

**CITY OF FORT MITCHELL, KENTUCKY  
SPECIAL MEETING OF CITY COUNCIL  
June 8, 2009 – 7:00 p.m.**

**CALL TO ORDER / OATH OF OFFICE / PLEDGE OF ALLEGIANCE / ROLL CALL**

Mayor Holocher called the meeting to order at 7:00 p.m. and lead the Pledge of Allegiance.

**PRESENT:** Vicki Boerger, Mary Burns, Bill Reis, David Schrand, David Stoeckle, Will Terwort, Christopher Wiest, and Dennis Zahler **Others Present:** Mayor Thomas Holocher, Police Chief/CAO Steve Hensley, City Attorney Robert Ziegler, City Treasurer Amy Guenther, Fire Chief Scott McVey, Asst. Chief Dave Jansing, Public Works Director Robert Zerhusen, ~~Sgt.~~ **Capt.** Jim Bussman, and City Clerk Amy Able.

**APPROVAL OF MINUTES**

Mr. Terwort asked to make grammatical corrections to page two of the minutes of the May 18, 2009 meeting and he noted changes to the punctuation in the summary of the discussion of proposed Resolution 2009-12. **Mrs. Boerger made a motion to approve the minutes as corrected and Mr. Stoeckle offered a second to the motion; Mayor Holocher called for a vote and the motion carried by voice vote.**

**MUNICIPAL ROAD AID HEARING**

Mayor Holocher opened the public hearing at 7:04 p.m. The details of the Municipal Road Aid Program Funds were read for the record.

Balance carried forward (anticipated, pre-audit amt.)	\$ 223,406.00
Anticipated receipts	\$ 146,000.00
Anticipated interest income	<u>\$ 4,000.00</u>
Total available for appropriation	\$ 373,406.00

Mayor Holocher called for any public comment or questions. Upon hearing that there were no questions or comments, the mayor announced the close of the public hearing at 7:08 p.m. Mr. Wiest asked for an overview or explanation of the program. Mayor Holocher explained the funds are from the state for road maintenance and the detail is given on page 10 of the proposed budget. The funds are derived from the gasoline tax and distributed by population. An annual public hearing is required to receive funding.

There were two boy scouts from local troops in attendance at the meeting. Omer Donmez of Troop 820 and James Sims of Troop 717 were recognized.

**CITY ATTORNEY'S REPORT**

**Mr. Ziegler gave a first reading of Ordinance 2009-02 by title and summary.** This ordinance amends the budget for the fiscal year ending June 30, 2009. Mayor Holocher called for any questions or comments and there were none.

Mayor Holocher called for any questions or discussion before the first reading of Ordinance 2009-03 approving the budget for fiscal year 2009 - 2010. The following items were noted and discussed.

Mr. Terwort asked for a discussion of the allocation of \$100,000 for the city centennial. Mayor Holocher noted a committee has been established and while no plans have been made yet this is an estimated figure so that some funds will be available. Mayor Holocher noted some of the ideas discussed at previous council meetings and planning sessions included the possibility of a small park at the top of Superior Avenue with benches and as previously discussed the plan is to get some corporate sponsorship for a number of things. The committee would bring any recommendations back to council for approval. Mr. Terwort said he has reservations and this is not an appropriate use of tax dollars. He proposed cutting the amount by \$70,000. **Mr. Terwort made a motion to amend the Centennial Celebration amount in the proposed budget from \$100,000 to \$30,000. Ms. Burns offered a second to the motion.** Discussion ensued. Mr. Zahler noted the budgeted amount is not necessarily to be spent in full, the expenditures may differ; this provides for some funds to be available when plans are made. Mayor Holocher added the last undertaking of a similar nature was the memorial clock, donations were sought to defray the costs and it worked out. Mr. Wiest asked if other members feel \$100,000 is

