

THE PARK HILLS CITY COUNCIL HELD A BUSINESS MEETING ON MONDAY, FEBRUARY 12, 2018 AT 7:00 P.M. AT ST. JOSEPH HEIGHTS, 1601 DIXIE HIGHWAY WITH MAYOR MATT MATTHEW MATTONE PRESIDING
COUNCILMEMBERS PRESENT: KATHY ZEMBRODT, PAMELA SPOOR, JASON RESER, GREG CLAYPOLE AND KARL OBERJOHN
STEVE ELKINS ARRIVED AT 7:20
ALSO PRESENT: CITY ATTORNEY, TODD MCMURTRY AND CITY ENGINEER, JAY BAYER

Call to Order

Pledge of Allegiance

Roll Call

I. Presenters

A. Ms. Margie Witt was present at the meeting to invite Park Hills to have a second annual cleanup day this spring. She is the organizer for the City of Ft. Wright's cleanup day which is scheduled for April 21st. She stated Ms. Sophie Bayer has agreed to organize the Park Hills cleanup day this year. Ms. Bayer is asking for a few volunteers to help with recruiting volunteers, choosing a date and publicizing, working with public works for supplies and coming to clean up themselves. More information will be available once a date is set.

B. Mr. Bob Amott asked to give a brief acknowledgement to the police department for a shooting incident that happened in Park Hills in May of 2016. The defendant was found guilty and sentenced to 90 years in prison. Commonwealth's Attorney, Rob Sanders, complimented the Park Hills police for the investigations and inter-agency cooperation as the investigation involved at least four different agencies. Mr. Sanders said, "The City of Park Hills has a small department but they've wisely invested in experienced officers; so while it's rare for anything like this to happen in such a little, quiet town, it's good to know their police have all the skills they need to handle such a case." Lt. Richard Webster and Park Hills Police Chief, Cody Stanley served over 20 years in the City of Covington's Police Department before moving to Park Hills.

C. Mr. John Chamberlin, CPA with VanGorer, Walker & Co., was present at the meeting to go over the audit report with Mayor and Council. Discussion regarding audit standards, flat revenues vs. growing expenditures, pension requirements and the segregation of duties took place. Mr. Chamberlin suggested moving the department reserves to the general fund and calling them committed funds. These funds can be spent with Council's approval just as the current Ordinance states. Discussion took place regarding depreciation. Chief Cody Stanley and Lt. Richard Webster are now signers on the general fund account along with Mayor Mattone. The city clerk has been removed as a signer to help alleviate the segregation of duties issue. The entire audit is available for viewing on the city's website.

D. Mr. David Baker, who handles the city's account reconciliations and helps as a budget consultant, was present at the meeting to talk about his capital improvement plan.

Mr. Baker believes the city should be very specific on capital replacement such as cost and when it will need to happen in the future. He added; the depreciation items that are of most interest are usually administration, public safety and public works. Infrastructure depreciation is more about a long term study on how the city is going to replace the roads and also includes maintenance of the roads. When building the capital improvement model, he would like to include some of the long term maintenance so there is a better plan for cash management over the next ten years. The model will be for ten years and the idea would be to update annually so there is a rolling ten year look at capital improvements. Ms. Spoor asked how the new road for the Audubon project will be depreciated which will be built with private money and dedicated to the city. Mr. Baker replied the only thing the city would incur is the expense to maintain it. He stated the depreciation from administration, public safety and public works could be funded annually even though this may be over funding the capital improvements. He would like to put together a comprehensive plan on replacements and come up with a number on an annual basis to start the fund for future capital improvements. He moved on to the department reserves stating the city is treating them as separate funds. He agrees on moving them to the general fund as committed funds so money is not transferred from one fund to another. Ms. Spoor asked Mr. Baker to look at the enabling legislature for these funds. He does not have a problem with the Ordinance but states the whole purpose is to become forward looking instead of reactionary. He wants to plan how the money will be spent instead of saving it for something that may be needed. He doesn't see the purpose of the Ordinance or these separate funds as long as the city lives by the plan it creates. He believes all the departments should have what they need to provide the services they provide. He would like to put all the funds into one account labeled Capital Improvement Fund which would be budgeted for revenues and expenditures. Ms. Zembrodt wants the funds protected from being spent on other things besides what they were originally set up for. Mr. McMurtry explained that if the fund is set up for specific expenditures, such as a police cruiser, that is all Council is allowed to use if for. Council has control over what the funds can be used for. Mr. Baker believes the city needs to go toward a budget driven environment that is always looking to the next fiscal year and preparing for the next fiscal year. Mayor Mattone would like to show where tax payers' money is going by budgeting each year and showing the capital asset replacement schedule.

