

**FORT MITCHELL CITY COUNCIL  
SPECIAL MEETING  
May 21, 2018**

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

Mayor Hehman called the meeting to order at 5:52 p.m.

**COUNCIL MEMBERS PRESENT**

Vicki Boerger\*, Greg Pohlgeers, Beth Rose, Michael Stoeckle, Mary Burns and Kim Nachazel\*\*. Absent: Jim Hummeldorf.

**OTHERS PRESENT**

City Administrator Sharmili Reddy, City Attorney Bryce Rhoades, Interim Fire Chief Jim Hils, Assistant Fire Chief Dave Jansing, City Treasurer Amy Guenther, Public Works Director Matt Stegman, Police Chief Andrew Schierberg, and City Clerk Debbie Krueger.

**APPROVAL OF THE AGENDA**

Mayor Hehman advised that he would like to amend the agenda to add a Mayor's Report to provide information on the TIF District and Remke. **Mr. Pohlgeers made a motion to approve the agenda as amended**, Ms. Burns offered a second to the motion. After asking for discussion or questions and hearing none, Mayor Hehman called for a voice vote. The motion carried by all ayes.

**APPROVAL OF THE MINUTES**

**Mr. Stoeckle made a motion to approve the minutes of the May 5, 2018, council meeting as presented.** Mrs. Rose offered a second to the motion. After asking for discussion or questions and hearing none, Mayor Hehman called for a voice vote. The motion passed by all ayes.

**CITIZENS AND GUESTS**

There were no citizens or guests at this time.

\*Mrs. Boerger arrived at 5:57 pm.

**CITY ATTORNEY'S REPORT**

Mayor Hehman advised that this would be a first reading on Ordinance 2018-06. The budget reflects the revenue that this ordinance would provide. The increase in Payroll Tax will have no burden on residents but will affect employees working within the City. Mrs. Rose questioned if the additional revenue from this increase is to pay for the retirement and if it was all that was needed, Mayor Hehman confirmed that it is to pay for the retirement, but more revenue would be needed. Mayor Hehman advised that Resolution 2018-15 is not a vote to allow the City to do a Franchise tax, but to allow the City to solicit bids. Once the bids are in, then Council would vote. Mayor Hehman advised that there is the potential of \$100,000 from a Franchise Fee and \$200,000 from an increase in the Payroll Tax in the budget. Mrs. Reddy advised that this would only be for one-half of the year due to the time it takes to implement. Mr. Pohlgeers asked when the last time the Payroll Tax had been increased, Mayor Hehman advised that it has never been increased since it was implemented. Mayor Hehman advised that the Payroll Tax will increase our revenue even more once the Zalla project on Buttermilk Pike and the TIF District get underway.

**Mr. Rhoades performed a first reading of Ordinance 2018-06 increasing the Occupational License Fee (Payroll Tax) levied and imposed to One and One-Quarter Percent (1.25%) of all compensation earned by an employee for labor, work or services provided in the City, subject to existing exclusions and exemptions.**

**Mr. Rhoades performed a reading of Resolution 2018-15 authorizing the solicitation of bids for a non-exclusive franchise for the use of the public streets, alleys, and other public grounds of the City for the transmission and distribution of electricity and natural gas through and for consumption within the City.**

Mr. Pohlgeers questioned if the City would set the rates. Mrs. Reddy advised that once the language is prepared an Ordinance would come before Council to set the rate.

**Mrs. Rose made a motion to pass Resolution 2018-15.** Ms. Burns made a second to the motion. Mayor Hehman asked for further discussion or questions and hearing none, Mayor Hehman called for a voice vote. The motion carried by all ayes.

### **FY 17-18 Budget Discussion**

Mayor Hehman advised that the Finance Committee is not in favor of implementing a Franchise Fee because it would impact residents, but was alright with the Payroll Tax and asked Council how they wanted to start the budget discussion. Mr. Pohlgeers advised that knowing the retirement is going up 12% each year, Council needs to look long range, not at just the current year. Mayor Hehman noted that the City is not going to outrun this need for more revenue and by 2122 retirement could need approximately \$550,000.

