



**Meeting #676 Minutes  
October 17, 2018**

Mayor Irvin T. "Butch" Callery called the October 17, 2018 meeting of City of Villa Hills Council (Meeting #676) to order at 6:32 p.m. at the Dennis M. Stein Municipal Building, 719 Rogers Road, Villa Hills, Kentucky. Councilmember Kilburn gave the prayer and Mayor Callery led the Pledge of Allegiance. A roll call was taken. Those in attendance:

**Mayor Callery**

**G. Bruns**

**G. Kilburn** (left at 8:01 p.m.)

**M. Koenig**

**S. Ringo**

**J. Vaden**

**G. Waugaman**

**Bryce Rhoades, Assistant City Attorney**

**Craig Bohman, City Administrator/Clerk**

**Sgt. Matt Hall, Police Department**

**Derick Yelton, Public Works Director**

**Matt Bogen, City Engineer**

A quorum was present.

The first item on the agenda was approval of the minutes of the September 19, 2018 meeting, #675. Motion made by Mr. Bruns, seconded by Mr. Kilburn. A voice vote was taken, motion carried all in favor.

The next item on the agenda was approval of the minutes of the September 26, 2018 Special Meeting. Motion made by Mr. Bruns, seconded by Mr. Waugaman. A voice vote was taken, motion carried all in favor.

The next item on the agenda was a presentation by John Chamberlain with Van Gorder Walker CPAs.

- Mr. Chamberlain presented the FY 2017-2018 Audit. He thanked City Administrator/Clerk Bohman and accountant David Baker, Mayor Callery and staff for their help in conducting the audit.
- Mr. Chamberlain stated that the city received an unmodified opinion which is the highest opinion an audit can receive. He stated that there were no issues with internal control as well as no issues of legal noncompliance. Mr. Chamberlain recommended \$1.1 million in cash reserves and stated that the city currently has \$1.66 million. He reported that current debts are \$860,000 and \$2.28 million in pension liability which must be shown on the financials but is not controlled by the city. Mr. Chamberlain also noted that the \$460,000 of expenses over revenue is due to using the Road Tax collected in the previous fiscal year and spent in the following year. Mr. Chamberlain presented and explained various financial statements, tables, and notes.

- Mr. Chamberlain stated that the budget is very well managed and that the city has positive revenue variations across the board. He also stated that the city was \$80,000 under budget in expenses, and \$80,000 more in revenue than budgeted.
- Mr. Chamberlin discussed the various General Accounting Standards Board rules that require the extensive pension disclosure statements included in the city's audit.
- Mr. Chamberlin noted that the Special Revenue Fund is for pass through funds for other organizations.
- Mr. Chamberlain reported that there is no weakness or deficiencies in internal controls because of the external contract accountant and the role he plays in reconciling bank statements is the reason for this.
- Mr. Ringo questioned about the pension \$2.8 million and how that measures against other cities. Mr. Chamberlain replied that the larger your organization, the larger portion of pension unfunded liability is applied to the city. Mr. Ringo followed up noting that if city size is the basis then Villa Hills is no worse than any other city. Mr. Chamberlain agreed. Discussion followed.
- Mr. Waugaman asked Mr. Chamberlain to explain why it is better to be on Fund accounting instead of Hybrid GAAP Accounting that the city used to have. Mr. Chamberlain replied that being on Fund accounting keeps the city from having to post long term debt service and pension liability on the balance sheet which would make the city's financials more complex that it needs to be.
- Mr. Kilburn asked that if it is approved would it be appropriate to approve the audit financials and post them online. Mr. Chamberlain concurred.
- Ms. Vaden asked Mr. Chamberlain to explain the number of people who have looked at the city's financials over 16 years. Mr. Chamberlain noted that 20 people from the firm have performed the city audits including 2 partners, 6 senior auditors, and 17 audit staff over a 16-year period. He stated that the numbers include people who have been promoted over time and are counted in multiple categories.

Mr. Kilburn made a motion to receive, approve, and post the audit, the slide presentation, and the auditor rotation report, seconded by Mr. Waugaman. A roll call vote was taken with the following result:

Mr. Bruns	Yes	Mr. Ringo	Yes
Mr. Kilburn	Yes	Ms. Vaden	Yes
Ms. Koenig	Yes	Mr. Waugaman	Yes

Motion carried 6-0.

