



MINUTES

FPB Board Meeting

5:00 PM - Tuesday, February 18, 2020

Community Room

The Frankfort Plant Board met on Tuesday, February 18, 2020 at 5:00 PM in the Community Room.

ATTENDANCE:

Dawn Hale, Board Secretary/Treasurer
Stephen Mason, Board Vice Chair
John Cubine, Board Chair
John Snyder, Board Member
Gary Zheng, General Manager
David Billings, Chief Water Engineer
Nichell Brown, HR Assistant
Katrina Cummins, Finance Director
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 Jennings, Executive Assistant to CFO
Cathy Lindsey, Communications & Marketing Director
Kathy Poe, Executive Assistant to GM
Hance Price, Assistant GM Administration/Staff Attorney
Kim Phillips, Safety Director
Leigh Ann Phillips, Support Services Director
Julie Roney, Water Treatment Superintendent
Dianne Schneider, HR Director
Alan Smith, Water Distribution Superintendent
Scott Stafford, Media Services Manager
Deron Rambo, Network Operations Center Director
Travis McCullar, Chief Electric Engineer
Jennifer Hellard, Purchasing Agent
State Journal

1 ACTION ITEM: APPROVAL OF MINUTES

- 1.1 Consider Approval of Minutes for the February 11, 2020 Special Board Meeting.

Dawn Hale moved to approve minutes for the February 11, 2020 Special Board Meeting. John Snyder seconded the motion.

CARRIED. 4 to 0.

2 ACTION ITEM: ACCEPT FINANCIALS

- 2.1 Consider Accepting Financials for month ending January 31, 2020.

John Snyder moved to accept the Financials for month ending January 31, 2020. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

3 INFORMATIONAL ITEM: GENERAL MANAGERS COMMENTS

3.1 Ms. Lindsey presented staff and departmental videos and discussed upcoming events.

4 INFORMATIONAL ITEM: PUBLIC COMMENT

4.1 None

5 INFORMATIONAL ITEM: WEBSITE CUSTOMER COMMENTS

5.1 There were No Web Comments.

6 INFORMATIONAL ITEM: DEPARTMENTAL REPORTS

- TELECOMMUNICATIONS
- MEDIA SERVICES
- CUSTOMER SERVICE
- ELECTRIC DEPARTMENT
- SEPA
- KYMEA
- SAFETY
- WATER DISTRIBUTION
- WATER TREATMENT PLANT
- NETWORK OPERATIONS CENTER (NOC)

7 ACTION ITEMS:

7.1 Consider Changes to Electric and Water Plant Board of the City of Frankfort, Kentucky Health Reimbursement Arrangement (HRA) Plan Effective January 1, 2020.

The FPB Employee Health Plan includes a Consumer Driven Health Plan (CDHP) option with a Health Reimbursement Arrangement (HRA). Employees who elect this option receive \$600 for single or \$1,200 for family coverage in an HRA account annually. Under the current plan provisions, participants can only use their HRA dollars for 1) reimbursement of in and out-of-network deductibles, and 2) non-cosmetic vision, dental and orthodontic expenses.

Staff asks the Board approve changing the HRA plan to allow excluded amounts and charges over the usual/reasonable and customary to be reimbursable as long as the expense is medically necessary and meets the definition of a qualified medical expense. This change will allow participants to use HRA funds in the event they incur expenses from an out-of-network provider that are above the usual and customary fee limits, which are not paid under the health plan. Currently, employees must pay these expenses using Flexible Spending Account (FSA) or out of pocket funds.

A copy of the HRA plan document is provided with this Board item.

John Snyder moved to approve change to FPB's Health Reimbursement Arrangement (HRA) Plan effective January 1, 2020. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

7.2 Consider Approval of Agreements with Davis H Elliot, Groves Construction, and Bowlin Companies for Storm Response.

Staff ask that the board approve agreements with Davis H Elliot, Groves Construction, and Bowlin Companies for storm response. In order for FPB to be eligible for FEMA reimbursements we must have on file agreements with contractors that can provide services to FPB in an outage restoration. These three (3) companies have provided pricing and would charge these amounts to FPB for work performed in an outage restoration after an emergency such as a storm. These companies are located in Kentucky and perform quality work. Staff ask that the board move to approve the agreements and rate sheets with Davis H Elliot, Groves Construction, and Bowlin Companies.

This has been reviewed and approved by staff attorney.