Mr. Oberjohn asked what the number of months' worth of operating expense the city should have in reserves. Mr. Baker replied three months which would be roughly \$525,000.

Mr. Baker is going through the fixed asset schedule to clean it up in order to develop the capital plan. Ms. Spoor requested park/play equipment be included in the capital plan.

II. Petitioners

A. Ms. Cooper Ambjorn-Olsen

Ms. Ambjorn-Olsen, a resident and member of the Financial Oversight Committee, was present at the meeting to give a power point presentation on the city's finances. She stated she gathered her information through public, online records which are available to

everyone. Her City of Park Hills Finance Briefing is included as an addendum to the minutes.

Mr. Carl Gerrein approached the podium in response to Ms. Ambjorn-Olsen's presentation. He asked where the expenses were coming from. Mayor Mattone stated he would post the audit to the website for him to view. He also added that the pension is increasing significantly. Mr. Gerrein is concerned the city is going to spend money on bike trails. Mr. Reser stated the city doesn't have money for bike trails but would gladly accept donations. The Mayor reminded Mr. Gerrein that only Council can approve expenditures. Mr. Gerrein went on to comment on Ms. Ambjorn-Olsen's report where she states property values are flat; he believes this issue should be discussed and scrutinized. As the discussion became a bit heated, Attorney McMurtry advised Mr. Gerrein that 'he was out of order.' Mr. Gerrein took exception to that assertion. Ms. Gerrein then approached the podium stating she is concerned with the lack of decorum in the room and believes any question asked of a resident should be acknowledged.

III. Second Reading; Ordinance No. 2, 2018; Mayor and Council Vacancies was read in summary by Attorney McMurtry. Motion to adopt Ordinance was made by Mr. Oberjohn; second by Mr. Reser. Roll call: Ms. Spoor; aye (Ms. Spoor wanted to state for the record that it will be awkward for the parties that participate in this process; no other city puts that kind of pressure on candidates), Ms. Zembrodt; aye, Mr. Reser; aye, Mr. Claypole; nay, Mr. Elkins; aye, (Mr. Elkins agrees the ballot portion will be awkward) Mr. Oberjohn; aye Motion carried.

IV. Executive Order No. 1, 2018 was tabled until it could be read as an Ordinance to appoint committee members and set meeting dates and time.

V. Department Reports

A. Police Department – Chief Cody Stanley

Mr. Reser asked the status of Lt. Webster's cruiser after it was hit by a sliding car during the snow. Chief Stanley stated the claim was sent to the insurance company. The city clerk stated the check for the repairs was received. There were no other questions for Chief Stanley

B. Fire Department – Chief John S. Rigney

Chief Rigney's monthly report included the following:

- A total of 27 calls for service were received during the month of January. The incidents are broken down by type on the activity report Council received.
- The PHFD received notification from the Kentucky Fire Commission of a grant award for \$3,200.00 towards a Thermal Imaging Camera.
- Application was made to the FEMA AFG program for \$123,000.00. If awarded, the funds would be used for replacement and updating of SCBA equipment.

- During last month's coldest days, the pipes in the rear FD bathroom became frozen. Crew members thawed the pipes and made repairs to the drywall and insulation.

Ms. Spoor asked if the FD could offer CPR classes. Chief Rigney said he is working on having a class in the spring.

C. Public Works – Dan VonHandorf

Mr. VonHandorf thanked Mayor and Council for another month.

- Duke is working on the Amsterdam Road upgrades.
- Two bids came in for the city's landscaping/mulching job. Central Lawn Care was the low bidder and Mr. VonHandorf recommended going with them.
- Mr. VonHandorf thanked everyone for removing their cars from the street during the snow emergency.
- Mr. VonHandorf thanked everyone who participated in the leaf pick up last year.
- Mr. VonHandorf attended a class for the ADA compliance and accessibility and would like to use the money collected from the leaf pick up to start making improvements to the sidewalks.

He asked the status of the reserve funds for his department in case one of his pieces of equipment falls apart. He asked Council to think about it.

Mayor Mattone asked about the vehicles coming in and out of the old Park Hills school as part of the abatement process. Mr. VonHandorf replied that a temporary road was built between the two properties. Mr. VonHandorf stated he would address the issue first thing in the morning.

Mr. Reser asked if the landscape/mulching bid included weeding. Mr. VonHandorf stated a pre-emergent would be applied to help slow the growth of weeds.

Mr. Claypole asked if the budget committee could discuss ways to update another truck for snow removal so that Mr. VonHandorf could have some back up help if needed.

D. City Engineer – Jay Bayer

Projects in Construction Phase

1208 Audubon Road Storm Sewer Project

The infrastructure committee has reviewed Eaton's invoice and recommended a payment. Bayer Becker will draft a pay request to submit to the city. 5% retainage will be held until the restoration can be evaluated in the spring and a formal punchlist can be issued to the contractor.

Old State Road Sidewalk

A formal punchlist has been issued to Len Riegler. 5% Retainage is being held until punchlist items have been addressed and restoration has been approved.

Projects in Design Phase

North Arlington Road Improvement Project

Following the receipt of all signed acknowledgments from affected residents, Bayer Becker will be able to issue the roadway plans for bid. The water district has approved the water main replacement plans and anticipates putting their project out to bid to be

approved at their April board meeting. Duke Energy is planning on starting their project mid to late February.

Jackson Road Improvement Project

SD1 has approved the 50/50 match for storm sewer infrastructure. The city has had initial discussions with affected property owners about proposed storm sewer easements. Bayer Becker has prepared preliminary documentation for the easements.

Mr. Claypole stated the Infrastructure Committee is looking into LED lighting. He asked Mr. Bayer the status of the North Arlington Road project bid. Mr. Bayer replied he is still waiting on the forms sent to residents to proceed.

E. Treasurer's Report – Julie Alig

Motion to accept the December 2017 and January 2018 financial reports and to move the \$3,000 Reach Alert expense from the police department to Contracts was made by Ms. Zembrod; second by Mr. Claypole. Roll call: all ayes

Motion to pay the Road Fund invoices in the amount of \$17,875.00 and the Municipal Road Aid invoices in the amount of \$66,233.73 was made by Ms. Spoor; second by Mr. Claypole. Roll call: all ayes

VI. Delegation Discussions

1. Telecommunications Board of Northern KY – Richard Lange

Mr. Lange stated he was elected to the office of chair for the board.

The board approved a proposal from VanGorder, Walker & Company to perform their audit

2. Code Enforcement Board – David Gray

Mr. Gray stated there was nothing on the agenda for Park Hills at the last meeting. Mr. Gray asked if Council agrees to go with his recommendations regarding imposing fees on citations. Council stated they do.

3. Audubon Forest/Berling Development

Ms. Kelly Theissen approached the podium with a few notes her husband Kevin took from the meeting in Louisville on January 31st. She stated there was a Memorandum of Understanding signed in which the Berlins agreed to contribute \$10,000 to the city for historical signage and landscaping. Ms. Spoor added; Mr. Theissen presented the Berling Delegation requests. They were advised by the Corps of Engineers and the KY Heritage Council that they had no authority to grant the requests but did offer them \$2,000 for historical signage, \$2,500 toward the publication of an historic book and to expand the green buffer zone with the landscaping cost not to exceed \$7,500. The Mayor stated, once the MOU is complete, the Army Corps of Engineers will review the permit to see if they can build the project. Ms. Spoor asked that the original court settlement document be posted to the website.

4. Gateway Development/Zeltwanger

Mr. McMurtry attended a meeting on February 1st at the PDS on behalf of the city. Mr. Phil Ryan was also in attendance. He stated PDS had all the interested parties there to review the plans which are mainly a single family development. The plan provides for a road to exit and enter from Dixie Highway. He stated PDS recommended a traffic study. There was also discussion of water drainage. There was also discussion of how to deal with Old State Road which is now a dead end. Mr. McMurtry advised that he told them the city could be flexible with what needed to be done without burdening the residents with traffic. The matter is now set for a hearing before the Planning Commission for the approval of a stage one development plan. Mr. Ryan stated the meeting is scheduled for March 1st and that it is helpful to have representatives from the city in attendance.

VII. Committee Reports

A. Tree Board

Mr. Mike Conway was present at the meeting to give a report. He began by thanking everyone for their help in planting a record number of trees last year, forty eight. This was done through the Plant A Tree Program and the Altavia and Audubon Road projects. Mr. Conway would like to discuss the Tree Ordinance at the next meeting. Ms. Spoor gave Mr. Conway a list of her suggestions; she would also like to include a Landmark Tree Ordinance. Ms. Spoor will work with the Tree Board on the new Ordinance. Mr. Claypole thanked Mr. Conway for donating the money to have the Park Hills Welcome Sign redone. Mr. Conway stated Park Hills has been designated as a Tree City USA for eight years in a row.

B. Kenton County Planning Commission

Mr. Phil Ryan began by suggesting the city plant a variety of trees to help combat diseases some species may carry.

Mr. Ryan stated the Z21 Phase I zoning audit has been completed. He will forward to the city. A follow up meeting with city officials will also be scheduled.

Mr. Ryan added; in the county's comprehensive plan, there is a section regarding bike/walking trails which has been in the books for about fifteen years. They have recently started to gather team members and groups to look at these pathways.

Mr. Ryan, as commission treasurer, stated Mr. Chamberlin was very helpful with the Commission's audit report. He also thanked Mr. David Baker for his help with the Finance Committee.

C. Financial Oversight Committee

Mr. Reser stated the committee unanimously voted to sunset the current Vehicle Fee Ordinance and come up with an easier way of collecting fees. They also discussed paying property taxes online. The city clerk is working on having this possible for the upcoming tax season. Other discussion included rental property inspections, replacement of the vehicle fee and the expected costs of radios and pensions.

Ms. Zembrodts would like to move the department reserves into the general fund as committed funds. Mr. McMurtry stated this can be amended as an Ordinance in writing.

D. Infrastructure

Mr. Oberjohn stated there was a representative from Duke at the last meeting to discuss the city's lighting. One option would lower the energy cost but there is an installation fee. This could have a seven to eight year payback period. Duke is working on an estimate. PDS has finished 76% of the sidewalk assessment. It came in 12% under budget for the sidewalks, signs and poles, curb ramps and signal poles. Mr. Bayer stated he could do a pavement assessment for the city which could be put into our existing maps. Mr. Oberjohn would like to discuss it further at the next meeting.

VIII. Old Business

A. Franchise fee collection

Mayor Mattone stated he met with Mr. Tim Broering, TBNK, about some options for the collection of franchise fees. The Mayor explained how fees are collected and also went over Resolution No. 2, 2018 in which the city would revoke its certified participation in the state Telecom Distribution Fund and re-establish, impose and collect local franchise fees and/or license fees. Motion to accept Resolution was made by Ms. Spoor; second by Ms. Zembrodt. Roll call: all ayes

B. A discussion took place regarding Ms. Spoor's proposed Order which would require proposed legislation to be posted to the website at least 72 hours prior to a meeting. Ms. Spoor motioned to adopt the Order, after making an amendment to require the legislation to have a sponsor; second by Ms. Zembrodt. After discussion, Ms. Spoor withdrew her motion. The matter will be discussed further at the next Caucus meeting.

C. Mayor Mattone stated the tree inventory will be updated by the Urban Forest Initiative this spring. Mayor Mattone also thanked the Tree Board for the inventory work they did.

IX. New Business


A. Public discussion regarding the Human Rights Commission

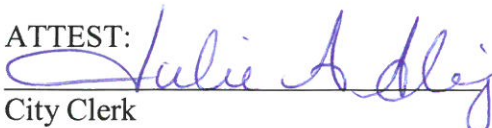
Ms. Sarah Froelich stated a few people met two Fridays ago to discuss implementing a local Human Rights Commission. At the next Caucus meeting, there will be an opportunity for the public to speak and comment. They will have a block of 90 minutes.

B. Breakdown of legal fees

Mr. Oberjohn stated he will discuss this further at another meeting

10:20 Motion to adjourn from Business Meeting made by Mr. Elkins; second Mr. Oberjohn


Mayor, Matt Mattone

ATTEST: 
City Clerk

City of Park Hills Finance Briefing

Cooper Ambjorn, Resident
Caucus Meeting, 2/12/2017



Operating Revenue

- ▶ Park Hills requires a certain amount of revenue to operate and that amount is determined by the services delivered and by our debt obligations.
 - ▶ The City's operating income should ideally allow the City to set aside and save for investment in capital improvements and 'rainy' day funds.
 - ▶ The City's cash position is not improving; only a projected \$2564 dollars better than it was 36 months ago and we still need to save for:
 - ▶ New police and fire radios
 - ▶ Increased state pension payments as a results of recent state pension crisis
 - ▶ Needed maintenance the city building (roof, police/fire changing facilities)
 - ▶ Replacement or major city assets (cruiser, fire equipment, computers, snow plows)
 - ▶ Unexpected legal costs (e.g.: fees associated with Audubon litigation)

Property Taxes—The Basics

- ▶ **As we know, Property taxes are the fund paid by said property owners for to the overall operation of a community.**
 - ▶ These dollars assist in operations but they generally do not cover the full scope of services provided to residents and business owners. Property taxes are one of the largest revenue streams for most communities, especially those with limited commercial and industrial zoning like Park Hills.
 - ▶ Property taxes are an important revenue stream for Park Hills and DO NOT cover our expenses, the city is projected to be in the 'red' for 2017-18 FY after the recent state wide pension crisis.
- ▶ **Per KRS Title IX: Cities and Local Government, specifically Home Rule class cities, can impose a property tax given:**
 - ▶ That the tax is limited to a 4% increase over the previous year's revenue and that the intent is to allow a City to collect up to 4% additional in revenue in order to adjust for increase costs incurred in delivery of services, to adapt to cost of living increases, or to create savings for needed capital improvements.

Most other taxes and fees are regulated with a maximum rate, leaving Ad Valorem (Property Tax) being one of a few revenue streams that can address the expense versus revenue gap.

Property Taxes – Where do we Stand?

- ▶ Property values in Park Hills have been flat over the last 5-7 years and our property taxes do not bring in the amount needed to both operate and save for future needs.
- ▶ The City must collect taxes and fees at least in the amount they did the prior year before Compensating Rate unless a new revenue stream is added or a current revenue stream is expanded.
- ▶ We are below the rate of other communities in NKY despite commonly held 'wisdom' that Park Hills has high taxes.

City	Real Estate	Tangible	Motor Vehicle
Park Hills*	.209	.334	.334
Ludlow	.385	.74	.26
Fort Wright	.27	.4	.197
Dayton	.49	.71	.5
Bellevue	.31	.43	.38
Fort Mitchell	.138		
Fort Thomas	.402	.402	.39
Taylor Mill	.439	.75	
Villa Hills	.21	.073	
Crescent Springs	.21	.158	

*Note that Park Hills does also asses a Road Tax


The State Pension Crisis Hit Park Hills

- ▶ In this current fiscal year, we need to fund an additional estimated \$68,000 pension obligation.
- ▶ There is likely an additional \$100K required in the next fiscal year.
- ▶ We will have to spend the City's savings to meet these obligations if we do not reduce expenditures or increase revenues.


USA TODAY

NEWS SPORTS LIFE MONEY TECH TRAVEL OPINION 57° CROSSWORDS WASHINGTON VIDEO


KENTUCKY PENSION CRISIS



Column: Providing for Kentucky's future
Kentucky's Gov. Matt Bevin had just birthed a challenge to Kentuckians: whether he intended to do what the governor's job demanded or not, the Senate assembly put all Kentuckians. Kentuckians need to see what kind of state they want.
CROWLEY | 12/24/2018 11:17 AM



Column: Pension bill is a huge challenge
This week was the busiest yet in Frankfort with a number of bills moving through committee and on to the Senate and House floor for vote. The bills are starting to get unveiled as we are visited by one of Kentucky's biggest groups that...
CROWLEY | 12/24/2018 11:17 AM



Democratic challengers and Trump coattails make for interesting fall elections in Kentucky
The first part of the winter season in this two Kentucky elections is out with passage of the Jan. 30 filing deadline for the May 22 primary and the tentative outcome is...
CROWLEY | 12/24/2018 11:17 AM

Government & Regulations

Gov. Bevin ponders pensions, derides 'Chicken Littles'

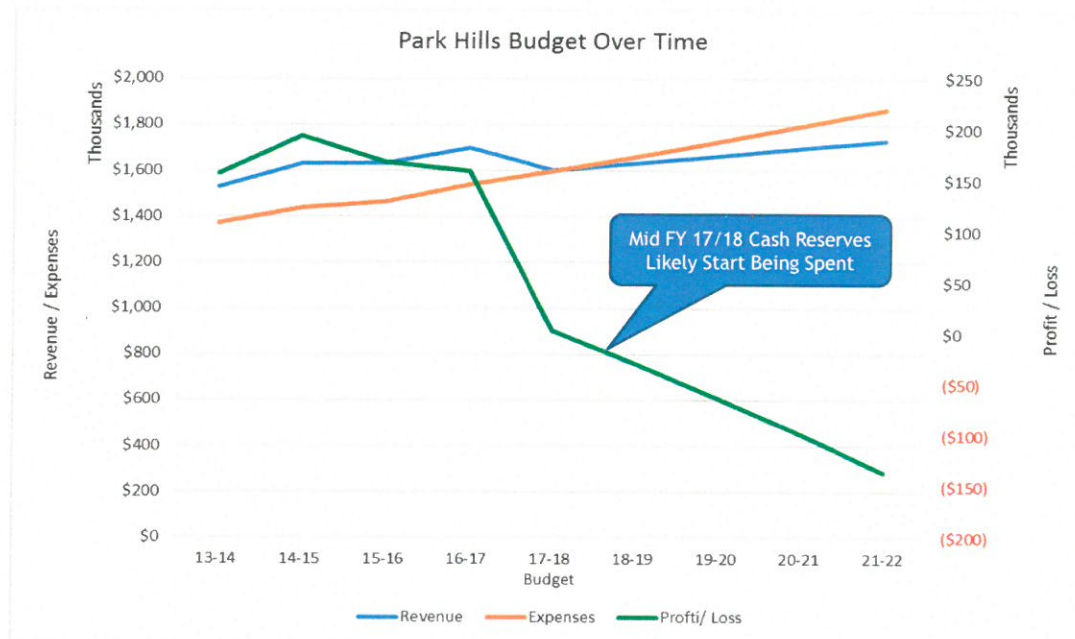
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'Devastating' cut could mean some retired Kentucky teachers pay thousands more in insurance

