

**THE CITY COUNCIL MEETING AGENDA
AND DOCUMENTS ARE ALL DRAFTS AT
THE TIME OF POSTING.**

**ALL ITEMS ARE SUBJECT TO CHANGE OR
REMOVAL UP TO MEETING TIME.**



COUNCIL MEETING AGENDA

May 6, 2019

Independence Municipal Center
Council Chambers

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL OF MEMBERS

APPROVAL OF COUNCIL MINUTES: Regular Meeting of April 1, 2019

PROCLAMATION: Eagle Scout Patrick Hutchinson

NEW BUSINESS

- **PROPOSED ORDINANCE** – LSI Occupational Credit
- **RESOLUTION NO. 2019-R-05** - MRA Cooperative Agreement
- **PROPOSED ORDINANCE** – Adopting an Amended Budget for 2018-2019 – 1st Reading
- **PROPOSED ORDINANCE** – Adopting 2019-2020 Budget – 1st Reading
- **PROPOSED ORDINANCE** - Adopting the Employee Pay and Classification Plan – 1st Reading

ATTORNEY'S REPORT – Jack Gatlin

CITY ADMINISTRATOR REPORT – Chris Moriconi

MAYOR'S REPORT – Christopher J. Reinersman

EXECUTIVE SESSION in accordance with K.R.S. 61.810(c)

ADJOURNMENT

Proclamation

City of Independence, Kentucky

WHEREAS: Patrick Michael Hutchinson, a member of the Boy Scouts of America, Troop #8, a resident of Independence, Kentucky and the son of Michael and Jill Hutchinson, has earned the highly coveted status of Eagle Scout; and

WHEREAS: Patrick is a senior at Simon Kenton High School where he maintains a 3.2 GPA while also participating on the Simon Kenton varsity swim team, where he swam at the state swim competition four years in a row with his relay team and helped break the school record; and

WHEREAS: Patrick, chooses to further enhance his community through his summer employment by focusing on safety as a lifeguard at Taylor Mill Swim Club; and

WHEREAS: Patrick will be joining the United States Marine Corp this fall to selflessly serve and protect our great nation; and

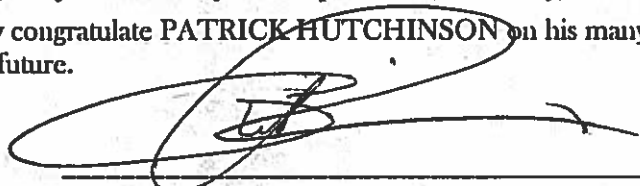
WHEREAS: Patrick, a member of St. Patrick's Church, chose to give back to the St. Patrick parish by helping his former preschool teacher when choosing his Eagle Scout project; and

WHEREAS: Patrick spent hours on his Eagle Scout project, where he designed and built wooden cubbies for the St. Patrick's preschool to help organize the preschoolers' backpacks and coats; he also collaborated with another student and hand painted a learning tree mural that the children could make things to put on it throughout the year; and

WHEREAS: Patrick not only earned the Eagle Scout, but also a Silver Palm which means he earned 15 more merit badges than required to earn the Eagle Scout rank; and

Now Therefore, I, Christopher J. Reinersman, Mayor of the City of Independence, Kentucky, on behalf of the City Council and the citizens of Independence, do hereby congratulate **PATRICK HUTCHINSON** on his many accomplishments and wish him much success in the future.





Christopher J. Reinersman, Mayor

In Witness Whereof, I have hereunto set my hand and caused the seal of the City of Independence to be affixed this 6th day of May 2019.

Attest:



Gina Gabbard, City Clerk

ORDINANCE NO. 2019-O-

AN ORDINANCE OF CITY OF INDEPENDENCE, KENTUCKY, PROVIDING FOR A CREDIT OF ITS OCCUPATIONAL LICENSE FEE FOR NEW EMPLOYEES AS PART OF AN ECONOMIC DEVELOPMENT PROJECT BY LSI INDUSTRIES, INC UNDER THE KENTUCKY BUSINESS INVESTMENT PROGRAM (KRS 154.32-010–KRS 154.32-100).