Stephen Mason moved to approve Agreements with Davis H. Elliot, Groves Construction, and Bowlin Companies for storm response. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

7.3 Consider Approving Changes to the Water Tariff Concerning the Revised Sub-Metering Policy.

As presented at the December 2019 board meeting, the Board has had a long-standing policy against sub-metering that has been difficult to effectively manage. In addition, Kentucky Division of Water's Public Water Supply regulation 401 KAR 8:020 was updated that made it easier for sub-metering to occur. As a result, staff made recommendations to FPB's policy and requested a public hearing. At the January 2020 board meeting, a public hearing was conducted concerning the changes. To date, no comments have been received.

Copies of the proposed policies are included in the board package.

Staff recommends the Board approve the revised Sub-Metering policy. If approved, the tariff will be revised accordingly and the policy will go into effect March 1, 2020.

Dawn Hale moved to approve changes to the water tariff concerning the revised sub-metering policy. Stephen Mason seconded the motion.

CARRIED. 4 to 0.

7.4 Consider approval of Amendment No. 8 between Strand Associates, Inc. and FEWPB for additional services related to resubmission of the Reservoir to the Planning and Zoning Commission in the amount of \$10,000.

At the January 2020 regular meeting, the Board directed staff to submit a new proposal to the Planning and Zoning Commission in time for its March meeting.

As a matter of course, Strand was requested to provide an additional scope of work to revise the P&Z submittal set and attend the upcoming meeting. The work will be done on a time and expenses basis not to exceed \$10,000.

The FY20 and FY21 budget includes \$270,000 for engineering \$4,000,000 for construction of the project. The amendment has been reviewed by the Staff Attorney and Staff recommends that the Board approve Amendment No. 8 with Strand Associates in the amount of \$10,000.

Stephen Mason moved to approve Amendment No. 8 between Strand Associates, Inc. and FEWPB for additional services related to resubmission of the Reservoir to the Planning and Zoning Commission in the amount of \$10,000. John Snyder seconded the motion.

CARRIED. 4 to 0.

7.5 **Consider Approval of (1) Reducing rate for Limited Cable service, (2) Increasing rate for Classic Cable service, (3) Increasing rate for Bulk cable I and Bulk cable II, and (4) Create new billing breakdown for Classic Cable.**

Staff recommends the approval of proposed rate changes effective April 1, 2019. The proposed Classic Cable and Bulk cable rate increases are a direct pass-through of increased programming costs of the networks on Classic Cable. If approved, the Limited Cable tier (channels 2-30) would decrease from \$16.00 per month to \$12.79 per month, the Classic Cable tier (channels 2-98) rate would increase from \$67.00 per month to \$69.50 per month, the Bulk Cable I rate would increase from \$13.26 per outlet per month to \$13.96 per outlet per month, and Bulk Cable II rate would increase from \$23.12 per outlet per month to \$24.35 per outlet per month.

In order to increase transparency with regards to the main drivers in Classic Cable rates, staff proposes to break the Classic Cable rate into two factors: a Customer Charge and a Cable Network Pass-through Fee. Effective April 1, 2020, the Customer Charge would be \$12.79 and the Cable Network Pass-through Fee would be \$56.71. Similar to our Retrans Surcharge, the Cable Network Pass-through Fee is a direct pass-through of programming cost the FPB pays to media ownership groups for the right to distribute the cable networks on Classic Cable. The total of the two items equal \$69.50.

On January 21, 2020, the Board approved the public meeting notice and that hearing was conducted on February 11, 2020. No customer comments were received at that hearing or between January 21 and February 11.

John Snyder moved to approve (1) reducing rate for Limited Cable service, (2) increasing rate for Classic Cable service, (3) increasing rate for bulk cable I and bulk cable II, and (4) creating new billing breakdown for Classic Cable. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

7.6 **Consider Approval of a Reduction to the Photo Classified Advertising Rate.**

In a changing landscape of cable television, staff believes our classified advertising is underperforming due to outdated pricing. We believe a lower rate, along with a simplified discount structure will increase interest and make our Channel 3 Marketplace more active and therefore more attractive to both viewers and advertisers.

The current rates are:

FPB Photo Classified Rates

1 Page	\$35 Weekly
1 Page	\$120 Monthly
2 - 4 Pages	\$200 Monthly
5 - 9 Pages	\$315 Monthly
10 - 14 Pages	\$420 Monthly
15+ Pages	Quote

Term Discounts

6 Months	10%
9 Months	15%
12 Months	20%

The proposed rates are:

1 Month	\$20 per page
6 Months	\$15 per page
12 Months	\$10 per page

Stephen Mason moved to approve a reduction to the Photo Classified Advertising Rate. John Snyder seconded the motion.

