

June 30, 2016

A Board meeting of the Electric and Water Plant Board of the City of Frankfort, Kentucky, was held at Farmers Bank and Capital Trust, located at 125 W. Main Street, Frankfort, Kentucky, on Thursday, June 30, 2016 at 9:00 a.m.

ATTENDANCE:

Ralph Ludwig, Board Chair
Rick Pogrosky, Vice Chair
Dr. Scott Green, Secretary/Treasurer
Anna Marie Pavlik Rosen, Board Member
Walt Baldwin, Board Member
Herbbie Bannister, General Manager
David Billings, Chief Water Engineer
Bill Briscoe, Water Dist. Supt.
Harvey Couch, Marketing and Video Coordinator
Katrina Cummins, Accounting
David Denton, Finance Director
Sharmista Dutta, Water Engineer
Vent Foster, Chief Electrical Engineer/Asst. GM Operations
Monique Gilliam, Customer Service Director
Adam Hellard, Broadband/Security Manager
John Higginbotham, Cable/Telecom Director
Scott Hudson, Electric Supt.
Casey Jones, Asst. IT Director
Michele Walker, Administrative Assistant
Kim Phillips, Safety Director
Hance Price, Staff Attorney/ Asst. GM Administration
Mark Redmon, Support Services Director
Chris Riddle, WTP Superintendent
Julie Roney, Asst. WTP Superintendent
Dianne Schneider, HR Director
Alan Smith, Asst. Water Superintendent
Glenn Waldrop, Public Information Coordinator
Zach Hubbard, Cable 10 Videographer
David Columbia, Cable 10

AGENDA

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

1. Information Item: Public Comment Period
2. Action Item: Consider Addition of Grant Administrator Role.
3. Action Item: Consider a Spending Freeze for the HFC Network until a Long Term Broadband Strategic Direction is Defined.
4. Action Item: Consider Addition of \$20,000 in Next Year's Budget to Review Viability of Energy Efficiency Programs Similar to How\$mart KY.
5. Action Item: Consider Adoption of Policy to Include Open Source Software Options in All Future New Software Acquisitions.
6. Action Item: Consider Removal of Funding for Virtualization Software (Nutanix) Pending Evaluation of Open Source Options.
7. Action Item: Consider Funding \$2500 for Evaluating a New Direction in Landscape Maintenance.
8. Action Item: Consider Expanding the Involvement of FPB Board of Directors in Budget Planning Process.
9. Action Item: Consider Additional Allocation to Budget to Assist GM in Meeting 2016 Customer Satisfaction Goal.
10. Action Item: Consider Removal of Budget Allocation for Customer Outreach Items. (Portion of \$37k detailed on page 31 line 90).
11. Action Item: Consider Removal of Budget Allocation to Fund New Business Telephone Services Sales Role.
12. Action Item: Consider Approving FY 2016-17 Budget as amended and accept the 5-year plan.

BOARD ACTION

Mr. Ludwig called the meeting to order. Ms. Walker called the roll. She noted five (5) Board members present.

1. **Informational Item: Public Comment Period.**

Mr. Ludwig opened the floor for public comment. Ms. Nancy Watkins approached the podium and spoke regarding energy efficiency, and FPB's water quality versus bottle water quality.

In addition, Mr. Dick Watkins spoke referencing the "Lighten Up Frankfort" (energy reduction brochures) FPB included in their bills a few years ago. It was however an unsuccessful project. Mr. Watkins stated approximately 20,000 flyers were sent out and only 2 or 3 individuals responded. He feels other options would be better choices.

2. **Action Item: Consider Addition of Grant Administrator Role.**

Mr. Baldwin and Ms. Rosen discussed the advantages of having an in-house grant administrator. This position would allow deeper research as to what monies/grants are available (such as the \$84 billion in the American Recovery Act).

Following further discussion, Mr. Baldwin moved for approval of this position. Ms. Rosen seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board, the motion failed with two yeas and 3 nays. Mr. Ludwig, Mr. Pogrotsky and Dr. Green voted nay.

3. **Action Item: Consider a Spending Freeze for the HFC Network until a Long Term Broadband Strategic Direction is Defined.**

Mr. Baldwin stated he wanted to be sure money was not being spent prior to a long-term plan being developed. Mr. Pogrotsky stated he felt a freeze would be detrimental, and that perhaps the Board could direct Staff to develop a plan for next year's budget.

With no further discussion, Ms. Rosen moved for approval. Mr. Baldwin seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board and the motion failed with three nays. Mr. Ludwig, Mr. Pogrotsky and Dr. Green voted nay.

4. **Action Item: Consider Addition of \$20,000 in Next Year's Budget to Review Viability of Energy Efficiency Programs Similar to HowSmart KY.**

(Mr. Matt Fiscus with Kentucky Home Performance (KHP) spoke to the Board at the June 21st Board Meeting. Mr. Fiscus stated KHP is losing their state funding in December, however, they have applied for federal funding).

Ms. Rosen stated with Kentucky Home Performance (KHP) losing their funding at the end of 2016, she felt the Board should look for other energy efficiency programs to assist our customers with the electrical rate increases.