WHEREAS, LSI Industries, Inc. has expended approximately \$573,000 to expand their operations at 3871 Turkeyfoot Road in Independence, KY. This expansion would create 22 new full-time Kentucky-resident jobs with an average hourly wage of \$20.28 (including benefits).

WHEREAS, LSI Industries, Inc. is soliciting support from the City of Independence for its application under the Kentucky Business Investment Program (KBI) under KRS 154.32-010–KRS 154.32-100. The application of LSI Industries, Inc. received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) as an approved Economic Development Project on March 28, 2019.

WHEREAS, KRS 154.32-010 (3) (b) permits that the "approved company or, with the authority's consent, an affiliate of an approved company may require that each employee subject to tax imposed by KRS 141.020, whose job is determined by the authority to be created as a result of the economic development project, as a condition of employment, agree to pay an assessment of up to four percent (4%) of taxable wages."

WHEREAS, City of Independence Mayor Chris Reinersman indicated in writing on March 14, 2019 his willingness to support a .5% credit of the City of Independence Occupational License Fees on new Kentucky-resident jobs created by LSI Industries, Inc., as part of this Economic Development Project for a ten-year period after project completion. This local .5% credit will be based on the relative estimate of occupational license fees for the City of Independence generated by this economic development project over a ten-year period. This local credit will cause a 1.5% Kentucky personal income tax credit on such new jobs under KBI and thus a total 2% credit.

WHEREAS, KRS 154.32-010 also entitles each employee paying the wage assessment fee to an equal credit against his/her Kentucky income tax and an equal credit against his/her local occupational license fee, both for ten years. LSI Industries, Inc. under KRS 154.32-010, will impose up to a 2% wage assessment as a condition of employment and shall be authorized to deduct the 2% assessment from each payment of wages to qualified employees, with such assessment only to be utilized as permitted by KRS 154.32-010–KRS 154.32-100.

NOW, THEREFORE BE IT ORDAINED BY THE CITY OF INDEPENDENCE, COMMONWEALTH OF KENTUCKY:

SECTION I

The City of Independence authorizes a credit of its Occupational License Fee pursuant to the Kentucky Business Investment Program (KRS 154.32-010–KRS 154.32-100) for and throughout a ten-year period (beginning and ending as stipulated in the Wage Assessment Agreement executed between KEDFA and LSI Industries, Inc.) equal to 0.5% on the wages of the new LSI Industries, Inc. Kentucky-resident employees created as part of this Economic Development Project.

SECTION II

That if any section or part of any section or any provision of this Ordinance shall be declared invalid by a Court of appropriate jurisdiction, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Ordinance. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed to the extent of said conflict.

SECTION III

This ordinance shall be in full force and effect from and after its passage, approval, and publication as required by law.

Christopher J. Reinersman, Mayor

ATTEST:

Gina Gabbard, City Clerk

First Reading: May 6, 2019

Second Reading: _____

Ayes: _____

Nays: _____

PUBLICATION DATE: _____

City of Independence, Ky.
RESOLUTION NO. 2019-R-05

County of Kenton

Incorporated City of Independence

Resolution adopting and approving the execution of a Municipal Aid Coop Program Contract between the Incorporated City and the Commonwealth of Kentucky, Transportation Cabinet, Department of Rural and Municipal Aid for the fiscal year beginning July 1, 2019, as provided in the Kentucky Revised Statutes and accepting all streets referred to therein as being streets which are a part of the Incorporated City.

Be it resolved by the Legislative Body of the Incorporated City that:

The Legislative Body of the Incorporated City does hereby accept all streets referred to in said Contract as being city streets which are a part of the incorporated City; and

The Legislative Body of the Incorporated City does hereby ratify and adopt all statements, representations, warranties, covenants, and agreements contained in said Contract and does hereby accept said Contract and by such acceptance agrees to all the terms and conditions therein stated; and

The Chief Executive Officer of the said Incorporated City is hereby authorized and directed to sign said contract as set forth on behalf of the Legislative Body of Independence, and the City Clerk of Independence is hereby authorized and directed to certify thereto.

