MINUTES
BOARD OF COMMISSIONERS' MEETING
Tuesday, October 7, 2014 6:00 P.M.

A MEETING of the Board of Commissioners of the City of Covington, Kentucky, was opened by Mayor Carran, on Tuesday, October 7, 2014, at 6:00 p.m., in Commission Chambers, 20 West Pike Street, Covington, Kentucky.

Mayor Carran presiding with Commissioners Chuck Eilerman, Steve Frank, Mildred Rains, Michelle Williams, City Manager Larry Klein, and Assistant City Manager/City Solicitor Frank Warnock, present.

MOTION of Commissioner Rains, seconded by Commissioner Williams to dispense with the reading of and approve the minutes of the September 23, and September 25, 2014, meeting minutes.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

PRESENTATIONS:

- Lydia Cook of the Covington's Urban Agriculture Movement gave an update on GROW the COV and their progress in promoting our urban gardens.

- Natalie Bowers, Marketing and Communications Director gave an update on the City's website on its one year anniversary including usage and plans for the future.

OLD BUSINESS – SECOND READING OF ORDINANCES

GENERAL OBLIGATION BOND - The City's two old pension systems, previous to joining the state's pension system (CERS) for cities and counties at least two decades ago, are the Police and Fire Pension System and the Non-Uniformed City Employee Pension fund. All current City employees belong to the state's CERS system. Both old pension systems are funded in most part by bonds issued by the City in 2004 but both pension funds remain underfunded similar to CERS and many public employee pension funds across the nation. The City currently pays about $1,151,626 annually from its General Fund for debt service on these bonds. The 2004 bond issue included an "interest rate swap" financing mechanism which expires in December 2014 at which time it is financially advantageous to the City and both pension funds to refinance the bonds which will reduce the annual interest expense by approximately $80,000. This annual interest expense savings will reduce the overall unfunded liability in both old pension systems by about 25%, from about $4,203,324 to $3,037,058. In FY 14 and 15 the City began making additional direct contributions from the General Fund to the unfunded liability of both old pension systems with a goal over time of making both systems fully funded.

COMMISSIONERS' ORDINANCE NO. O-24-14

AN ORDINANCE OF THE CITY OF COVINGTON, KENTUCKY AUTHORIZING THE ISSUANCE OF CITY OF COVINGTON, KENTUCKY TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014B IN THE APPROXIMATE AGGREGATE PRINCIPAL AMOUNT OF $10,960,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF SERIES 2014B BONDS BY UP TO $1,095,000) FOR THE PURPOSE OF CURRENTLY REFUNDING THE OUTSTANDING CITY OF COVINGTON, KENTUCKY VARIABLE RATE GENERAL OBLIGATION FUNDING BONDS, SERIES 2004, THE PROCEEDS OF WHICH WERE USED TO FUND UNFUNDED LIABILITIES OF THE CITY OF COVINGTON, KENTUCKY FOR THE POLICE AND FIREMEN'S PENSION FUND AND THE EMPLOYEES' RETIREMENT FUND;

APPROVING THE FORM OF BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; AUTHORIZING AND DIRECTING THE FILING OF NOTICE WITH THE STATE LOCAL DEBT OFFICER; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; CREATING A BOND PAYMENT FUND; MAINTAINING THE HERETOFORE ESTABLISHED SINKING FUND; AUTHORIZING ACCEPTANCE OF THE BIDS OF THE BOND PURCHASERS FOR THE PURCHASE OF THE BONDS; AND REPEALING INCONSISTENT ORDINANCES.

MOTION of Commissioner Eilerman, seconded by Commissioner Frank.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

NEW BUSINESS – FIRST READING OF ORDINANCES

CITY ELECTIONS – House Bill 331, the city reclassification bill, removes the requirement that cities like Covington hold nonpartisan elections. When HB 331 goes into effect on January 1, 2015, the default method of election for Covington will become partisan. In order to continue to hold nonpartisan elections, the City must pass an ordinance making all elections for the Board of Commissioners nonpartisan.

COMMISSIONERS' ORDINANCE NO. O-25-14

AN ORDINANCE AMENDING CHAPTER 30 OF THE COVINGTON CODE OF ORDINANCES TO PRESCRIBE THAT ELECTION OF CITY OFFICERS SHALL BE UNDER NONPARTISAN CITY ELECTION LAWS AS PROVIDED IN KRS 83A.-45, 83A.170, 83A.175 AND 83A.047.

First Reading, No Vote

INVESTMENT OF CITY FUNDS – Pursuant to KRS 66.480, all cities must adopt an investment policy whether or not they have idle funds to invest. This ordinance designates the City's Finance Director as the officer authorized to invest and oversee the investment of City funds with direction and concurrence of City Manager, who together may seek and rely upon the advice of professional financial advisors.

COMMISSIONERS' ORDINANCE NO. O-26-14

AN ORDINANCE ESTABLISHING A POLICY FOR INVESTING CITY FUNDS PURSUANT TO RS 66.480.

