

December 29, 2017

A Special Board meeting of the Electric and Water Plant Board of the City of Frankfort, Kentucky, was held at the Frankfort Plant Board Administration Building, located at 151 Flynn Avenue, Frankfort, Kentucky, on Friday, December 29, 2017 at 10:00 a.m.

**ATTENDANCE:**

Anna Marie Pavlik Rosen, Chair  
Walt Baldwin, Vice Chair  
Dawn Hale, Secretary/Treasurer  
Ralph Ludwig, Board Member  
James Liebman, Board Attorney  
David Columbia, Business Products Specialist  
Harvey Couch, Marketing Video Content Coordinator  
David Denton, Interim General Manager  
Angie Hay, HR Specialist  
Ryan Henry, Asst. IT Director  
Cathy Jennings, Executive Assistant  
Cathy Lindsey, Public Information Coordinator  
Kathy Poe, Executive Assistant  
Hance Price, Staff Attorney/Asst. GM Administration  
Jeremy Blackburn, Cable 10 Videographer  
Alfred Miller, State Journal

**AGENDA**

The Agenda for the Special Board Meeting was received and entered into the Minute Book as follows:

**December 29, 2017 BOARD MEETING AGENDA**

1. **Action Item:** Consider Approval of WHAS Retransmission Consent Agreement with Tegna, Inc. for Carriage of WHAS 11 (ABC Louisville) on Cable Channel 11/511 through December 31, 2020.
2. **Action Item:** Consider Approving Public Hearing Notice covering: (1) Increasing rate for Retransmission Surcharge, (2) Increasing rate for Bulk Cable I and II, and (3) Increasing amounts for Multi service discounts.
3. **Action Item:** Consider Changes to FPB Employee Health Plan Effective January 1, 2018.
4. **Action Item:** Consider Approval for the Minutes of the December 19, 2017 Board Meeting.
5. **Action Item:** Consider Approving Reed Smith Invoice Number 2982811 Dated November 30, 2017 in the amount of \$14,612.00 for Legal Review of the Kentucky Municipal Energy Agency (KyMEA).
6. **Action Item:** Consider Approving Energy+Environmental Economics (E3) Invoice Number 1189-30004 Dated October 31, 2017 in the amount of \$4,896.00 for 2015 RFP Analysis and E3 Report Strategy Response to the Kentucky Municipal Energy Agency (KyMEA).

**BOARD ACTION**

Ms. Rosen called the meeting to order. After discussion regarding items on Agenda Ms. Rosen noted that all four (4) board members attended.

1. **Action Item: Consider Approval of WHAS Retransmission Consent Agreement with Tegna, Inc. for Carriage of WHAS 11 (ABC Louisville) on Cable Channel 11/511 through December 31, 2020.**

Staff recommends the approval a Retransmission Consent Agreements with Tegna, Inc. for carriage of WHAS 11 (ABC Louisville) on cable channel 11/511 through December 31, 2020.

Upon learning that FPB declined to sign an agreement with TEGNA at the December 19, 2017 board meeting based on the terms offered by Tegna, Tegna reached out to staff and offered a significant decrease on rates from the last offer. Staff felt the rates offered by Tegna made it impossible to not recommend executing this agreement. These new terms are significantly lower than what FPB pays Tegna for carriage of WHAS today and would have little to no effect on the Retransmission surcharge proposed to be passed on to customers on March 1, 2018.

Later this meeting, staff intends to ask the board to approve holding a public hearing regarding increasing the Retrans surcharge to match the amount paid for the stations approved at the regular December board meeting and tonight.

Mr. Couch stated that Staff recommended approval of this agreement. Mr. Baldwin commended Staff on their work regarding this item.

Mr. Ludwig moved to approve the WHAS Retransmission Consent Agreement with Tegna, Inc. for carriage of WHAS 11 (ABC Louisville) on Cable Channel 11/511 through December 31, 2020. Mr. Baldwin seconded. Ms. Rosen called for the vote and the motion passed unanimously.

2. **Action Item: Consider Approving Public Hearing Notice covering: (1) Increasing rate for Retransmission Surcharge, (2) Increasing rate for Bulk Cable I and II, and (3) Increasing amounts for Multi service discounts.**

Staff recommends the Board approve the Public Notice for conducting a public hearing at the regular meeting of the Frankfort Plant Board on January 15, 2018 at 5 pm at the FPB Administration Building Community Room.

1) Increase rate for the Retransmission Surcharge:

The public notice proposes to increase the Retransmission Surcharge rate from \$12.03 per month to \$16.39 per month effective March 1, 2018, from \$16.39 per month to \$18.00 per month effective January 1, 2019, and from \$18.00 per month to \$19.98 per month effective January 1, 2020. The increase is needed to keep pace with increases in the retransmission consent fees FPB must pay to local broadcasters. These rates are direct pass-throughs of rates included in the retransmission consent agreements signed by FPB in December 2017. The 2018 rate is prorated because FPB began paying new rates on January 1, 2018, but customers will not begin paying the new rates until March 1, 2018.