The vote taken on said Resolution, the result being as follows:

AYES

NAYS

COMMONWEALTH OF KENTUCKY

SS:

INCORPORATED CITY OF INDEPENDENCE

Christopher J. Reinersman, Mayor

I, Gina Gabbard, City Clerk of Independence certify that the foregoing is a true copy of the order above. Given under my hand and seal of office this the 6th day of May 2019.

Gina Gabbard, City Clerk

ORDINANCE NO. 2019-O-

AN ORDINANCE OF THE CITY OF INDEPENDENCE, KENTUCKY AMENDING ORDINANCE NO. 2018-O-05 AND THE ANNUAL BUDGET ADOPTED THEREBY FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019 BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATIONS FOR THE OPERATION OF CITY GOVERNMENT, INCORPORATING LINE ITEMS, AND PROVIDING FOR MODIFICATIONS AND AMENDMENTS THERETO.

WHEREAS, an amending budget proposal and message have been prepared and delivered to the City Council; and

WHEREAS, the City Council has reviewed such amended budget and made necessary modifications.

BE IT ORDAINED BY THE CITY OF INDEPENDENCE AS FOLLOWS:

SECTION I

That the amended annual budget for the fiscal year beginning July 1, 2018 and ending June 30, 2019 is hereby adopted as follows:

SEE ATTACHED "EXHIBIT A"

SECTION II

The provisions of this ordinance are severable; and the invalidity of any provision of this ordinance shall not affect the validity of any other provision thereof; and such other provisions shall remain in full force and effect as long as they remain valid in the absence of those provisions determined to be invalid.

SECTION III

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION IV

This ordinance shall be in full force and effect from and after its passage, approval, and publication as required by law.

Christopher J. Reinersman, Mayor

ATTEST:

Gina Gabbard, City Clerk

First Reading: May 6, 2019

Second Reading: _____

Ayes: _____

Nays: _____

PUBLICATION DATE: _____

To: Independence City Council

From: Chris Reinersman, Mayor

CC: Chris Moriconi, City Administrator
Anthony Lucas, Police Chief
Gina Gabbard, City Clerk
Ken Hicks, Public Services Director

Date: May 2, 2019

Re: 2019 – 2020 Budget Message

I am happy to report that this year's budget message will contrast significantly from last year's dire concerns amidst the pension crisis. This is the ninth budget I've been involved in, either as Mayor or Councilmember, and I believe this one has caused the least angst of any. Perhaps this was partially due to the difference between this year and the challenges of last year's pension crisis. More than that, however, I believe we are seeing the benefits of a strong economy coupled with the realization of our goals to shift our revenue paradigm toward a greater reliance on business, as well as the rewards of sound fiscal policies that have been implemented in recent years, such as our capital acquisition funds.

For starters, it gives me great pleasure to announce that this budget is predicated on not increasing our property tax rate, making this the fourth year in a row that we anticipate keeping the real property and personal property rates the same. The ability to mitigate property tax rate increases can be attributed to several factors, but the most significant is the 21.7% projected increase in payroll and occupational taxes gained from our local business. The success of local business has also resulted in a 14% increase in tangible property taxes. These two items, which account for about two thirds of our projected 2019-2020 revenue increase, or about \$635,000, clearly demonstrate the importance of attracting new business. Obviously this shift is enhanced by a strong economy and doesn't necessarily indicate we have completely turned a corner. With that in mind, we will "make hay while the sun is shining" and continue to work not only to directly attract new companies, but to build the infrastructure and environment to make Independence a great place to do business.

As pertains to expenditures, challenges remain, but we are currently on a firm footing. The specter of the pension crisis continues to loom on the horizon. You may recall last year we chose to take the "one bite at a time" approach to address the state mandated 12% increase in employer contributions. Specifically, we made a 40 basis point adjustment to our franchise tax to cover last year's increase. This was an alternative to following the lead of many other public agencies by implementing a more significant property tax increase to build a bigger cushion toward these increases, which are projected to grow at the same rate for the next 10 years or more. It appears this strategy has at least worked in the near term, as we are able to absorb this year's 12% increase, or nearly \$100,000, without additional revenue enhancements. We are far from out of the woods on this issue and will continue to monitor closely and

work toward long term resolution. In the meantime, we will continue to try to maintain our reserves at healthy levels to maximize our options should possibilities like CERS separation come to fruition.