First Reading, No Vote

NEW BUSINESS – ORDER/RESOLUTIONS

RETIREMENT – Lori Collins is retiring as a Section 8 Service Representative with the City of Covington after 29 years of service. Her knowledge and dedication will be missed by her colleagues.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-228-14

AN ORDER/RESOLUTION ACCEPTING THE RESIGNATION FOR RETIREMENT OF LORI COLLINS, SECTION 8 SERVICE REPRESENTATIVE, EFFECTIVE SEPTEMBER 30, 2014.

MOTION of Commissioner Rains, seconded by Commissioner Frank.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

PRESERVATION AWARD – The City's Historic Preservation Guidelines were recently updated. In recognition of the fine work done for historic preservation in the

region, the Cincinnati Preservation Association selected the work for a Preservation Excellence Award.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-229-14

AN ORDER/RESOLUTION HONORING BETH JOHNSON, PLANNING AND HISTORIC PRESERVATION SPECIALIST, AS THE RECIPIENT OF THE CINCINNATI PRESERVATION AWARD FOR LOCAL PRESERVATION EXCELLENCE FROM THE CINCINNATI PRESERVATION ASSOCIATION, FOR THE CITY OF COVINGTON HISTORIC DESIGN GUIDELINES.

MOTION of Commissioner Eilerman, seconded by Commissioner Frank.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

LEASE TERMINATION – The property at 27 West Pike Street has been sold and will be the home of Braxton Brewing Company. The Covington Arts Center is relocating to its new home at 2 West Pike Street.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-230-14

AN ORDER/RESOLUTION AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE A LEASE TERMINATION AGREEMENT WITH SEVENTH STREET PARTNERS, LLC FOR THE LEASE OF THE COVINGTON ARTS CENTER AT 27 WEST SEVENTH STREET.

MOTION of Commissioner Rains, seconded by Commissioner Williams.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

MEMORANDUM OF UNDERSTANDING – The City was awarded an SNK (Surface Transportation of Northern Kentucky) Grant for the resurfacing of Russell Street from Sixth Street to 18th Street. The City is responsible for a 20% match of $35,723 which will be funded through CDBG funds.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-231-14

AN ORDER/RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COVINGTON AND THE KENTUCKY TRANSPORTATION CABINET IN AN AMOUNT OF $142,890.00 FOR THE RUSSELL STREET RESURFACING PROJECT, PAYABLE FROM CDBG FUNDS, WITH $107,167.00 TO BE REIMBURSED THROUGH AN SNK GRANT.

MOTION of Commissioner Eilerman, seconded by Commissioner Frank.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

ACCEPT BID – Fuller Ford submitted the only bid for these vehicles. These vehicles are part of the City's snow and ice removal fleet and are replacing a 1995 model and two 2001 model trucks. There will be additional costs of approximately $5,500 per vehicle to outfit all three vehicles with snow plows, flashing lights, decals, etc. The total cost of the trucks and equipment will remain within the total budgeted amount of $110,000.

COMMISSIONERS' ORDER/RESOLUTION NO. OR/-232-14

AN ORDER/RESOLUTION ACCEPTING THE BID OF FULLER FORD INC. FOR THREE (3) 2015 FORD F350 SUPER CAB 4X4 TRUCKS AND AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE A CONTRACT WITH FULLER FORD INC. IN AN AMOUNT NOT TO EXCEED $81,369.00, PAYABLE FROM GENERAL FUND.

MOTION of Commissioner Frank, seconded by Commissioner Eilerman.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

VACANT/ABANDONED PROPERTIES – The City has identified numerous privately owned properties that remain vacant, are perennial nuisances, and attract crime. The City has decided to bring foreclosure actions to force a sale of the blighted properties with a view of transferring title to prequalified developers who are able to put the property back into productive use.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-233-14

AN ORDER/RESOLUTION AUTHORIZING THE LEGAL DEPARTMENT TO ENFORCE, THROUGH FORECLOSURE ACTIONS, THE INTERESTS THAT THE CITY HOLDS IN VARIOUS VACANT AND/OR ABANDONED PROPERTIES ON ACCOUNT OF STATUTORY LIENS FOR DELINQUENT AD VALOREM TAXES AND/OR NUISANCE LIENS, AND UPON ACQUISITION, DECLARE AS SURPLUS AND TRANSFER SAID PROPERTY FOR ECONOMIC DEVELOPMENT PURPOSES, PURSUANT TO KRS 82.083, TO THOSE DEVELOPERS LISTED IN THE ATTACHED SCHEDULE, ON THE CONDITION THAT SAID DEVELOPERS PAY FOR THE COSTS ASSOCIATED WITH THE FILING OF ANY LEGAL ACTIONS, AND THE COST OF ACQUISITION OF THE PROPERTIES AT THE TIME OF THE MASTER COMMISSIONER SALE.