too much and Ms. Burns agreed. Mr. Reis stated that including an amount in the budget simply means it's there if needed but he didn't think expenses would go that high. In considering this line item, questions arose about the expected amount of any increase to the property tax rate. Certified figures are not yet available from the state to calculate the property tax rate for 2009, so it is unknown if or how much of an increase there will be if the allowable rate (compensating rate plus a four percent increase in revenue) is taken. Mr. Wiest stated the amount of the line item ultimately makes people comfortable spending up to that amount. Mayor Holocher stated he understood the point but said we do not run the City that way. Mr. Wiest said drawing the line lower makes people more mindful. Mr. Stoeckle asked Mr. Terwort to elaborate on his proposal for the centennial and asked if he would object to developing land for park space. Mr. Terwort said it should be centered around the July 4<sup>th</sup> parade and \$30,000 would be enough for a nice event. Mr. Stoeckle asked if there was any objection to developing the land for a park. Mr. Terwort agreed that was worth future discussion. Mr. Wiest asked about costs of recent park improvements. The recent purchase of playground equipment for Gen. Ormsby Mitchel Park was approximately \$120,000 and improvements to the basketball court at Iris Road Park were approximately \$10,000. Mr. Wiest suggested rather than budgeting for property tax revenues at \$915,200, we should keep the amount from the current fiscal year which is \$880,000. Mayor Holocher noted in order to move to discussion of the tax rate, the current motion should be addressed. **Ms. Burns rescinded her second to the motion so that conversation could move forward.** Mr. Terwort agreed to discuss the tax issue, rescinding his motion. Mr. Wiest explained his point that we should not budget for a tax increase but set it at the compensating rate. Mr. Reis asked the Treasurer if the amount in the bank is equivalent to an estimated six months worth of expenses. Mrs. Guenther confirmed this and noted the budgeted net decrease in the reserve of nearly \$700,000. Mr. Wiest asked the Treasurer if she has concerns with setting the budget for property tax revenue at \$880,000 and if the January through March 2009 revenue amounts were better than expected. Mrs. Guenther responded that payroll taxes were lower but insurance premiums were higher. She added that if we leave the property tax amount at \$880,000 the City will be decreasing the tax rate significantly. If the tax rate is left the same the revenue may be closer to a \$900,000 range. She stated she is concerned with a decrease in the reserve of this magnitude. Mr. Wiest stated this may be attributed to the decision to spend aggressively with respect to roads. Mrs. Guenther stated this reserve is not the Road Fund. Mayor Holocher stated the only reason we are in the position to do things creatively with room to take advantage of the downturn in the economy is because there is a reserve. He noted at previous meetings we talked about funding the half-million dollar increase to retirement costs. We risk losing the compounding effect of the 4% factor forever. Mr. Wiest stated there is a symbolic effect as well and families need the money more now.

Mr. Wiest asked to discuss cutting the planning and zoning study expense. Mayor Holocher stated planning and zoning studies are done for future benefit; it is not about whether or not an area will be developed in the short term. Such an investment can be instrumental to development and prevent an area from seeing an increase in blight and becoming a worse problem. Mr. Wiest stated we could hold off for a year on this study and he believes this year a tax increase is not needed. Ms. Burns asked if the current owners want the study done. Mayor Holocher explained without a plan in place re-development is difficult. Ms. Burns agreed that it should not be done this year and could be revisited next year. Mr. Stoeckle commented on the \$83,000 increase for CERS contributions this year and the projections for coming years plus expenditures that will be increasing in the fire department. He stated the reason there is money in the bank is the City has been run efficiently. He added there has been planning for the future which gives us the advantage to do road projects this year or buy an ambulance (which was already made to last an additional two years.) He said there must be some consideration for quality of life enhancements such as a park in the heart of the business district and we must look further than a short-sided approach. Mr. Wiest reiterated his preference not to budget for an increase this year. Mr. Zahler stated if we lock in the amount and assessments come in lower, we could face a real shortfall. **Mr. Wiest made a motion to reduce the property tax revenue increased amount and set the budget at \$880,000. Mr. Terwort offered a second to the motion.** Mayor Holocher called for any other questions or comments. Mr. Stoeckle said he did not understand this based on earlier comments by the Treasurer that indicated she advised against the approach of setting the amount at \$880,000. Mrs. Guenther stated that she does have a concern over pulling \$690,000 from General Fund reserves. Mrs. Guenther pointed out that this is not the Road Tax Fund and all the road work being done is in the Road Tax Fund; the only thing that has to do with roads in the General Fund reserve decrease is transferring \$350,000 to the Road Tax Fund. Upon hearing that there were no further questions or comments, Mayor Holocher called for a roll call vote.