- Mr. Bohman noted that the audit report shows the Administration, Police, and Public Works departments all come in under budget. Mr. Kilburn thanked the department heads for their management of the budget.

The next item on the agenda was legislation.

## Legislation:

- **Consideration and approval of Draft Resolution 2018-R**

A Resolution of the City of Villa Hills in Kenton County, Kentucky, to accept the proposal of Palmer Engineering for easement acquisition services in conjunction with the Buttermilk Pike SNK Project and authorizing Mayor Callery to sign a contract for the same.

Mr. Rhoades gave a reading to draft resolution 2018-R. Mr. Kilburn made a motion to approve, seconded by Mr. Bruns. A voice vote was taken, all in favor.

This will become **Resolution 2018-18.**

- **Consideration and approval of draft Resolution 2018-S**

A Resolution of the City of Villa Hills, in Kenton County, Kentucky, accepting the bid of Bluegrass Paving, Inc. for the Brookview Asphalt Paving Project in the amount of \$36,131 and authorizing Mayor Callery to sign a contract for the same.

Mr. Rhoades gave a reading to draft resolution 2018-R.

- Mr. Kilburn noted that the cost is higher than the low bidder, but that Bluegrass can get to the work before winter. He reminded Council of Wingate Drive and how the project changed over winter from an overlay to a replacement due to deterioration over the winter. Ms. Koenig asked if this was a mill and overlay. Mr. Kilburn replied it was. Mr. Kilburn noted that the resolution included a change order amount so that the contractor can pave Riverwatch if they are able. Mr. Bruns asked if it was all of River Watch. Mr. Bogen replied that it was just the section from Highwater to Woodhaven.

Mr. Kilburn made a motion to approve, seconded by Mr. Waugaman. A voice vote was taken, all in favor.

This will become **Resolution 2018-19.**

With no further legislation, the meeting proceeded to Committee reports.

## Committee Reports:

### Public Works Report:

- Mr. Kilburn gave the Public Works report first as he was required to leave early for business related travel. He passed out his written report and noted that the committee discussed a salt garage as part of a new lease arrangement with the Civic Club at the request of Councilman Ringo. Mr. Kilburn noted that the dimensions of the proposed salt facility are 30 feet by 40 feet with construction after July 1<sup>st</sup> with suggested placement east of the Vogt Pavilion.
- Mr. Kilburn inquired of Mr. Yelton if the City had received Morton's salt proposal. Mr. Yelton replied that the city had a proposal for \$82.78 per ton. Mr. Kilburn followed up asking about the prior price. Mr. Yelton replied \$63.12 per ton. Mr. Bruns noted that it was a \$20 increase. Mr. Bohman stated that the city has not received Morton's proposal as of yet and that City reached out the County's vendor and received the quoted figures from Compass minerals. Mr. Bohman stated that the City

is expecting Morton's proposal by the end of the week. Mr. Kilburn noted that Morton was holding approval up of the annual salt purchase agreement.

- Mr. Ringo asked what impact the proposed 25% increase would have on the City budget. Mr. Bohman replied that it would depend on how much it snowed. Mr. Waugaman noted the city has 300 tons on hand and Mr. Kilburn pointed out that it takes about 25 tons to wrap the city streets once with salt.
- Next meeting will be November 14<sup>th</sup> at 1 p.m. in the Administrative conference room.
- Ms. Vaden asked for more explanation on the impact of the price change on the city budget. Mr. Bohman replied that the city has only pushed its \$50,000 salt budget once in the years he has been with the city in the winter of 13-14. He noted that if the city uses the same amount of salt as last year the cost will go up, but it would still be within budget.
- Mr. Ringo thanked Mr. Bohman and Mr. Kilburn for their work on the Civic Club Lease on short notice. Mr. Kilburn thanked staff and the Civic Club members for their diligent work on the proposed lease agreement. Mayor Callery thanked Mr. Ringo for his work on the salt garage.

