



MINUTES

Special Board Meeting

11:00 AM - Friday, June 5, 2020

Community Room & Audio Conference

The Frankfort Plant Board met in Special Board Meeting on Friday, June 5, 2020 at 11:00 AM in the Community Room and via audio conference.

ATTENDANCE:

Dawn Hale, Board Secretary/Treasurer
Stephen Mason, Board Vice Chair
John Cubine, Board Chair
John Snyder, Board Member
James Liebman, Board Attorney
Gary Zheng, General Manager
David Billings, Chief Water Engineer
David Denton, Chief Financial Officer
Vent Foster, Chief Operations Officer
Adam Hellard, Cable Superintendent
Ryan Henry, Assistant IT Director
Scott Hudson, Electric Superintendent
Casey Jones, IT Director
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Leigh Ann Phillips, Support Services Director
State Journal

1 NOTICE OF SPECIAL MEETING

1.1 Notice of Special Meeting held In Person and Via Audio Conference.

In person attendance limited to 10 people pursuant to Executive Order of the Governor.

2 ACTION ITEM: APPROVAL OF MINUTES

2.1 Approve Minutes for the May 19, 2020 Board meeting.

John Snyder moved to approve minutes for the May 19, 2020 board meeting. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

3 INFORMATIONAL ITEMS:

3.1 **Review and Discuss Draft Year 2020-2021 Budget.**

Mr. Denton explained the structure of the Frankfort Plant Board as a non profit, special government entity. He explained budget assumption. He stated that there were no rate increases through the five (5) years of the budget plan with the exception of cable programming.

Mr. Denton further discussed the rules for cash reserves and the manner in which they can be utilized under Kentucky law.

In response to board member questions, Mr. Denton explained employee insurance costs, 401k, CERS contributions, and 401a contributions. He further discussed cash reserve best practice standards and how healthy cash reserves benefit the company.

In response to the board, Mr. Denton stated that there was no additional long term debt in the five (5) year plan due to savings in wholesale power cost. He discussed two large projects in the water division and stated that cash reserves would be utilized to pay for those projects.

Mr. Denton further explained revenue and expenses. He advised that expenses were down. \$1.9 million due mainly to move to KyMEA. He reiterated that there were not rate increases through the five (5) year plan across all lines of business except for cable programming.

Mr. Foster discussed the AMI project and actions needed if the project is postponed.

In response to Board member questions, Mr. Foster explained expenses and capital projects in the Electric division.

Mr. Billings discussed water department budget revenues and expenses, and discussed projects in the budget and funding. He advised that there were no new positions in the budget for the water department.

Mr. Denton explained revenue, expenses and debt for the telecom department. Mr. Foster and Mr. Hellard discussed two (2) new positions, Tiger grant projects, and Fiber to the Home ("FTTH") status, continued progress, and phases going forward.

Mr. Denton discussed the administration department budgets, changes included to write offs due to COVID-19 crisis, staffing, and risk management.

Mr. Jones discussed two (2) new positions requested for the IT department to ensure succession planning anchors for the future. He further discussed plans to add up to five (5) new positions over the next few years and plans to have the IT department to break out on its own separate division.

Mr. Denton further discussed the manner in which new positions would be filled.

Mr. Cubine discussed postponing salary increases to January 1, 2021, funding energy audits the same as in current fiscal year budget, holding school water fountain and EV charging station projects in abeyance for now, further discussion of scholarship funding, board attorney and legal expenses, new positions, moving funds from telecommunications to water for moving satellite dishes at reservoir/headend location, and potential shift in emergency funds.

Board members agreed to further discussed budget and June 16, 2020 regular meeting.

4 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

- 4.1 Chair calls for a motion to conduct a closed session pursuant to KRS 61.810(1)(b) for deliberations regarding the sale of real property. The reason for privacy is because publicity at the deliberation stage might be likely to affect the value of the property.

John Snyder moved to conduct a closed session pursuant to KRS 61.810(1)(b) for deliberations regarding the sale of real property. The reason for privacy is because publicity at the deliberation stage might be likely to affect the value of the property, Stephen Mason seconded the motion.

CARRIED. 4 to 0.

5 CLOSED DOOR SESSION

5.1 Closed session held.

John Snyder moved to come out of closed session. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

6 ACTION ITEM: POSSIBLE ACTION REGARDING CLOSED DOOR DISCUSSION

6.1 Potential Action regarding sale of real property.

NONE

7 ACTION ITEM: ADJOURNMENT

7.1 Adjourn.

Stephen Mason moved to adjourn. John Snyder seconded the motion.

CARRIED. 4 to 0.



Board Chair



Board Secretary/Treasurer