MOTION of Commissioner Frank, seconded by Commissioner Eilerman.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

ACCEPT DEEDS – Upon coming to an agreement with prequalified developers, the City will accept the deeds from the property owners who are donating their property to the City.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-234-14

AN ORDER/RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT, ON BEHALF OF THE CITY, DEEDS TO 1348 PARKWAY AVENUE, 1207 WHEELER STREET, AND 1602 GARRARD STREET ON THE CONDITION THAT THE CITY IS ABLE TO FIND SUITABLE DEVELOPERS WHO ARE WILLING TO TAKE TITLE TO THE PROPERTIES, AND UPON ACCEPTANCE OF SUCH DEEDS, TO DECLARE AS SURPLUS AND TO TRANSFER TITLE TO EACH PROPERTY SO DEEDED TO QUALIFIED DEVELOPERS FOR ECONOMIC DEVELOPMENT PURPOSES PURSUANT TO KRS 82.083.

MOTION of Commissioner Frank, seconded by Commissioner Eilerman.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

MEMORANDUM OF UNDERSTANDING – This MOU is related to the tool allowance issue with AFSCME mechanics. The mechanics receive a $600 tool allowance for the purchase of their tools that they own. IRS regulations require that the allowance payment be reported and taxed. The City proposes to bump up the annual payment to $750 to cover the loss to the mechanics for having the taxes deducted. The City provided a similar approach for the FOP clothing allowance.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-235-14

AN ORDER/RESOLUTION AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING

BETWEEN THE CITY OF COVINGTON, KENTUCKY, AND AFSCME, AFL-CIO, LOCAL 237.

MOTION of Commissioner Rains, seconded by Commissioner Williams.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

SETTLEMENT AGREEMENT – Mr. Keeney filed a claim with the City after he was struck by a police cruiser while travelling on his bicycle on Madison Avenue on July 24, 2013. Mr. Keeney's attorney and the City Legal staff have agreed to the settlement in order to avoid the cost and delay of litigation.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-236-14

AN ORDER/RESOLUTION APPROVING A SETTLEMENT AGREEMENT WITH JEFFREY KENNEY.

MOTION of Commissioner Rains, seconded by Commissioner Williams.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

AGREEMENT WITH LATIN GARDEN PROPERTIES – The real property where Chez Nora is located is in foreclosure and the Bank of Kentucky has been maintaining the property. There are multiple mortgages against the property. The City has a business loan against the property from mortgagor Latin Garden Properties; however there are secured interests ahead of the City's interest. In an auction for the property, the City will receive $5,000 of the net proceeds of the sale if the bid for the property is less than what will pay the city's interest. If the property was sold at foreclosure and the bid was less than what would pay the City's interest, the City would not receive any funds. This agreement for an auction will provide the City some relief and will avoid further attorney fees and court costs and the risk of receiving no dollars.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-237-14

AN ORDER/RESOLUTION AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE AN AGREEMENT TO PERMIT AN AUCTION IN LIEU OF A FORECLOSURE AGAINST LATIN GARDEN PROPERTIES, LLC.

MOTION of Commissioner Rains, seconded by Commissioner Williams.
Passed. 4 Yeas. Commissioners Frank, Rains, Williams, and Mayor Carran. Commissioner Eilerman was present but recused himself from voting.

MEINKEN FIELD SALE – Covington Independent Schools' acquisition of Meinken Field for the PVA assessed value of $28,000 will allow them to make improvements to the facility for their use and other current users such as Holy Cross High School and the general public and they are committed to making it a premier facility and "the best baseball field in Northern Kentucky".

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-238-14

AN ORDER/RESOLUTION AUTHORIZING THE MAYOR AND CITY MANAGER TO EXECUTE A PURCHASE CONTRACT, DEED AND ANY TRANSFER DOCUMENTS WITH THE COVINGTON INDEPENDENT PUBLIC SCHOOLS FOR THE SALE OF REAL PROPERTY LOCATED AT 2718 JAMES AVENUE, COMMONLY REFERRED TO AS MEINKEN FIELD FOR THE AMOUNT OF $28,000.

MOTION of Commissioner Rains, seconded by Commissioner Frank.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

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SETTLEMENT AGREEMENT

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-239-14

AN ORDER/RESOLUTION APPROVING A SETTLEMENT AGREEMENT RELATED TO THE LAWSUIT FILED BY THE CITY AGAINST ROBERT J. DUE.

MOTION of Commissioner Rains, seconded by Commissioner Williams.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

BOARD APPOINTMENT – Mr. Yokel is well qualified for the UDRB as he has educational background, work experience and specialization in Historic Preservation.

COMMISSIONERS' ORDER/RESOLUTION NO. O/R-240-14

AN ORDER/RESOLUTION APPROVING THE APPOINTMENT OF WILL YOKEL TO THE URBAN DESIGN REVIEW BOARD TO FILL AN UNEXPIRED TERM, EFFECTIVE OCTOBER 7, 2014, AND EXPIRING DECEMBER 6, 2016.

MOTION of Commissioner Eilerman, seconded by Commissioner Frank.
Passed. 5 Yeas. Commissioners Eilerman, Frank, Rains, Williams, and Mayor Carran.

ADJOURNMENT

MAYOR CARRAN adjourned the meeting at 7:30 p.m.

Sherry Carran
MAYOR

ATTEST:

Margaret M Nyhan
CITY CLERK

APPROVED: 10-21-14