<b>Mr. Wiest:</b>	<b>Yes</b>	<b>Mr. Reis:</b>	<b>Abstain</b>
<b>Mr. Terwort:</b>	<b>Yes</b>	<b>Ms. Burns:</b>	<b>Yes</b>
<b>Mr. Stoeckle:</b>	<b>No</b>	<b>Mrs. Boerger:</b>	<b>No</b>
<b>Mr. Schrand:</b>	<b>No</b>	<b>Mr. Zahler:</b>	<b>No</b>

**Ayes: 3      Nays: 4      Abstain: 1**  
**Motion defeated.**

Mr. Reis explained his vote stating he needs to speak with people in his neighborhood and in his age group and he will have an opportunity to vote on the budget ordinance. He stated he agrees with Mr. Wiest that we must do something but believes we also must educate citizens on the costs required to run the City. He said having the opinions of the citizens is important but just as with keeping up a home, maintenance and upkeep must always be done.

Mr. Reis stated he believes the planning and zoning study would be money well spent. Mr. Wiest responded money may be spent for a study that might never be used.

Mr. Terwort said by reducing the Centennial amount there will be more money for roads or the reserve fund without raising taxes and still have an outstanding event. **Mr. Terwort made a motion to amend the Centennial Celebration amount in the proposed budget from \$100,000 to \$30,000. Ms. Burns offered a second to the motion.** Mr. Stoeckle asked Mr. Terwort and Ms. Burns to confirm if they intend this to mean the Centennial plans will not include using the land. Ms. Burns responded that is not necessarily the case, they currently have no idea of the costs required. Mr. Stoeckle agreed \$100,000 is too much for a celebration but what if the same amount were considered for "development of a park", does that wording change the response or is it somehow more agreeable? Ms. Burns stated it is hard to respond without the necessary information and estimates available. Mr. Terwort asked if another park is needed. Mr. Stoeckle responded it has been discussed multiple times and at planning sessions and previous Councils saw a need. Mayor Holocher stated he believes corporate sponsorships may be obtained. He stated the trees and green space help enhance the Dixie Highway which is our main artery. The improved signage and the planters installed by the Garden Club are examples of enhancements that help make people proud and are something for future generations to enjoy. Mayor Holocher stated the description of "Centennial Celebration" could have been stated more clearly as the intent was never to spend this amount for a single event or party but for some fixed asset or lasting improvement. After further discussion of reallocating the \$70,000, **Ms. Burns rescinded her second and Mr. Terwort rescinded his motion. Mr. Terwort made a motion to amend the Centennial Celebration/Project(s) amount in the proposed budget from \$100,000 to \$30,000 and reallocate the \$70,000 amount to the reserve. Ms. Burns offered a second to the motion.** Mayor Holocher called for any other questions or comments and upon hearing that there were none, he called for a roll call vote.