### **Police Report:**

- Sergeant Hall gave the Police report.
- Sergeant Hall noted that the calls are about 1/2 a month's normal volume due to the County's Computer Aided Dispatch (CAD) system crash. He noted that the numbers for citations are accurate because they come from a different reporting system. Sergeant Hall noted that drug arrests and seizures are up.
- Sergeant Hall stated that Music Fest went well. HE estimated about 2,500 people attended. Ms. Koenig stated that the police did a great job.
- Sergeant Hall reported that the two officers at the academy graduate on Friday and they will start shifts with Field Training Officers on Sunday. He also reported that they will be on their own by mid-December.
- Sergeant Hall stated that Chief Allen is reviewing speed stats on Sunflow, Rogers and Kenridge. When Chief Allen completes his review he will report the findings to the Safety Committee. Mr. Waugaman asked if numbers were run in the 700 block of Rogers. Sergeant Hall replied that they were not. Mr. Waugaman commented that drivers are being aggressive with the school buses on the 700 block of Rogers Road. Sergeant Hall stated the PD would check into that.
- Sergeant Hall thanked the Villa Hills Civic Club for their help with the Spaghetti Dinner Fundraiser.
- Sergeant Hall reported that Chief Allen would be on Channel 12 to advise the public to avoid leaving valuables in unlocked cars. He urged residents to be mindful and lock their vehicles and not leave valuables in plain view. Sergeant Hall noted that Villa Hills is one of the safest communities in the region, but it was important to be vigilant. Mr. Bruns noted that anything with a cord in sight will be a target. Sergeant Hall stated with Christmas coming break-ins are on the rise. Mr. Bruns also urged residents with concealed carry permits not to leave their weapons in the vehicles. Mr. Waugaman noted that a citizen on TV stated that the police department is top notch.
- Ms. Vaden noted the changes in the types of calls since the addition of Crescent Springs. Sergeant Hall replied that the calls of service have changed as a result of having younger officers who are more active.

- Sergeant Hall announced that the police received a \$10,456 grant from the Ben Roethlisberger Fund for the purchase of a K-9 (canine) for the department. Ms. Vaden thanked Sergeant Hall for his work on the grant for the K-9. Mr. Ringo inquired how far along in the process of purchasing a K-9 is the department and how close in needed funds. Sergeant Hall replied that the department currently has \$18,500 and need to discuss with Chief Allen, Council, and the Safety Committee on the timing of the purchase. He noted that it would probably be after the agency was fully staffed after the return of the recruits from the Police Academy. Mr. Waugaman noted that one decision is what kind of dog to purchase either a bite dog or a drug dog.
- Mr. Ringo asked for a presentation in November so council can discuss in November.
- Mayor Callery noted that his three sons are friends with Mr. Roethlisberger and they told him directly that Villa Hills is thankful to have been chosen for this grant. Banter about possible names for the K-9 followed.

### **Safety Report:**

- Mr. Bruns gave the Safety Committee report.
- Mr. Bruns noted that Chief Allen presented the monthly report to the committee. He stated that Chief reported that the recruits will graduate on October 19th. Mr. Bruns announced that a new female officer will start November 19<sup>th</sup> and complete some in house training before leaving for the academy in December.
- Mr. Bruns reported that Chief Allen discussed the digital radio purchase with the committee. Mr. Bruns explained that there are two different radios that the city is evaluating. Sergeant Hall noted that the city has used Motorola and that the big differences with the other company (Harris) are price, length of warranty, and location of service/repairs. Mr. Bruns announced that the committee recommends Motorola. Mr. Kilburn made a motion to purchase the Motorola radios. Mr. Bohman stated that since the purchase is over \$20,000 the purchase must be made through a bid process, which the County did, but there is a hiccup in the process that the city is trying to work through. Mr. Bruns explained that Harris submitted a proposal that included trade-in value while Motorola did not. He stated that the city is going to request separate proposals for trade-in value. Mr. Bohman replied that staff is also looking at the state bids to see if trade-in value is incorporated and how those bids stack before bringing a formal request to Council.
- Mr. Kilburn reminded Council about former Judge-Executive Clyde Middleton's incident regarding bidding. He asked Mr. Rhoades how to proceed. Mr. Rhoades stated that staff is consulting with legal and stated that the city can surplus the radios for trade in later. Sergeant Hall noted that the main concern is to purchase the radios before the larger departments place their orders. Mr. Bohman thanked the Council on behalf of Chief Allen for their full support on getting the radios ordered as soon as possible.
- Mr. Bruns stated that Chief Allen reported on Music Fest and committee members asked about the RAD classes, SRO, the K-9 and installing a crosswalk at Villa Drive. Ms. Koenig reported that the police department has recommended against the crosswalk due to safety concerns about how the roads intersect and the short distance between them in that area.
- The next meeting will be held November 13<sup>th</sup> at 6:30 p.m. in Council Chambers

**City Engineer Report:**

- Mr. Bogen gave the Engineers report.
- Mr. Bogen announced that the state had issued its order to proceed with easement acquisition for the Buttermilk Pike SNK project and that staff has been working with Palmer to get them the drawings they need to move forward.
- Mr. Bogen reviewed the Brookview mill and overlay bids. He noted that Michaels was the lowest bidder but could not get to the project until spring, so Bluegrass was awarded the bid. Mr. Bogen stated that a change order to add Riverwatch was also in the works. Mr. Ringo clarified that the city is paying more to get Brookview done now to avoid additional degradation and not just to get the project completed quicker. Mr. Bogen agreed. Mr. Ringo stated his vote for the bid was predicated on avoiding more costly repairs later on. Mr. Waugaman noted that Windgate faced a similar dilemma and the city decided to wait and the project went from an overlay to a full depth replacement.
- Mr. Bruns explained the 50 year cycle and stated if you don't do the work when required it reduces the life span of the road.
- Mr. Bogen reported on the exhibits he made for the Civic Club on the salt garage.
- Mr. Bohman praised Mr. Bogen for his work on the salt garage as there was no notice and the requested turn-around time for the work was only two days.

**Public Works Director:**

- Mr. Yelton gave the Public Works Director report.
- Mr. Yelton thanked Mr. Ringo and Roy East from the Civic Club for the work on the salt garage and noted that it is something that the city has wanted since 1988. Mr. Ringo drew Council's attention to a rendering of the proposed salt garage that he passed out and noted the change in the garage door setup from 2 to 1 opening. Mr. Waugaman inquired which location the Civic Club selected. Mr. Ringo stated the Civic Club selected the location next to the Concession stand.
- Mr. Yelton reported that the crosswalk at Tom Braun field was repainted and that all the edge lines and crosswalks would be repainted in the spring.
- Mr. Yelton announced that there were some issues with a few misprints on the new street signs but that the project will be completed as soon as corrected signed are received.
- Mr. Yelton reported that the public works crew has done minimal pot hole repair (due to the reduced need with the increased road repair), cleaned out catch basins, cut back brush that is reducing visibility and blocking signage.
- Mr. Yelton stated that the department has been training new employees on safety procedures and how to control the snow removal equipment.
- Mr. Yelton reported that the department is closing out the fields for the season and he thanked Villa Madonna Academy's Athletic Director Eric Schmitt and for helping contribute funding to provide seeding to the athletic fields.
- Mr. Yelton thanked Kenton County Road Department, Crescent Springs Public Works, the Villa Hills Garden Club and the Fire Department for all their assistance when needed.
- Mr. Ringo inquired about the Highwater Road slip. Mr. Yelton replied that the slip is located in the area that the County agrees to maintain and that they have a FEMA project request in to address the issue. He noted that FEMA takes a long time. Mr. Ringo hoped that FEMA was working on a long term fix. Mr. Yelton replied that the proposed project is a million dollar fix.

- Mr. Yelton discussed directional boring that Duke Energy is performing in several areas for their gas line expansion. He noted that private contractors are marking the work areas in order to avoid hitting buried utilities.
- Mr. Yelton informed the public that the steel plates around the city are Duke's and the Water Districts. He noted the city does its best to get the other agencies to remove the plates as quickly as possible.
- Ms. Koenig inquired when the Brookview sign would be installed. Mr. Yelton replied that the sign would be installed after the overlay project is complete. Discussion followed about the installation of the remaining signs.

#### **Events and Beautification Report:**

- Ms. Koenig gave the Events and Beautification report.
- Ms. Koenig reminded that the Haunted Trails event on October 27<sup>th</sup> will start at dusk and go until 10:00 p.m. Ms. Koenig stated that Tewes would be providing hay rides through the Haunted Trails as well as a pumpkin patch.
- Ms. Koenig announced that Christmas in the Park will be held on December 1, 2018.
- Ms. Koenig noted that there was a crowd of approximately 2,500. Ms. Koenig thanked volunteers for Music Fest including Karen Borros, Ms. Vaden, Charlie and Jean Stoltz, Nathan and Cindy Koenig, the City of Crescent Springs, Villa Hills Public Works, Villa Hills Police Department, the Crescent Springs/Villa Hills Fire Department, St. Joe's Holy Name Society, Sheriff Korzenborn and sponsors CTCM, Fischer Homes, Ken's Towing, Action Heating and Air, Ashley Builders, Rumpke, Heritage Bank, St. Elizabeth, Research and Portfolio management, Crescent Springs Tobacco & Liquor, Three Spring Townhomes, Mike Martin and the Finch family, Crescent Springs Skyline Chili, Tewes Farm, and the law firms of Zeigler and Schneider and Adams, Stepner Wolterman, and Dusing.

#### **Finance:**

- Mr. Waugaman presented Finance Report.
- Mr. Waugaman noted that the Finance Committee reviewed the August financials at the October meeting and recommended approval.

Mr. Kilburn made a motion to approve the August Financials, seconded by Mr. Bruns. A voice vote was taken, all in favor.

- Mr. Waugaman presented the September Finance report.
- Mr. Waugaman stated that Mr. Chamberlin from Van Gorder Walker presented the FY 2017-2018 audit report to the committee. He stated that Mr. Chamberlin reported that the financial statements were neutral, consistent, and clear. He also reported Mr. Chamberlin stated that city received an unmodified opinion and the auditors encountered no difficulties in dealing with management in performing and completing the audit. Mr. Waugaman reported that the committee was told that by the auditor there were no issues with segregation of duties due to an outside accountant and Finance committee review. Mr. Waugaman also stated that Mr. Chamberlin discussed the staff rotation that performs the city's audits to include 20 separate individuals over 16 years.
- Mr. Waugaman reported the legal fee breakdown for the month as \$4,475 for the DefendVH appeal and \$2,265 for all other legal expenses. He further noted that the total cost of the DefendVH appeal over the last 5 months has been more than \$29,000 and that the city has a legal budget of \$60,000 per year.

- Mr. Waugaman stated that Committee questions were answered by City Administrator/Clerk Bohman and that the negative net income in the KMA fund was discussed, the appropriate lines for the City Engineer fees, the Capital fund expenses, codification expenses, the use of the miscellaneous line and Recreation utilities were discussed.
- Mr. Waugaman presented the balance sheet standing of various designated resources and undesignated fund balances, giving the city a total net equity of \$3,389,812. Mr. Waugaman noted that various restricted fund designations totaling \$1,224,712 and reported an unrestricted fund balance of \$524,703 and net income of \$1,640,397.
- Mr. Waugaman stated that the Committee recommended September financials for approval.
- Next meeting is November 19<sup>th</sup> at 7:00 p.m. in Council Chambers.
- Ms. Vaden asked if the adjustments recommended by the committee had been made. Mr. Bohman replied that the changes were made and updated reports would be printed prior to posting.

Mr. Kilburn made a motion to approve the September Financials, seconded by Ms. Koenig. A voice vote was taken, all in favor.

#### **Administration Report:**

- Ms. Vaden gave the Administration Committee report. She noted that 4% of property tax had been collected in the first 3 days after bills went out.
- MS. Vaden reported that the city is now taking online payment of tax bills. She also discussed that duplicate tax payments made to the city by both the property owner and their escrow company will be reimbursed to the property owner.
- Ms. Vaden reported that the committee discussed codification, reviewed procurement policies at the request of FEMA, discussed splitting out the clerk and administrator roles, called for a review of needed appointments, converting to LED street lights to save money long-term but has significant short-term costs, the Comprehensive plan update is underway, and the upcoming Z-21 zoning modernization update.
- Next meeting is scheduled for November 7, 2018 at 6:30 in the Administrative Office Conference Room.

#### **Recreation Report:**

- Mr. Ringo reported that there was no meeting in October.
- Mr. Ringo stated that the committee is focused on the Civic Club lease and closing the fields and winterizing them. He noted that the fields would close October 21<sup>st</sup>.
- Mr. Ringo discussed recent partnerships in regards to the ball fields. He noted that Henry Mitchell is still looking to add new roofs at the Villa complex and he thanked Villa Madonna Academy for helping pay for additional seed and straw for the Villa Fields.
- Mr. Ringo announced that the annual Field Draw will occur on December 13, 2018 during the Recreation Committee meeting.
- The next meeting will be held November 8, 2018.
- Mr. Ringo discussed the draft lease with the Villa Hills Civic Club and noted changes since the last draft for the location of the salt garage. He stated that it will be voted on at the Villa Hills Civic Club meeting in November. He noted that the lease has a 10 ½ year term with four 10-year extensions. Mr. Ringo stated that the Salt garage



would be built after July 1<sup>st</sup>. He thanked staff, Roy East and Bob Ulrich for their work on the lease.

