

**MINUTES OF A MEETING
OF THE BOARD OF COUNCIL OF THE
CITY OF FORT THOMAS,
CAMPBELL COUNTY, KENTUCKY, ON
MONDAY, JUNE 1, 2020
VIA ZOOM TELECONFERENCE**

Mayor Eric Haas called the meeting of council to order at 7:00 p.m. on Monday, June 1, 2020 via Zoom teleconference. City Clerk, Melissa Beckett called the roll and the following council members were present: David Cameron, Ken Bowman, Mark Collier, Jeff Bezold, Roger Peterman, and Adam Blau. Staff members in attendance included: City Administrative Officer Ron Dill, City Clerk Melissa Beckett, Assistant City Administrator/Finance Director Joe Ewald, and City Attorney Jann Seidenfaden.

Minutes

The minutes from the May 18, 2020 meeting were presented to council for consideration. A motion was made by Mr. Collier and seconded by Mr. Blau to approve the minutes as written. Upon call of the roll, the following members voted “aye”: Mr. Cameron, Mr. Bowman, Mr. Collier, Mr. Bezold and Mr. Blau. Mr. Peterman was not present for the vote. Voting “no” none. The motion passed by unanimous vote.

Reports of Officers

City Administrators Report:

Re-Opening of Facilities: The city is evaluating what we can offer safely to residents. We have opened the tennis courts and the gym (by appointment). We are continually monitoring what the changes for opening are and are working toward opening everything we can. The 4th of July committee is working on doing something for residents for that day. We are hopeful that we will know something in the next week.

One Highland Update: The city is working with the developer on this project. It is scheduled to move forward in the next month or so. Mr. Peterman asked Ron to push them to drain the water on the site that has accumulated. Ron noted that the city has spoke to them about this and they are working on getting a pump installed.

The city is gearing up to hire seasonal help to work on maintenance to the parks, flower beds, grass cutting, watering, etc. The garden club planted the flowers in the center of town last week, Mayor Haas noted that it was nice to see them out and we appreciate what they do for the city.

Report of the Finance Committee of Council: Roger Peterman reported on the meeting of the Finance Committee. The report read as follows:

To: Mayor and Board of Council

RE: Finance Committee Budget Recommendation

We the undersigned members of the Finance Committee of Council hereby report that we have met with the city administration on May 26, 2020. The following issues were on the agenda:

First, the committee reviewed and discussed the proposed Fiscal Year 2020-2021 budget document, including all City funds. The Finance Committee is of the opinion that the proposed budget, as submitted,

will enable the City to deliver public services and programs consistent with current service levels and accomplish the broader City policies as established by the Board of Council. It is the recommendation of the Finance Committee that the Board of Council approve the proposed budget and move forward with its adoption in accordance with the law.

Second, the committee was provided with the proposed amendments to the Fiscal Year 2019-2020. These amendments include increases in General Fund revenues and expenditures. The Tower Park, KDOT, Health Insurance, and CBD Funds were also amended to better match actual revenues and expenditures. It is the recommendation of the Finance Committee that the Board of Council approve the proposed budget amendments.

The city will be purchasing a new ambulance and selling the old one. The estimated price is \$225,000. They generally only last about ten years, this ambulance will not be a custom build.

Mr. Collier asked about operating revenues increasing by 4% with the property tax.

Mayor Haas read the budget message:

Dear Citizens and Board of Council,

City administration met virtually with the Finance Committee of Council to review this proposed budget and have submitted a favorable report, which recommends adoption by this Board of Council.

It is an understatement to say that this budget, put together during a global pandemic, has been a little more complicated than any compiled by the City in the last decade. But, as the beginning of the current crisis found the City on sound financial footing, we have been able to continue all of the projects tied to the implementation of our updated Community Plan. For FY20-21, you will see this trend extend to projects in Tower Park, Highland Park and the Central Business District. City reserves or debt have been earmarked to keep moving forward.

Additional Capital Improvements for Fiscal Year 2020-2021 include the usual resurfacing of those streets in need of repair as well as the continuation of the North Fort Thomas sidewalk project. Funds have also been set aside for scheduled vehicle and equipment replacements, which this year include an ambulance and backhoe.

General Fund

This year's General Fund budget covers all personnel, supplies and equipment needed to deliver the necessary public services and programs authorized by the Board of Council. For Fiscal Year 2020-2021, the General Fund is projected to have a positive balance of revenues over expenditures of \$2,198.

The projected revenues in the General Fund total \$13,559,203, which represents a 0.3% increase over the prior year. As we anticipate the impact of COVID-19 on revenues, we have maintained conservative projections. Nearly half of our revenues (42.8%) come from city payroll and business taxes, and none of these revenues have been projected to increase in FY20-21. Despite that, this budget does include the budgeted use of \$750,000 in reserve funds for both the Community Plan projects and necessary capital purchases outlined above.

General Fund expenditures total \$13,557,005, only a 0.4% increase over Fiscal Year 2019-2020. This increase is again minimal over last fiscal year. In response to the current situation, we have reduced allocations departmentally in line with expected expenditures, resulting in a roughly \$250,000 decrease in projected expenditures from our initial budget draft. This, coupled with a one-year freeze in pension contribution increases, has helped the City to balance its budget at this difficult time. We never have much in the budget for discretionary spending, and this year we have even less.

Other Funds

In order to maintain the City's commitment to the continued improvement of public infrastructure, we have budgeted about \$600,000 in normal street and sidewalk improvements for the upcoming Fiscal Year. This includes the completion of the North Fort Thomas sidewalk project.

Despite the one-year freeze on CERS pension increases, the City will continue to maintain a **CERS Reserve Fund** to cover future pension increases. The passage of a bill defining a "phase-in" of projected rate increases stipulated a 12% yearly pension increase during a 5-year "phase-in" period. While the City saved more than \$200,000 this year, we fully expect those increases resume next year and continue as we move into the future.

Finally, the City's **Community Plan Implementation Fund (formerly the Central Business District Fund)** handles debt service on bonds that were issued for the redevelopment of the Midway District and upgrades to park amenities. This year, we have re-imagined this fund as a central point for all projects related to the City's Community Plan. This includes the completion of the Tower Park Shelter #3 Project, improvements at Highland Park and Rossford Park, and public parking associated with the One Highland development in the City's Central Business District. As we continue to work on Community Plan projects, this fund will serve as a central point for the budgeting of all associated revenues and expenses.

Summary

Despite the current economic climate, we're proud to craft a budget that continues the City's long-standing tradition of providing great public services to all of its residents, while striving to improve the parks and other amenities our citizens enjoy. The Fiscal Year 2020-21 budget does all of this, in spite of a global pandemic, by focusing on necessary expenses and tightening our belts a little. We felt it was important to maintain the momentum of our Community Plan Implementation, so we've made that a focus.

Hopefully, when we get on the other side of this terrible situation, we'll be able to enjoy all of these projects together, far into the future!

Respectfully Submitted:

Eric Haas, Mayor

Ronald J. Dill, City Administrative Officer

Joseph Ewald, Director of Finance

Mr. Collier asked Mr. Peterman to explain how the committee came to the conclusion to take the 4% increase in tax revenue. Mr. Peterman indicated that in order for that budget to balance the city would have to assume the 4% increase. The budget was written around this revenue source. Mayor Haas noted that the two biggest items that are unknown for the city are the health insurance and the pension. We are seeing the insurance pricing get better because we are self insured and there is a five year phase in period for the pension but we do not know what will happen after the five years. We can potentially look at not taking the 4% in the future. Mr. Cameron noted that the larger employers such as St. Elizabeth made up a much smaller portion of revenue from net profits tax and payroll taxes than he expected. Mr. Collier asked if we could look at not taking the 4% this year because people are struggling right now. Discussion continued regarding the tax rate. Mr. Collier asked how we would take public input on the budget hearing

at the next meeting. Ron Dill noted that we are looking at having an in person meeting. Mr. Collier wanted to make sure we can get feedback from the public in any way possible. A motion was made by Mr. Bowman and seconded by Mr. Bezold to accept the recommendation from the finance committee. Upon call of the roll, the following members voted “aye”: Mr. Cameron, Mr. Bowman, Mr. Collier, Mr. Bezold, Mr. Peterman, and Mr. Blau. Voting “no”: none. The motion passed by a unanimous vote.

Ordinances, Resolutions, and Orders

Ordinance No. O-05-2020: A first reading for adoption of the 2019 supplement to the Code of Ordinances for the City of Fort Thomas was presented to council. Consideration of this ordinance will be laid over to the next regular meeting of council.

Ordinance No. O-06-2020: A first reading of an ordinance amending the 2019-2020 fiscal year budget was presented to council. Consideration of this ordinance will be laid over to the next regular meeting of council.

Ordinance No. O-07-2020: A first reading of an ordinance adopting the 2020-2021 fiscal year budget was presented to council. Consideration of this ordinance will be laid over to the next regular meeting of council.

Municipal Order MO-16-2020: A municipal order re-appointing Carla Austin as a member of the Design Review Board was presented to council. A motion was made by Mr. Bezold and seconded by Mr. Bowman to approve municipal order MO-16-2020. Upon call of the roll, the following members voted “aye”: Mr. Cameron, Mr. Bowman, Mr. Collier, Mr. Bezold, Mr. Peterman, and Mr. Blau. Voting “no”: none. The motion passed by a unanimous vote.

With no further business to come before council, a motion was made by Mr. Bowman and seconded by Mr. Collier to adjourn.

APPROVED:

Eric Haas, Mayor

ATTEST:

Melissa K. Beckett, City Clerk