You may recall the last few years have focused on our public services department, particularly roads maintenance. This year we are shifting more toward the police department. One of the biggest challenges facing law enforcement in Northern Kentucky, and across the country, is the reduction in the number of people willing to enter the profession. As a result, officer hiring and retention has become a big issue. Recognizing that, Chief Lucas has asked that we take a hard look at how we compare to other departments in the region and, if necessary, address the issue before it becomes a serious problem here. The Chief, Mr. Moriconi and I, with the help of staff, have gathered a great deal of information and analyzed it thoroughly. We concluded that we are indeed beginning to fall behind. I've said many times, and I'm confident Council agrees with me, that we have one of the finest police departments in the area, if not the Commonwealth. While we certainly do not have a retention problem at present, we'd like to be proactive and insure that doesn't happen, as virtually every member of our team is an important component of this great agency. The Chief, therefore, has recommended a \$1.00 per hour across the board increase for all of our officers. This will take us to a very competitive level, especially when the City's exceptional benefits programs, such as APL, healthcare and 401(a) matching contributions, are considered. I'd also like to take a moment to thank command staff for demonstrating strong leadership by putting the men and women in their charge ahead of themselves. While this proposal does result in above average increases for everyone from new patrol officers to lieutenants, the two captains, assistant chief and chief will take below average increases under this program. I'm grateful for their willingness to make this sacrifice to help those younger officers.

In addition to addressing the police officer compensation disparity, we are able to make a couple of much needed investments in our police department. While some of this initial investment will come from drug seizure funds, I feel confident that we can make the current and future budget commitments to sustain these important programs. The first is that we will be purchasing tasers for any officer that wishes to carry one. Due to past budget constraints, we were unable to replenish most of our tasers several years ago. This year we will correct that problem. Additionally we will finally be investing in body cameras for our department. While body cameras have proven to be good for all parties involved, I believe they are particularly beneficial to law enforcement personnel as they typically offer irrefutable evidence that the officer acted in accordance with his or her professional training, thus allowing them the confidence to do their job more effectively. Finally, we will continue our commitment to the safety of our schools, but in a more equitable manner. As I mentioned in my budget message last year, since committing to a school resource officer in each of our four Kenton County Schools, my ultimate goal has been to see the school district cover the salary of the officer, while the city provided the equipment, training, benefits, etc. We've worked with the Kenton County School District, as well as several other cities and the county, to increase the district's contribution from \$20,000 to \$30,000 per school, which should essentially cover salary costs. We are fortunate in that we have been able to hire four outstanding retired police officers, including two former Independence officers, on one year contracts, and will be adjusting their pay consistent with the remainder of the department.

While public services may not have had the same major focus in this year's budget, it is still a banner year for the department. For the first time ever, we are able to appropriate more than \$1.2 million towards our road projects, as recommended by our engineers when I took office four and a half years ago. With these funds, along with the equipment and increased staffing investments of the past few years, we will

effectively have three sets of road projects going this year. Two will be outsourced and overseen by two different engineering companies, while our public services department will internally handle one project. I would be remiss if I didn't take a moment to recognize our Public Services Director, Ken Hicks and our Crew Leader, Jake Eubanks. The initiative they've shown during their relatively short tenure in these roles, are no small part of what has made these ambitious undertakings possible.

In addition to road investments, we will maintain our normal vehicle replacement schedule by purchasing a new dump truck. Additionally, we will invest in a new Bobcat, rather than replacing the far more costly backhoe, just one example of creative problem solving on the part of public services leadership. Finally, while not adding another full time employee, we will be adding a part-time seasonal position to take care of the parks, freeing up public services team members to focus their talents on the expanded road projects.

Once again, proposed appropriations to our Administrative and Parks and Recreation sections have remained largely unchanged. This should not be taken as a sign of insignificance of these departments. Rather, it speaks to the quality of leadership and staff and their continued lean operation. Both of these areas continue to do an exceptional job with very limited resources.

Lastly, we are able to continue funding various capital accounts that we've established for specific large purchases that we anticipate in the coming years. In doing this, we are saving for the future and not saddling future Councils with large budget hits, deterioration in services due to lack of funds or looking at more expensive outside financing alternatives. In addition to the accounts we began establishing a few years ago for specific vehicles, equipment and capital improvements, we have established funds for needed playground equipment replacement and a new restroom at the basketball courts in Memorial Park. The most significant of these capital investments, however, is in our Health Insurance Fund. As you are aware, we began a self-insured program a few years ago which, by all measures, has been a success. Sadly, some events in the past year have depleted this fund more than anticipated so we will make a significant capital infusion. Even with this investment, however, we believe we are well below what expenditures would have been if we'd continued with a third party insurer, based on average annual premium increases.

In closing, as always, I am thankful to department heads and staff. While Mr. Moriconi, Chief Lucas and Ms. Hudson, bear significant mention, I can proudly report that so many of our team members work hard to not only do their job, but take the initiative to come up with better ways to get it done. This is a group of people that truly care about our community and work to insure that Independence taxpayers receive the greatest return on their investment while providing a strong level of services. Lastly, I am very thankful to the City Council for supporting the initiatives for our continued fiscal success.

Thank you,

Mayor Christopher J. Reinersman

City of Independence, KY.
ORDINANCE NO. 2019-O-

AN ORDINANCE OF THE CITY OF INDEPENDENCE, THEREBY ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020, BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATIONS FOR THE OPERATION OF THE CITY GOVERNMENT, INCORPORATING LINE ITEMS, AND PROVIDING FOR MODIFICATION AND AMENDMENTS THERETO.

BE IT ORDAINED BY THE CITY OF INDEPENDENCE, KENTUCKY AS FOLLOWS:

SECTION I

Pursuant to the requirements of KRS 91A.030(10), the City of Independence shall during the fiscal year beginning July 1, 2019 and ending June 30, 2020 operate and be operated pursuant to the line item budget set forth in Section II and no monies shall be expended by or on behalf of the City of Independence except in accordance therewith.

SECTION II

The annual budget for the fiscal year beginning July 1, 2019 and ending June 30, 2020 is as follows:

SEE "EXHIBIT A" ATTACHED

SECTION III

All ordinances or parts of ordinances in conflict with this ordinance shall be, and hereby are, repealed to the extent of said conflict.

SECTION IV

This ordinance shall be in full force and effect from and after its passage, approval and publication as required by law.

Christopher J. Reinersman, Mayor

ATTEST:

Gina Gabbard, City Clerk

First Reading: May 6, 2019

Second Reading: _____

Ayes: _____

Nays: _____

PUBLICATION DATE: _____

City of Independence, Ky.
ORDINANCE NO. 2019-O-

AN ORDINANCE OF THE CITY OF INDEPENDENCE IN KENTON COUNTY, KENTUCKY, ENACTING A PERSONNEL AND PAY CLASSIFICATION PLAN PURSUANT TO KRS 83A.070(3).

NOW, THEREFORE BE IT ORDAINED BY THE CITY OF INDEPENDENCE IN KENTON COUNTY, KENTUCKY AS FOLLOWS:

WHEREAS, the City of Independence maintains job descriptions and a pay scale for its employees in accordance with its annual budget, and

WHEREAS, KRS 83A.070 requires the legislative body of each city to adopt by ordinance personnel and pay classification plan, it is hereby ordained as follows:

SECTION I

The Personnel and Pay Classification Plan attached hereto and marked as Exhibit "A", sets forth the job title and pay scale for each employment position of the City of Independence, which have been developed and authorized in accordance with the City's annual budget previously adopted by ordinance.

SECTION II

The provisions of this ordinance are severable; and the invalidity of any provision of this ordinance shall not affect the validity of any other provision thereof; and such other provisions shall remain in full force and effect as long as they remain valid in the absence of those provisions determined to be invalid.

SECTION III

All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION IV

This ordinance shall be effective as soon as possible according to law.

SECTION V

This ordinance shall be published in summary pursuant to KRS 83A.060(9)

Christopher J. Reinersman, Mayor

ATTEST:

Gina Gabbard, City Clerk

First Reading May 6, 2019

Second Reading: _____

Ayes: _____

Nays: _____

PUBLICATION DATE: _____