



**CITY OF FORT WRIGHT, KENTUCKY CAUCUS MEETING
WEDNESDAY, APRIL 18, 2018 6:00 P.M.**

Mayor Hatter opened the caucus meeting at 6:05 PM with a Pledge of Allegiance and a moment of silence. The following members answered roll call: Mr. Dave Abeln, Mr. Mike Hoerlein, Mr. Scott Wall, Mr. Bernie Wessels, and Ms. Margie Witt. Mr. Adam Feinauer was unavailable for the meeting. Also present for the meeting were: City Administrative Officer Ed Butler, City Attorney Kyle Winslow, Police Chief Marc Schworer, Fire/EMS Chief Steve Schewe, Public Works Director Jeff Bethell, and City Clerk Susan Ellis.

CITIZEN COMMENTS

Mr. Adam Feinauer, Sr. commented that the new electronic sign looks very nice.

ITEMS FOR DISCUSSION

Discussion regarding Fort Wright Economic Development Authority (Dixie TIF)

Mr. Butler stated that he attended the Dixie TIF Board meeting. Mr. Wessels recommended that PDS should have representation on the board. Mr. Winslow responded that he researched this and that it is up to the council to amend the bylaws. Discussion followed regarding preparing an ordinance for the May Council Meeting. The consensus was to proceed with that ordinance.

Discussion regarding establishment of a Municipal Utility Franchise Fee

Mr. Butler presenting information on setting up the utility franchise fee on Duke. The law allows for cities to enter into a franchise agreement with utility companies to assess a fee for the use of right of ways. A lot of cities have had this fee for some time. 3% is standard. And would generate approximately \$200,000 for the City annually. The City would be charging Duke and Duke would pass that on to its customers. The process to complete this involves an ordinance to solicit bids from the utility companies, followed by a second ordinance to establish the franchise fee. Discussion then turned to the possibility of rolling back the payroll tax which would result in approximately \$150,000-160,000 reduction in revenue. Mayor Hatter provided some past history when the decision was made to raise taxes to spend on the roads. A car sticker fee was established, the insurance tax was raised, and the payroll tax was raised. A promise was made to reduce the payroll tax once other revenue sources were found. Mayor Hatter recommended implementation of the franchise fee and then once in place, to review reducing the payroll tax. Mr. Wessels agreed. Mr. Abeln questioned the timing of implementing this fee so soon after raising property taxes. Mr. Wessels were in support of implementing the franchise fee and reducing the payroll tax at same time. Mr. Butler commented that the timeline for those two things would be different and would result in negative revenue if done at the same time. Mr. Butler stated that the franchise fee would

probably be in place by October 1, 2018 and recommended waiting until then to reduce the payroll tax. Mayor Hatter recommended not raising property taxes this year. Council was in agreement of tying the franchise fee and reduction of the payroll tax together and the consensus was to move ahead with this.

Discussion regarding Opioid Litigation

Mr. Butler said that this was something he discussed with City Attorney Todd McMurtry. He had received an email earlier from attorney at KLC which discussed joining in on class action lawsuit against pharmaceutical companies. The lawsuit is against manufacturers of opioids who have made huge amounts of money on these drugs. Because of resulting dependencies, this is now costing cities money for services and supplies such as Narcan to deal with these addictions. Mr. Winslow commented that even if the City did not join the lawsuit, it would still receive benefits. Mr. Wessels expressed concern that this action might bankrupt these companies. Mr. Feinauer, Sr. expressed concern that the companies would raise prices on other products. There was mixed response from council members. It was determined that the best course of action would be to sit through the upcoming conference call and report back.

Discussion regarding the FY 19 Budget

Mr. Butler presented the proposed 2018-2019 budget stated that it was pretty much the same budget as last year.

GENERAL FUND: Revenues were pretty static. Estimates for this year were pretty spot on. There would be an increase in the fee for Park Hills to \$21,000 based upon factual data of real costs. There would be a one-time transfer in from the dissolved Madison Pike TIF Fund. The bottom line would be about an \$80,000 increase in revenues.

Expenses had also remained pretty static. The department heads asked for what they have now with some small variations. Pensions for Fiscal Year 2018 were aggressively budgeted at \$515,000 but will end the year at \$483,000. In Fiscal Year 2019, \$575,000 is being budgeted for pensions, but it is more realistic to expect between \$510,000 and \$520,000. Healthcare has been budgeted with a 20% increase. This year it was 12%. There was a lower increase than expected with the changes made to the health plans and waivers. Feedback has been positive. The economic development incentives for VonLehman were \$40,000 but were not in the current fiscal year. This would be an added expense for next year. Salaries include 2% increase. The Amsterdam Road will continue. It is an 80/20 program but the city will need to carry expenses. There is the potential of additional construction. Capital expenditures include audio visual upgrades, PCs, and tablets.

DIXIE TIF: Mr. Butler has been working with the county to clean up the data as it had not been compiled accurately. He is recommending for this year's budget to be adjusted to catch up for years when the data was not compiled like it should have been. Realistically expectations are \$48,000 in property taxes and \$7,000 in payroll taxes.

ASSET FORFEITURE: No anticipated revenue

MUNICIPAL ROAD AID: Moneys in this fund are transferred over for road projects. \$200,000 has been allocated for Don Martin if needed. \$80,000 per year has been set aside for the Robke Bridge. There was discussion about the Robke Bridge. It was an internal decision to allocate those funds, but they can be moved elsewhere.

FIRE/EMS: The budget is static with the exception of the new ambulance which would cost \$215,000 and will come with a cot loading system. It is estimated that this fund will end the current year with a balance of \$410,000. The new ambulance is very much needed.

PARKS AND RECREATION: The budget of \$52, 000 is also static from last year.

Fiscal Year 2018 resulted in better fund balances that originally estimated.

The Amended Budget for Fiscal Year 2018 and the Budget for Fiscal Year 2019 will be ready for the first reading at the May 2, 2018 Council Meeting.


OTHER ITEMS

Mr. Wall requested a summary from Mr. Winslow about the lawsuit. Mr. Butler responded that it is still proceeding. Mr. Winslow commented that there was no decision yet.

Motion by Mr. Wessels, second by Mr. Wall to adjourn the regular meeting to Executive Session pursuant to KRS.61.810, Paragraph (F). Roll call vote taken, Mr. Abeln, Mr. Hoerlein, Mr. Wall, Mr. Wessels, and Ms. Witt voting in favor; no one opposed. Motion passed.

The caucus meeting was adjourned at 7:23 PM.

Respectfully Submitted,

A large, stylized handwritten signature in black ink, likely belonging to Dave Hatter, Mayor. The signature is written over the text "Respectfully Submitted," and "Dave Hatter, Mayor".

Dave Hatter, Mayor

Attest:

A handwritten signature in black ink, likely belonging to Susan Ellis, City Clerk. The signature is written in a cursive style.

Susan Ellis, City Clerk