CARRIED. 4 to 0.

7.7 Action Item – Consider Award of Bid Invitation #1682 for Managed Apparel Program for Flame Resistant Uniforms to Precision Marketing and Sales.

FPB currently uses a rental uniform service. We have used this type of service for over 20 years, trying multiple vendors. Over time, the quality and selection of items has become increasingly unsatisfactory. After meeting with department heads it was decided that a Managed Apparel Program might better fit our needs. A managed apparel program is more hands-on with the end user (field employees). We would be purchasing clothing using a vendor that manages inventory, ordering, online store, fulfillment, shipping, returns, and exchanges. Employees will order from a customized website set-up to meet the requirements of our uniform policy. The vendor will provide each employee with a log in and they will only see items approved for their department. Monetary allowances are determined by the annual budgeted amount for each department and will be applied to each individual account. The vendor keeps track of the amount each employees spends and will not allow employees to order more than they are allotted.

FPB has approximately 30 field employees requiring flame resistant uniforms. A total of \$61,320.00 was budgeted for uniform expenses which includes items such as rental uniforms, outerwear, and boots. We expect this contract to cost approximately \$23,600.00. We spent \$20,081.26 on flame resistant rental uniforms in the last year.

The bid was sent to six vendors with Precision Marketing and Sales being the only response received. References have been checked with five other electric utilities. All references were very satisfactory.

John Snyder moved to approve Award of Bid Invitation #1682 for Managed Apparel Program for flame resistant uniforms to Precision Marketing and Sales. Stephen Mason seconded the motion.

CARRIED. 4 to 0.

7.8 Action Item – Consider Award of Bid Invitation #1689 for a Managed Apparel Program for Field Employee (Non-FR) Uniforms to Precision Marketing and Sales.

FPB currently uses a uniform rental program. We have used this type of service for over 20 years, trying multiple vendors. Over time, the quality and selection of items has become increasingly unsatisfactory. After meeting with department heads it was decided that a Managed Apparel Program might better fit our needs. A managed apparel program is more hands-on with the end user (field employees). We would be purchasing clothing using a vendor that manages inventory, ordering, online store, fulfillment, shipping, returns, and exchanges. Employees will order from a customized website set-up to meet the requirements of our uniform policy. The vendor will provide each employee with a log in and they will only see items approved for their department. Monetary allowances are determined by the annual budgeted amount for each department and will be applied to each individual account. The vendor keeps track of the amount each

employees spends and will not allow employees to order more than they are allotted.

FPB has approximately 100 field employees requiring uniforms. A total of \$103,000.00 was budgeted for uniform expenses which includes items such as rental uniforms, outerwear, and boots. We expect this contract to cost approximately \$44,492.10. We spent \$40,879.67 on field employee (Non-FR) rental uniforms in the last year.

The bid was sent to six vendors with Precision Marketing and Sales being the only response received. References have been checked with five other electric utilities. All references were very satisfactory.

Stephen Mason moved to approve Award of Bid Invitation #1689 for a Managed Apparel Program for field employees (Non-FR) uniforms to Precision Marketing and Sales. Dawn Hale seconded the motion.

CARRIED. 4 to 0.

8 INFORMATIONAL ITEM: OLD & NEW BUSINESS

8.1 Ms. Hale discussed the amount FPB spends with local vendors. She requested staff to assemble the information in a manner that would be easily shared with the Board and members of the community.

Mr. Cubine requested a tentative budget schedule with detailed layout of what is expected to be discussed and accomplished.

Mr. Cubine further discussed reviewing the Ethics Policy, further discuss the Board Governance Policy, and possibly updating the Board Financial Disclosure forms. He noted that board and public comments/suggestions should be directed to Hance Price. Mr. Price would compile all questions/suggestions for board review and discussion.

9 REQUEST PERMISSION TO HAVE CHAIR CALL FOR A CLOSED SESSION

9.1 Move to call a closed session pursuant to KRS 61810(1)(c) to discuss pending litigation regarding the reservoir.


10 CLOSED DOOR SESSION

Steve Mason moved to come back into open session. Dawn Hale seconded. The motion carried unanimously.

John Snyder moved to authorize counsel to proceed as discussed in closed session regarding the reservoir zoning hearing. Dawn Hale seconded. The motion carried unanimously.

11 ACTION ITEM: ADJOURNMENT

11.1 ***John Snyder moved to Adjourn. Dawn Hale seconded the motion. CARRIED. 4 to 0.***


Board Chair


Board Secretary/Treasurer