At 8:01 p.m. Mr. Kilburn left the meeting, leaving 5 Councilmembers present for quorum.

**Fire Authority Report:**

- Mr. Ringo gave the Fire Authority Report.
- Mr. Ringo provided the monthly fire run totals, the run numbers for EMS were unavailable at the time of the meeting. He reported that Bromley has a new Fire Chief.
- Mr. Bruns and Mr. Ringo requested time to discuss the future needs of the Fire Department at the next Council meeting.
- Mr. Ringo pointed out that Madonna Manor dialed back the initial phase of their expansion plan to now include only one 3 story building.

**City Attorney Report:**

- Mr. Rhoades gave the City Attorney report.
- Mr. Rhoades advised that the foreclosure of 2727 Vera Cruz was pulled from the Master Commissioner's sale due to notice issues with creditors. He stated the sale will be rescheduled. He noted that additional liens are pending on the property.
- Mr. Rhoades reported that the bank has not moved forward with foreclosure on 812 Wesley and that the mortgage company paid off all the city liens, so the city has no standing to intervene in the case at this time. Mr. Bohman noted a citation is pending but on appeal with the Joint Code Enforcement Board.
- Mr. Rhoades reported that the Master Commissioner has changed the sale procedures and is requiring \$1,000 fee up front to proceed with property sales. He noted that the fee is recoverable from the proceeds of the sale if it is large enough. Mr. Rhoades asked if he should proceed. Consensus quickly emerged to proceed.

**City Administrator/Clerk Report:**

- Mr. Bohman commented about tax bills. He noted that the city is about 20% collected and that 2 of 4 escrow companies have already paid. Mr. Bohman reminded the public about the penalty and interest that will be applied after November 30<sup>th</sup> and noted there are multiple ways to pay such as using the lock box which is the PO box address on the tax bills, paying at the Clerk's window during business hours, using the drop box at the City Administration building after hours, paying at the Crescent Springs Heritage Bank, and new this year, paying online on the city's website.

The next items on the agenda were Old Business and New Business.

**Old business:**

- There is no old business.

**New business:**

- There is no new business.

**Council and Public Comments:**

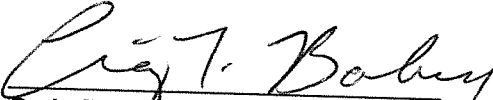
- Mr. Bruns reminded everyone that Halloween is 6-8 p.m. on October 31<sup>st</sup> and urged the public to be careful.

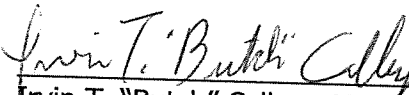
- Mr. Waugaman revisited last meeting's public comments that it is unfair to the DefendVH group to publicly disclosure the cost of their lawsuit. He stated it is was a choice made by the DefendVH group to file the suit. Mr. Waugaman stated that fair for the public to know what the legal bills are.
- Mr. Tom Wenning of Carpenters' Trace stated that he acknowledged that knowing the numbers is important but stated that the lawsuit is just pursuing their right to an appeal. Mr. Waugaman acknowledged that the lawsuit is not for monetary gain but said that it is still a lawsuit that is costing the city and the city only has an annual legal budget of \$60,000.
- Mr. Wenning inquired about the unfunded liability in CERS and how the increase in staffing with the Crescent Springs Contract will increase that liability. Mr. Bohman stated that the liability will increase but in proportion to the statewide salaries of all government employees in the state the increase will be very small and wont impact Villa Hills' financials significantly as the liability is based on Villa Hills proportion of statewide salary.

At 8:16 p.m. with no further business, Mr. Ringo made a motion to adjourn, seconded by Mr. Waugaman. Voice vote was taken. All in favor.

Time of adjournment was 8:17 p.m.

Respectfully submitted,

  
Craig T. Bohman, City Administrator/Clerk

  
Irvin T. "Butch" Callery, Mayor