After further discussion, Ms. Rosen moved for approval. Mr. Baldwin seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board and the motion failed with three nays. Mr. Ludwig, Mr. Pogrotsky and Dr. Green voted nay.

5. **Action Item: Consider Adoption of Policy to Include Open Source Software Options in All Future New Software Acquisitions.**

Mr. Baldwin stated open source software is beneficial, as it is open to the public and allows for changes or modifications to be made as necessary.

Mr. Bannister stated Staff is concerned about spending widespread research time on software when you can purchase packaged software, complete the job, and move on.

At this time, Mr. Ludwig requested that Mr. Baldwin draft a policy and present it to the Staff on the July Board Meeting Agenda.

6. **Action Item: Consider Removal of Funding for Virtualization Software (Nutanix) Pending Evaluation of Open Source Options.**

Mr. Pogrotsky moved to table this item until July. Mr. Ludwig seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board and the motion passed with three yeas and two nays. Members Rosen and Member Baldwin voted nay.

7. **Action Item:** Consider Funding \$2500 for Evaluating a New Direction in Landscape Maintenance.

Mr. Redmon stated he had money in the budget for training in the landscape/maintenance area. Ms. Rosen stated this was for additional money to be added to the budget and she felt this should be made a priority.

Ms. Rosen moved for approval. Mr. Baldwin seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board, the motion passed unanimously.

8. **Action Item:** Consider Expanding the Involvement of FPB Board of Directors in Budget Planning Process.

Mr. Ludwig requested Mr. Denton speak regarding the rules that are required by local government regarding the budget.

Mr. Denton explained the process before and during the budget preparation. Mr. Denton stated the five-year plan (included in the budget) gives a good idea of future budget items or issues.

Mr. Baldwin moved to have Staff develop options to better inform Board Members prior to the budget completion, and to expand the time between the presentation of the budget and the final approval of such. Ms. Rosen seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board and the motion passed unanimously.

9. **Action Item:** Consider Additional Allocation to Budget to Assist GM in Meeting 2016 Customer Satisfaction Goal.

Mr. Baldwin questioned Mr. Bannister if he felt this allocation was necessary. Mr. Bannister responded he believed monies were in the budget to conduct a customer service survey, which will enable FPB to have a benchmark to work from. Mr. Bannister also stated he felt the new administration building would provide a much-needed asset to FPB's customers (i.e. drive up windows, additional privacy for in office contact).

With no additional discussion, Mr. Ludwig moved for no additional allocation. Mr. Baldwin seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board, the motion passed unanimously.

10. **Action Item:** Consider Removal of Budget Allocation for Customer Outreach Items. (Portion of \$37k detailed on page 31 line 90).

Ms. Rosen stated she felt that educational efforts, public outreach and presentations to educate FPB customers on the services FPB offers the community in lieu of giving away promotional items would be a more appropriate. Mr. Baldwin agreed that educating the public was important but that giving away promotional items was not effective.

Mr. Waldrop agreed that educational items are useful; however, without giveaways (pens, coloring books, etc.) you cannot attract customers in. Mr. Pogrotsky added posters and signs are beneficial however, he felt many people do look for attractors/giveaway items (water bottles, tote bags, earbuds, etc.) and that companies needed an attractor to get the public involved.

With no further discussion, Dr. Green called for the question. Mr. Baldwin moved to remove the \$10,000-line item for giveaways. Ms. Rosen seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board, the motion failed with two yeas and three nays. Mr. Ludwig, Mr. Pogrotsky and Dr. Green voted nay.

11. **Action Item:** Consider Removal of Budget Allocation to Fund New Business Telephone Services Sales Role.

Ms. Rosen questioned if this position was fair considering we are laying off six telephone employees. Mr. Higginbotham explained this position is not included in the current year budget. Mr. Higginbotham explained this position is actually a "Business Product Specialist" which is to build sales of business services not only for telephone services. Mr. Higginbotham stated in the past, other full-time employees (with other job duties) have performed the duties of this position on a part-time basis.

Mr. Baldwin moved for removal of the funding for this position. Ms. Rosen seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board, the motion failed with three nays and two yeas. Mr. Ludwig, Mr. Pogrotsky and Dr. Green voted nay.

12. Action Item: Consider Approving FY 2016-17 Budget as amended and accept the 5-year plan.

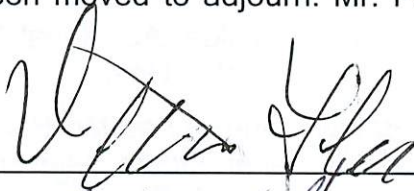
Mr. Ludwig stated there was only one change to the budget and that was the \$2,500 landscaping maintenance adjustment.


Mr. Denton summarized the budget details and the summary of the amendments provided in the budget, not including the \$2,500 landscaping adjustment.

With no further discussion, Dr. Green moved to approve the budget with changes as submitted. Mr. Ludwig seconded. Mr. Ludwig called for the vote. Ms. Walker polled the Board, the motion carried with three yeas and two nays. Mr. Baldwin and Ms. Rosen voting nay.

Mr. Ludwig complemented the Staff for their hard work for the year ending and the upcoming year.

With no further business to discuss, Dr. Green moved to adjourn. Mr. Pogrotsky seconded. The meeting adjourned.





ATTEST: