staff’s report.

There was additional discussion regarding whether the August special meeting was needed if the intent is to go out for a comprehensive study.

Commissioner Nienaber stated that he is arguing for something better for employees and that he feels the current pay scale holds employees back. He indicated that using time as a factor in giving raises is unfair to high performers. Mr. Waugaman stated that he agreed.

Chairman Meier asked if the Budget Review Committee felt the August special Council meeting was needed. Councilman Pohlgeers, as the only executive committee member present, stated that he believes the meeting should be cancelled since they don’t have the information needed.

Commissioner Nienaber stated that the study needs to be based on median to median or the daunting task of averages.

Councilman Hermes indicated that he can’t stand using median and that the Board needs to authorize an RFP for a salary study. Commissioner Nienaber stated that the Council would have to amend the budget to do the study. Councilman Hermes stated that it didn’t cost anything to go out for an RFP.

Mr. Litzler advised the group that, in the meantime, staff is basically getting a 0.8% increase after 1.2% is taken by the City of Covington.
Councilman Hermes stated that there is a lot you can do with 0.8% for those that out-perform others. He then asked if they should revisit his motion to remove the presentation from the agenda and asked Mr. Gordon if he still wanted to present staff’s salary survey numbers.

Chairman Meier asked Mr. Gordon if the presentation was needed and Mr. Gordon stated that it was not given what is being suggested (an outside survey).

Councilman Pohlgeers and Commissioner Nienaber left the meeting at this time.

**ONGOING BUSINESS**

Chairman Meier asked if the minutes of the July 25, 2019 meeting were acceptable or if anyone had any additions/corrections.

With no changes or corrections, Commissioner Sewell made a motion to accept the minutes of the July 25, 2019 meeting as presented; Mr. Waugaman seconded the motion. Chairman Meier asked for a voice vote on the motion which found unanimous approval with Mr. Mattone present but not voting. The motion passed unanimously.

Ms. Cullum reviewed the July financial report (a copy of which is attached to the original minutes). She reported that, at 8.3% through the fiscal year, revenues were below projections at 2.2% which is expected until tax revenue is received in November; fees for services were above projections at 9.6%, and expenses were below projections at 5.5% of budget. She noted that One Stop Shop Program revenue was below projections at 5.9% with expenses below projections at 5.9%. Ms. Cullum noted that there was no change to reserve accounts.

With no further discussion, Chairman Meier asked for a motion regarding the July financial report. Mr. Waugaman made a motion to accept the July 2019 financial report subject to audit; Commissioner Sewell seconded the motion. Chairman Meier asked for a roll call vote on the motion which found Board Members Waugaman, Sewell, Fette, Hermes, Litzler, Mattone, and Chairman Meier in favor of the motion. The motion passed unanimously.

Chairman Meier asked for the report from legal counsel. Mr. Edmondson advised members that he had nothing new to report.

Chairman Meier asked for a report from the executive director. Mr. Gordon stated that he hasn’t given up on DAGNotes but that he hadn’t had time to do them this month.

Mr. Gordon noted that he had reached out to Roy Cox at the Fiscal Court regarding the increase in health insurance and that Mr. Cox doesn’t know what next year will look like. In the meantime, staff will start looking next spring at options as the Board instructed.

Mr. Gordon stated that staff continues to prepare for the move and that meetings have started to address expectations of the movers. He indicated that staff met earlier in the week with
county IT staff regarding the process of bringing all the disparate networks together into one building.

Mr. Gordon advised members that Engineering is the first of our five departments to go digital, that all records have been scanned, and that all old files have been recycled. He noted that the scanning project is going well with the scanning company having close to 70% of our records. He stated that staff anticipates handing off the last of the files prior to the move.

Mr. Gordon indicated that one month from today we will be deep into the move and that the September 19th Board meeting will be held in the new building.

Mr. Gordon advised members that staff members have toured the new space and asked if they were interested in taking a tour. Several members indicated that they would, and discussion followed regarding a convenient time. The consensus was that Monday, August 19th, at 8:30 AM would work best.

Mr. Gordon stated that members have been provided with copies of two “kudos” for staff from the Sisters of St. Walberg and the Kenton County Co-op Extension Service.

Mr. Gordon indicated that members have been provided with a Health Insurance Fact Sheet which shows a breakdown of coverage for employees. Members asked if employees contributed to the cost of coverage. Ms. Crabb stated that they pay 10% of the costs but if they participate in the health risk assessment program, they can reduce their contribution by 4 to 6%.

Mr. Gordon noted the various dates listed at the bottom of the agenda.

Chairman Meier asked for the report from staff on the 2019 property assessment numbers from the Kentucky Department for Local Government. Mr. Gordon stated that the numbers from Frankfort have been received and that members have been provided a sheet outlining staff’s findings.

Chairman Meier noted that PDS’ current tax rate is $0.0296 and that the approved budget is based on Comp +2% but that a comp rate will provide enough money to fund the budget.

Mr. Waugaman reminded members that they need to consider coming increases in health insurance and CERS.

Mayor Fette reminded members that the Council approved the recommended comp +2 rate but there is new data available.

Chairman Meier reminded members what happened last year when the Council approved comp +4% and then the Board reduced it to comp +2% based on the numbers received from Frankfort. He stated that there are still a lot of unknowns.
Chairman Meier asked for a motion regarding the 2019 tax rate. Mr. Waugaman made a motion to approve the comp +2% tax rate ($0.0295/$100 valuation) endorsed by the PDS Council; Chairman Meier seconded the motion.

Chairman Meier asked if there was any discussion on the motion. Discussion followed.

Chairman Meier asked for a roll call vote on the motion which found Board Members Waugaman, Chairman Meier, Fette, Hermes, Litzler, Mattone, and Sewell in favor of the motion. The motion passed unanimously.

Chairman Meier noted that, due to SPGE regulations, a quorum of the Board needs to be present at 3:30 PM on September 10, 2019 at the Independence Courthouse for a public hearing and to adopt Resolution 847-2019 to set the tax rate at $0.0295.

Chairman Meier asked for reports/comments from members of the Board. Councilman Hermes thanked Mr. Gordon for providing the list of employees, job titles, and salaries.

Chairman Meier stated that he had emailed JD Chaney regarding possibly pulling out of CERS. He stated that KLC is waiting to see how the process works with KERS before moving forward. There was discussion regarding forming a committee to investigate PDS’ continued/future participation in CERS. Chairman Meier appointed Mr. Mattone, Mayor Fette, and himself to serve on the committee with Mayor Fette acting as chair.

NEW BUSINESS

Chairman Meier asked for review of a staff recommendation to adopt amendments to Direction 2030: Your Voice Your Choice, the area-wide comprehensive plan. Ms. Randall provided background regarding the amendment history and an overview of the proposed amendments. She indicated that the proposed amendments include changes to text, maps, and links and showed members an example on the website – Economy, Mobility, and recommendation. She noted that, with the exception of Kenton County Fiscal Court and the City of Covington, all future land use maps have been updated.

Chairman Meier asked if members were available to view these amendments. Ms. Randall stated that they were and that the Kenton County Planning Commission would hear the changes at the September 5th hearing.

Ms. Randall noted that they were only refreshing Direction 2030 and aren’t ready for 2040 yet. Discussions regarding five-year updates followed.

Chairman Meier asked for a motion regarding staff’s recommendation. Mr. Waugaman made a motion to adopt amendments to Direction 2030: Your Voice Your Choice, the area-wide comprehensive plan; Councilman Hermes seconded the motion.
Chairman Meier asked if there was any discussion on the motion. With none, he asked for a voice vote on the motion which found unanimous approval.

Chairman Meier asked if there was any other new business to come before the Board. With none, Mr. Waugaman made a motion to adjourn the meeting and Commissioner Sewell seconded it. With all in favor, the meeting adjourned at 8:10 PM.

_____________________________________
Paul Meier, Chairman

_____________________________________
Dennis Andrew Gordon, FAICP
Executive Director/Secretary