<b>Mr. Terwort:</b>	<b>Yes</b>	<b>Mr. Stoeckle:</b>	<b>Yes</b>
<b>Ms. Burns:</b>	<b>Yes</b>	<b>Mr. Wiest:</b>	<b>Yes</b>
<b>Mr. Reis:</b>	<b>Yes</b>	<b>Mr. Zahler:</b>	<b>Yes</b>
<b>Mr. Schrand:</b>	<b>Yes</b>	<b>Mrs. Boerger:</b>	<b>Yes</b>

**Ayes: 8      Nays: 0**  
**Motion carried.**

Mayor Holocher called for any other discussion before the first reading of the ordinance. **Mr. Wiest made a motion to reduce to \$1,000 the amount for the planning and zoning study and reallocate the additional funds to the reserve. Mr. Terwort offered a second to the motion.** Mayor Holocher called for any other questions or comments and upon hearing that there were none, he called for a roll call vote.

<b>Mr. Wiest:</b>	<b>Yes</b>	<b>Mr. Reis:</b>	<b>No</b>
<b>Mr. Terwort:</b>	<b>Yes</b>	<b>Ms. Burns:</b>	<b>Yes</b>
<b>Mr. Stoeckle:</b>	<b>No</b>	<b>Mrs. Boerger:</b>	<b>No</b>
<b>Mr. Schrand:</b>	<b>No</b>	<b>Mr. Zahler:</b>	<b>No</b>

**Ayes: 3      Nays: 5**  
**Motion defeated.**

In reference to the Centennial Mr. Reis asked the Boy Scouts attending the meeting if their troops might consider involvement with community service projects and this was confirmed as there is a potential interest for Eagle Scout projects and community service projects as well as the students of Blessed Sacrament, Beechwood, Notre Dame and Covington Catholic needing service hours.

Ms. Burns asked for detail on the \$10,000 amount for street signs and if this would be for additional purchases. Mr. Zerhusen explained it is for maintenance and they are currently being powder coated. Mr. Wiest asked about the amount for street lights and if it could be reduced. Mr. Zerhusen explained there is always an allowance included for replacements.

Mr. Terwort mentioned an article in the Lexington Herald-Leader on the Kentucky League of Cities' salaries and expenses and asked about the City's insurance through KLC. He stated Newport has saved \$200,000 through another carrier for property and worker's compensation insurance. Mayor Holocher responded the City was offered a three-year rate guarantee with KLCIS and we are in the second year of that contract; he added we can look at quotes when the contract is up with the understanding that there are services provided by KLCIS that won't be available elsewhere. Mr. Terwort stated Edgewood saved \$35,000. Mr. Zahler asked if we should be cautious to stick to the topics on the special agenda. Mayor Holocher stated it could be discussed if budget related. Mr. Terwort stated we need to reign in expenditures. Mayor Holocher twice called for any further questions or comments and upon hearing none, **Mr. Ziegler gave a first reading of Ordinance 2009-03 by title and summary.**

Mayor Holocher stated the next agenda item is the first reading of Ordinance 2009-04 on E-Transparency; however, he has just received this and would like to hold off on the first reading until he has an opportunity to review it. Mr. Reis asked why five years of records is suggested, why wouldn't two be enough. Mr. Terwort responded five years would be a good period to look at and analyze. Mr. Reis asked about the security of the documents and if they would be read-only. Chief Hensley responded that the information on the website would be read only files and the originals are housed on a secure server with certain mechanisms in place. Mr. Terwort said his proposal for a transparency ordinance is what the Fort Mitchell taxpayers deserve. He said it's based on legislation passed in Louisville and by the U.S. Senate. He said Secretary of State Trey Grayson is an advocate of transparency. The matter was discussed at length. More research is necessary to determine the time involved and any other added costs. Mr. Zahler asked to set up a committee to look into what is involved. Chief Hensley noted some sites contain valuable information but some are outdated by several years. A few years ago a financial presentation was added to our site. Currently there is not a great deal of activity on our site. The current budget message and past two audits have been added to our site. We want to make sure we move forward with items that are easily understood. Mr. Reis noted his concern for the cost and added currently citizens can ask for financial information. Mr. Wiest stated making the information available online increases involvement. Mr. Schrand asked why an ordinance would be necessary rather than simply moving forward with the cooperation of the administration and the department heads. He stated without an ordinance it would be easier to make changes whereas an ordinance may be restrictive. There was discussion of the deadlines outlined and concern for being in violation of our own ordinance if anything problematic arose. There were suggestions of using a trial period and monitoring use. Mr. Zahler stated this is too soon; he supports the concept but wants it to be developed and passed correctly. Mayor Holocher asked for time to read the ordinance and discuss it with the staff. Mr. Stoeckle noted he did not receive the original draft and is seeing it for the first time. Mrs. Boerger stated she would like for it to be tabled, the staff and Council currently need to concentrate on the budget. She added we have made some steps; there will be trial and error. She is in favor of waiting to see how quickly and how accurately the staff believes it can be accomplished. Mr. Wiest stated the reason for two readings is to give public notice. Chief Hensley stated he had some preliminary discussions and there were emails back and forth with Mr. Terwort discussing questions and concerns and indicating this may be a monumental task. We may be able to add the budget, once passed, and quarterly financial statements on the site until receiving some further direction from Council. Mrs. Guenther noted there are some inaccuracies in the last paragraph and some concerns with security. For example, Purchase Orders are not in the General Ledger; some wording needs to be fixed as some of the things noted can't

be done. She said there are many reports and we should make sure we provide reports that people will understand and that we will give the most accurate information. Mr. Terwort withdrew his request for a first reading and asked that it be placed on the next agenda.

**UPDATE ON DIXIE HIGHWAY SIDEWALK PROJECT**

Mr. Zerhusen gave a report on the project to install new sidewalk along the east side of Dixie Highway between Orphanage Road and Requardt Lane. The trees have been removed. Sidewalk removal will begin tomorrow. Next week concrete will be put back in. The trees will not be replaced. Condensation from air conditioning units will be addressed and tied in with drains. Business owners have been agreeable to cost sharing.

**DISCUSSION OF FIRE CHIEF'S POSTION**

Mayor Holocher explained that Scott McVey currently serves as Fire Chief as a volunteer. There have been discussions of making the fire chief's position a paid position. Currently Chief McVey works a full time job with Covington Fire Department and a part time job with Park Hills Fire Department. Offering him a part time position with Fort Mitchell's Fire Department will allow him to increase his hours and accessibility here. Chief Hensley added with less volunteerism and more hours being worked by the paid staff more oversight is required. It has been discussed previously that at some point in the future we will need a full time paid chief. Currently the Fire Department membership selects and recommends an individual to be chief; that name is given to the Mayor who may or may not recommend that individual to Council. That would remain in effect. This change would be made in the next few weeks, on or around July 1. Mr. Zahler asked about support from the volunteers. Mr. Stoeckle stated since it was only discussed in executive session he has not discussed it with the members. Chief McVey stated he has not taken the matter before the volunteers as he was waiting for Council to discuss it but he will not accept the position without the volunteers' (both Fire and EMS) approval. Mr. Ziegler confirmed the ordinance regarding the position will stay intact and McVey has already been appointed and was selected by the volunteers.

**At 9:20 p.m. Mr. Schrand made a motion to go into executive session per KRS 61.810 1(f) to discuss personnel matters.** Mr. Zahler offered a second to the motion. Mayor Holocher called for a vote and the motion carried by voice. Mayor Holocher noted that no further business is anticipated and announced there would be a ten minute recess to allow TBNK to remove camera equipment. Following a brief recess, Council entered executive session. **At 10:00 p.m. Mr. Reis made a motion to return from executive session to the open session.** Mrs. Boerger offered a second to the motion. Mayor Holocher called for a vote and the motion carried by voice.

**ADJOURNMENT** There being no further business, **Mrs. Boerger made a motion to adjourn; second was offered by Mr. Wiest. Motion carried by voice vote; the meeting adjourned at 10:01 p.m.**

Respectfully submitted by:

Signed \_\_\_\_\_ 2009

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Amy B. Able, City Clerk

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Thomas E. Holocher, Mayor