2) Increase rates for Bulk Cable I and II:

The public notice proposes to increase the Bulk Cable I from \$11.80 per outlet per month to \$12.46 per outlet per month effective March 1, 2018. Bulk Cable I, as defined in the FPB Tariff, typically includes hotels and KSU dormitories. The increase is needed to keep pace with increases in the retransmission consent fees FPB must pay to broadcasters.

Staff proposes to increase Bulk Cable II from \$20.57 per outlet per month to \$21.73 per outlet per month effective March 1, 2018. Bulk Cable II, as defined in the FPB Tariff, typically includes office complexes with more than 8 outlets. The increase is needed to keep pace with increases in the retransmission consent fees FPB must pay to broadcasters.

3) Increase amounts for multiple service discounts:

The public notice proposes to increase the amounts for the multiple service discounts effective March 1, 2018. The 2 service discount is proposed to increase from \$3.00 per month to \$6.00 per month. The 3 service discount is proposed to increase from \$6.00 per month to \$12.00 per month. Customers who subscribe to High-speed Internet and either Cable TV or Local Phone are eligible for the 2 service discount. Customers who subscribe to High-speed Internet, Cable TV, and Local Phone are eligible for the 3 service discount. These discounts have been in place in since 2005, when our internet offerings consisted of 128k, 256 and have never been adjusted. Because of the continued increasing cost of Cable TV, staff feels increasing the discounts to the customers who use the most FPB Cable-Telecom services will help retain Cable-Telecom customers. The increased discounts are included in this year's budget.

Mr. Couch explained the information as noted above and stated that staff recommended approval of the public hearing notice for a hearing to be held at the regular board meeting on January 16, 2018 at 5:00 p.m.

In discussion, Mr. Denton explained that the multi-service discounts were included in the approved 2017-2018 fiscal year budget. Mr. Couch acknowledged that Staff's thought was to offset the increase in retransmission fees as well as to help retain customers and encourage customers to purchase additional cable/telecom services.

After additional discussion, Mr. Baldwin stated that he would like to see staff develop ideas which would address the entire cable/telecom customer base.

Mr. Ludwig moved to approve Public Hearing Notice covering: (1) Increasing rate for Retransmission Surcharge, (2) Increasing rate for Bulk Cable I and II, and (3) Increasing amounts for Multi service discounts with the hearing to be held at the January 16, 2018 regular meeting at 5:00 p.m. Ms. Hale seconded. Ms. Rosen called for the vote and the motion passed unanimously.

3. **Action Item: Consider Changes to FPB Employee Health Plan Effective January 1, 2018.**

- 1) Legal guardianship – modify
- 2) Compound Drugs – no modification
- 3) Contraceptive devices – modify to cover contraceptive devices and implants under the medical plan
- 4) Implants to restore hearing –
- 5) Medical Food – modify language (compliance with state law)
- 6) Cologuard testing covered at 100% - modify (compliance with state law)
- 7) Change benefit differential for out of network providers (compliance with state law)
- 8) Domestic Violence Language – modify (compliance with Department of Labor)
- 9) Statins –
- 10) Out of Pocket Limitations – no modification
- 11) Section 1557 – staff has requested additional compliance information
- 12) Plan meets minimum value and affordability requirements

Ms. Hart explained staff's recommended changes on the following items:

- 1) Legal Guardianship – recommend modification of language to remove title distinction between child's estate and person. She noted that this was an administrative change.
- 2) Contraceptive Devices – recommend modification of language to allow devices to be purchased and implanted in the office setting regardless of whether they are available through a pharmacy.

- 3) Statin Drugs – recommend payment of statin drugs at 100% for generic. Ms. Hay explained cost of the change. She further noted that this was an administrative change.
- 4) Implants to restore hearing – recommend coverage of anchored hearing aids. Ms. Hay stated that cochlear implants are already covered under the plan and that anchored implants would be a less expensive option.

Mr. Baldwin moved to accept changes to the FPB employee health plan effective January 1, 2018. Ms. Hale seconded. Ms. Rosen called for the vote and the motion passed unanimously.

4. **Action Item: Consider Approval for the Minutes of the December 19, 2017 Board Meeting.**

Ms. Rosen stated that she had reviewed the minutes and had some suggested changes. Mr. Baldwin stated that he had not had a chance to read the minutes, Ms. Hale stated that she had read them, Mr. Ludwig stated that he was not in attendance at the December regular meeting. Ms. Rosen stated she believed it was wise to wait to approve the December meeting minutes until the January meeting to give the board a chance to review them.

In response to Ms. Rosen, Mr. Couch stated that the Cable Advisory meeting minutes would be included in the January board package.

Ms. Rosen made a motion to move approving the December meeting minutes to the January meeting. Mr. Ludwig seconded. Ms. Rosen called for the vote and the motion passed unanimously.