Tom Loftus, Louisville Courier Journal Published 11:55 a.m. ET Jan. 23, 2018 | Updated 12:21 p.m. ET Jan. 23, 2018

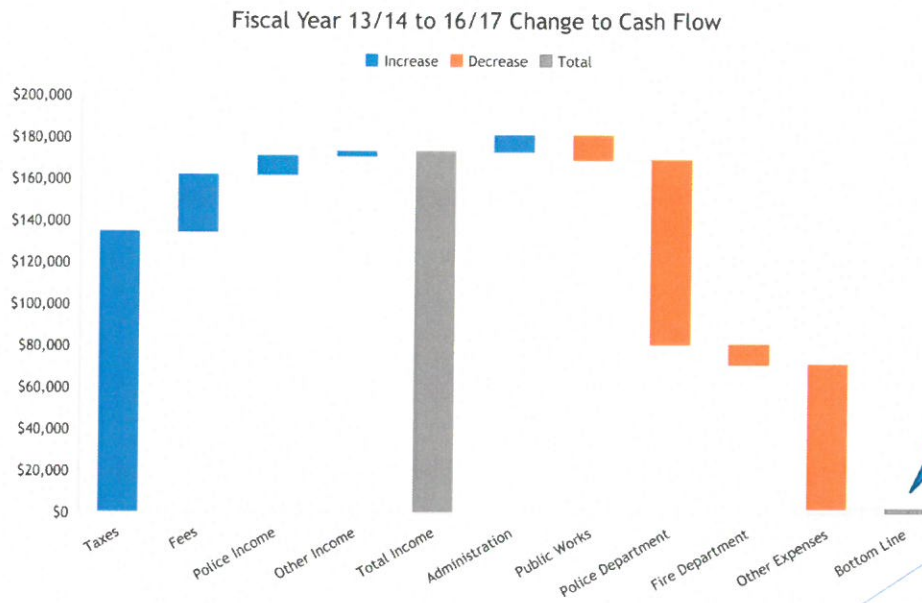
Long Range Trend:

Assumption Based on 2017/18 Budget with Revenue Increased by 2% and Expenses increased by 4%



Waterfall Analysis of Cash Flow:

Increases in Several Expense Categories with No Corresponding Increase in Revenue



That is only \$2,564 gain in net positive cash position over 36 months with known capital investment needs AND \$2.2 MM dollar loan obligation with balloon payment.

Why do we Have to Solve this – and Now?

- ▶ While not funding a full service fire department, the City does fund a **hugely important but expensive full service Police Department.**
- ▶ Our Police Department is the single largest annual expense; with an approximate 40% of total expenses going towards the Police Department, around 7.5% for Fire (expense off set by the generous bequeath of the Creighton Fund) and less than 5% for all Public Works.



**Residents want to continue to receive the services
that make Park Hills a great place to live!**

As a Tax Payer, Demand Action and Accountability!

- ▶ Attend Business Council Meetings and/or Caucus Meetings like today's session.
- ▶ Parkhillsky.net has budgets, meeting minutes and other records that are available to the public.
- ▶ Read articles in media related to state wide event that effect us, such as the pension crisis.
- ▶ Volunteer to be a committee member or talk to your neighbors who are on committees.
- ▶ Send an email, call or talk to your council members and ask how they are proactively addressing this crisis.

Finally, recognize that the City Council must act to solve this issues if we value our independence & want to receive full services as tax paying property owners and residents.