**\*\*Kim Nachazel arrived at 6:05 pm.**

Mayor Hehman advised that the Finance Committee is questioning what the City will do with the added revenue from the increase in Payroll Tax and the Franchise Fees. Mayor Hehman advised that the City paid for the new building with money that past mayor's put aside for large purchases and this is something that we should continue to do. Mr. Pohlgeers advised that we would be going about it the wrong way if we only raise enough money for the current year and we need a plan to cover other years.

Mayor Hehman advised that the City of Edgewood is taking the 4% increase in property tax rate and adding the Franchise Fee, Kenton County is doing the 4% increase for this year only, Crestview Hills is increasing the Payroll Tax, taking the 4%, adding the Insurance Premium Tax; which they have never had before and charging for garbage collection which has never been done. The City of Independence wrote a flex ordinance allowing council to take 0% to 5%, they were at 3% and are raising it to 3.3% to offset the retirement increase. The City of Erlanger is keeping their budget the same since the 911 Dispatch costs that they no longer have will offset the retirement. Mayor Jansing of Lakeside Park is taking the 4% property tax rate. Mayor Hehman advised that if in 3 years the Drawbridge area is doing well, we can always adjust the franchise fee. The Franchise Fee would be on the utility bills for all businesses, apartment buildings and residents. It would be a fair tax since all would have to pay. Mr. Pohlgeers questioned if it would take six months to implement and if Duke was already talking about a 15% rate increase. Mrs. Reddy advised that was correct, but that Duke was now only looking at a 3% increase. Mrs. Guenther pointed out that there would be a temporary lull in the payroll tax revenue with U.S. Bank, PDS and Remke leaving the City. Assistant Fire Chief Jansing noted that PDS will not be leaving the City until next year. Mrs. Guenther stated that the Crestview Hills contract went up over \$100,000 and will go up \$25,000 per year after.

Mrs. Reddy advised that the Administration Department is down 11% due to re-organizing and doing away with the Deputy City Clerk position. In a few years the City Clerk position could be combined with the Treasurer position. Janie Patterson will be combining some of her current duties with those of the Recreation Director. Mrs. Rose asked if Ms. Patterson would be receiving a rate increase for the added duties and Mrs.

Reddy confirmed she would. Mrs. Reddy advised that we currently have a part time position at the front desk and there is a possibility of another part time position with Janie taking on the recreation duties. Mrs. Reddy advised that from the Administration standpoint we are trying to reduce costs as much as possible.

Mayor Hehman asked if Mr. Rehtin would be helping out with the Parade since it would be Janie's first time and Mrs. Reddy advised that Mr. Rehtin was not available. Mrs. Reddy noted that most of the current staff have been through the parade before so there should be no issues.

Mrs. Reddy advised that our health insurance renewal coming in at a 3.99% has a lot to do with our employees and how they step up and do the work on their GO365 and try to save money.

Mrs. Guenther gave a review of the large changes to the proposed budget:

### **General Revenue**

- Payroll License Fee – \$185,000 increase with rate going from 1% to 1.25%
- Utility Franchise Fee – New Beginning 1/1/2019 - \$100,000 for 6 months
- City Contractual Service – \$160,000 increase – Crestview Hills, Lakeside Park, SRO & Snow removal

### **General Government & Administration**

- Salaried Wages – \$62,000 decrease – ½ Janie's wages in Recreation, not replacing Deputy Clerk
- Temporary or Part Time – \$9,000 increase – 2 PT
- Medical Insurance – \$25,000 decrease – 2 removed from plan
- Training, Development, Meetings – \$10,000 for Leadership Training
- Legal Retainer – \$12,000 decrease only paying attorney when we use their services, instead of paying retainer
- IT – \$16,000 increase – developing the website, upgrade accounting software, 2 computer purchases
- Safety Committee- \$9,500 decrease – they got a lot done the last 2 years
- Tree Board – \$25,000 increase – Dixie Hwy/Edenderry Master Tree Plan-5 year plan
- Beautification Committee – \$8,000 decrease – moved to Public Works – committee no longer exists

### **Police Department**

- Salaried wages – \$40,000 increase – more experienced officers replacing less experienced officers – 15 officers budgeted both years
- Medical Insurance – \$20,000 increase – allow for 2 family plans in the event that the replacement officers are on family plans
- IT – \$12,000 increase – Evidence Room software, 3 computers, fleet management & body cams

### **Fire Department**

- Salaried Wages – 2.8% increase – 16 Full Time 4 sched. 24/7; same staffing as last year
- Applied for Homeland Security Safer Grant – to replace 2 AED
- Applied for Personnel Grant – if received, would need to amend the budget

### **Public Works**

- Salaried wages – \$12,600 - 5.8% increase – moving from 37.5 hour to 40 hour weeks
- Medical – \$23,000 increase - 4 family plans vs 2 LY
- Streetlights/utilities – \$113,000 decrease – applied for grant last year that was not received - \$15,000 still available for lights on Deauville
- Radios for Public Works – \$5,000 budget
- IT – \$4,000 increase – Work Order Program



- Streetscape and Beautification – 0.0% increase – May do Brice Avenue steps

### **Recreation**

- Same as last year's budget – focus on larger community events instead of lots of small ones
- Will try to do some Senior events

### **Municipal Road Aid Fund**

- Bromley/Crescent Springs Road – Place holder for 2019-2020 project
- Orphanage Road Sidewalks
- Beechwood Road Safety Project-Council priority walkability, safety and signage
- Beechwood Road Sidewalk (Grandview to Ft. Mitchell Place) Engineering

### **General Fund**

- A loss of \$429,000 is budgeted, but \$350,000 of this loss is the \$350,000 loan to the Park Fund. Since the City normally comes in under budget, the remaining loss is not likely to happen.

### **Park Fund**

- Park Renovations – Park Board to borrow \$350,000 from City
- Park Board will present the proposal at the next Council meeting

### **Road Tax Fund**

- Highland Avenue Waterline – Cost share with SD1 or Water District
- Highland Avenue Resurfacing – Dixie to Longmeadow – may change with traffic study
- Oak Resurfacing & Storm Sewer – added 10K for storm improvements at Highland
- Ridge Road (All)Reconstruction
- West Orchard Reconstruction (Dixie to Iris)
- Coleman Resurfacing
- Pieck Lane Reconstruction
- Dixie Highway curbs

### **Capital Fund**

- Land – Highland Avenue property – Public Works storage
- Police Vehicles – 2 SUV
- Police Equipment – 16 car & 16 body radios & chargers
- Fire Equipment – 10 Vehicles, & 18 Port radios & chargers install
- Public Works – 2 pickup trucks and street sweeper to share with Edgewood


## **MAYOR'S REPORT**

**Mayor Hehman** stated that he had a good meeting with Bill Remke. A sign has been installed for lease of the Remke property. Mr. Remke asked for suggestions as to what the City would like to see go into the Remke property. Mayor Hehman advised that Trader Joe's and Whole Foods will not come to this area because of the liquor license restrictions on grocery stores by the State. Mr. Remke stated that he wants to see something nice with glass in the front of the building. Mr. Remke made it very clear that the Drug Shoppe was there to stay. Mrs. Boerger asked if someone could check into the RV that is parked in the lot there and Mrs. Reddy advised that she would.


Mayor Hehman advised that they received a new site plan this afternoon from Brandicorp for the Drawbridge area. Mrs. Reddy provided a presentation for Council to view. Mayor Hehman advised that he was not a fan of the plan and would be meeting with BrandiCorp in the morning to discuss it. .

## ADJOURNMENT

**Mr. Pohlgeers made the motion to adjourn the City Council Meeting at 7:45 p.m.** Mr. Stoeckle offered a second to the motion. After asking for discussion or questions and hearing none, the Mayor called for a voice vote. The motion carried by unanimous voice vote.

  
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Jude Hehman, Mayor

Prepared By:

  
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Debbie Krueger, City Clerk