5. **Action Item: Consider Approving Reed Smith Invoice Number 2982811 Dated November 30, 2017 in the amount of \$14,612.00 for Legal Review of the Kentucky Municipal Energy Agency (KyMEA).**

At the October 17, 2017 FPB board meeting the FPB Board of Directors voted to award a contract based upon a Request for Proposal (RFP) for legal counsel regarding a legal review of KyMEA for an amount not to exceed \$50,000. The FPB Board of Directors controlled the entire RFP process from the creation of the RFP, selection of qualified law firms, dissemination of the RFP to the selected law firms, and final review and selection of the final firm that was voted on by the Board. Since this process is outside of FPB's Procurement Policy FPB staff is asking the Board to approve invoice number 2982811 from Reed Smith dated November 30, 2017 in the amount of \$14,612.00. FPB received this invoice on December 27, 2017. This is the first invoice received from Reed Smith. The invoice and engagement letter from Reed Smith are in this board packet for your review.

Mr. Liebman stated he understood Staff's concerns. He explained the nature of the project and the procedure utilized by the Board. Mr. Liebman stated that he believed it was consistent with the procurement policy and did not see any violation of the procurement policy. He further noted that the invoice presented was within the budget established for the project. Mr. Liebman stated that he did not see any legal issue with what had been done.

Mr. Baldwin moved to approve the Reed Smith invoice number 2982811 dated November 30, 2017 in the amount of \$14,612.00. Ms. Rosen seconded.

In discussion, Ms. Hale stated that she would like to see past communications with Reed Smith and be involved in communications with Reed Smith going forward.

Mr. Ludwig noted his concerns regarding layering consultants with this process and noted his concerns with the rates charged.

Mr. Baldwin reiterated past motions to hire an attorney for independent review of KyMEA contracts. Ms. Rosen noted her concerns regarding the necessity of an

independent consultant. Mr. Baldwin added that this was a contract approved by the Board. Ms. Hale agreed but stated that she would like to see more output from Reed Smith prior to approving the invoice.

Ms. Rosen reiterated the motion and second on the floor. Ms. Poe called the vote by member and the motion failed with a 2-2 vote. Mr. Ludwig and Ms. Hale voted "No" and Mr. Baldwin and Ms. Rosen voted, "Yes".

6. **Action Item: Consider Approving Energy+Environmental Economics (E3) Invoice Number 1189-30004 Dated October 31, 2017 in the amount of \$4,896.00 for 2015 RFP Analysis and E3 Report Strategy Response to the Kentucky Municipal Energy Agency (KyMEA).**

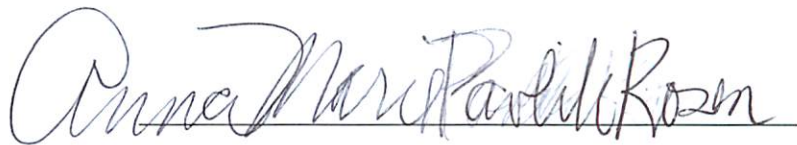
At the March 27, 2017 special FPB board meeting the FPB Board of Directors voted to award a contract based upon a Request for Proposal (RFP) for quantification of risks and benefits of FPB participation in KyMEA for an amount not to exceed \$45,000. At the August 15, 2017 FPB board meeting the FPB Board of Directors voted to extend the contract for an additional \$19,500. The FPB Board of Directors controlled the entire RFP process from the creation of the RFP, selection of qualified consultants, dissemination of the RFP to the selected consultants, and final review and selection of the final consultants that was voted on by the Board. Since this process is outside of FPB's Procurement Policy FPB staff is asking the Board to approve invoice number 1189-30004 from E3 dated October 31, 2017 in the amount of \$4,896.00. Below is a summary of the invoice received from E3 to date. The invoice in question is in this board packet for your review.

Frankfort Plant Board			
Energy+Environmental Economics (E3) Invoice Summary			
FY 17 & FY 18			
Date	Invoice #	Invoice Description	Invoice Amount
4/30/2017	1189-30000	CPP/regulatory analysis	\$ 29,105.50
5/31/2017	1189-30001	CPP/regulatory analysis	10,242.50
6/30/2017	1189-30002	Quantification	14,360.31
8/31/2017	1189-30003	E3 Report: Strategy Response to KyMEA	5,151.00
10/31/2017	1189-30004	2015 RFP Analysis/E3 Report Strategy Response to KyMEA	4,896.00
Total			<u>\$ 63,755.31</u>

Ms. Rosen reiterated the item as noted above.

Mr. Baldwin moved to approve Energy+Environmental Economics (E3) invoice number 1189-30004 dated October 31, 2017 in the amount of \$4,896.00. Ms. Rosen seconded. With no discussion, Ms. Rosen called for the vote and the motion passed with 3 "yes" votes and 1 "abstention. Mr. Ludwig, Mr. Baldwin, and Ms. Rosen voted "Yes" Ms. Hale abstained.

With no further business to discuss, Mr. Baldwin moved to adjourn. Ms. Hale seconded. Mr. Rosen called for the vote. The motion passed unanimously and the meeting adjourned.



  
ATTEST: