

November 14, 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 at 151 Flynn Ave. Frankfort, KY on Tuesday November 14, 2017 at 1:00 p.m.

**ATTENDANCE:**

Anna Marie Pavlik-Rosen, Board Chair  
Walt Baldwin, Vice Chair  
Dawn Hale, Board Secretary-Treasurer  
Ralph Ludwig, Board Member  
David Denton, Interim General Manager  
David Billings, Water Engineer  
Harvey Couch, Marketing Video Content Coordinator  
Katrina Cummins, Interim Finance Director  
Sharmista Dutta, Water Engineer  
Vent Foster, Asst. GM Operations  
Cassie Estill, Customer Service Supervisor  
Dana Goodlett, Cable Installation Supervisor  
Adam Hellard, Security Broadband Technology Manager  
Ryan Henry, Asst. IT Director  
Scott Hudson, Electric Superintendent  
Casey Jones, IT Director  
Cathy Jennings, Executive Assistant  
Cathy Lindsey, Public Information Officer  
Kim Phillips, Safety Director  
Hance Price, Staff Attorney/Asst. GM Administration  
Mark Redmon, Support Services Director  
Julie Roney, WTP Superintendent  
Nichell Brown, HR Specialist  
Jeremy Blackburn, Cable 10 Videographer  
Alfred Miller, State Journal  
John Sower Frankfort resident (past city commissioner)

**AGENDA**

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

**November 14, 2017 SPECIAL BOARD MEETING AGENDA**

1. **Informational Item:** Discuss the Work Session Format of the Agenda Meeting, Agenda Input Deadline, and Meeting Minutes Schedule.
2. **Informational Item:** Consider Approving Minutes for the October 17, 2017 Board Meeting.
3. **Informational Item:** Accept Electric, Water and Cable Financials & Statistical Data for October 2017.
4. **Informational Item:** Informational Item - KEMI Announces that FPB is a Destiny Award Winner for 2017
5. **Information Item:** Public Comment Period.
6. **Informational Item:** Departmental Reports:
  - Website Customer Comments
  - Cable Dept.
  - Customer Service
  - Electric Dept.
  - SEPA

- KyMEA
  - Safety
  - Water Distribution
  - Water Treatment Plant
7. **Informational Item:** Consider Award of Bid Invitation #1648 for Two 15kV Outdoor Circuit Breakers to Siemens Industry Inc. in the Amount of \$28,596.
  8. **Informational Item:** Consider Stop Loss Coverage and Plan Changes for the 2018 FPB Employee Health Plan.
  9. **Informational Item:** Consider Employee Contributions for 2018 FPB Employee Health Plan.
  10. **Informational Item:** Request KyMEA Create Video Recordings of all Public Meetings.
  11. **Informational Item:** Direct Staff to Select Candidates for Board Consideration to fill Mr. Bannister's Vacant Seat as FPB Representative to KyMEA Board.
  12. **Informational Item:** Consider a Resolution to Support the Efforts of FPB to Continue to Offer Inexpensive, Consistent, Quality Electrical Power.
  13. **Informational Item:** Begin the Process for Selecting the General Manager by Defining the Job Description, Reviewing Search Firm Options, and Considering Employment Listing Websites.
  14. **Informational Item:** Discuss the Addition of a Board Education Allocation in the Future for FPB Budget.
  15. **Informational Item:** General Manager's Comments.
  16. **Request Permission to have Chair call for a Closed Session** KRS 61.810(1)(f) for discussions which might lead to the appointment, discipline, or dismissal of an individual employee. KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide unfair advantage to competitors of the entity disclosing such information to discuss analysis from E3 of RFP data from nFront/KyMEA.
  17. **Closed Door Session:**

Work Session Discussions: Note the format for this meeting was informational; no action was taken on any item.

Ms. Rosen called the meeting to order and noted four (4) Board members in attendance. The 5<sup>th</sup> position is currently vacant

1. **Informational Item:** Discuss the Work Session Format of the Agenda Meeting, Agenda Input Deadline, and Meeting Minutes Schedule. *David Denton and Anna Marie Rosen will discuss*

Ms. Rosen discussed this item with additions from Cathy Jennings and David Denton. The format of this Special Meeting is a "work session" with the purpose of preparing all Board Members on the issues which will be voted on in the Regular Board Meeting. It is also an attempt to make the information for the Regular Board Meeting available to Board Members earlier in the week, prior to the Regular Board Meeting.

The agenda input date has been and remains the Friday approximately 8 working days before the Regular Board Meeting. Staff agreed that the delivery of agenda

items before 7:30 AM on the Monday approximately 7 working days before the Regular Board Meeting would be acceptable, but is not the preferred deadline and should only be used in special situations.

Cathy Jennings suggested that she could have the Minutes from the Regular Board Meeting available to the Board for review the end of the week following the Regular Board Meeting. This would be approximately 8 days after the Regular Board Meeting. No action was taken on this item.

2. **Informational Item: Consider Approving Minutes for the October 17, 2017 Board Meeting.**

This item will be voted on at the Regular Board Meeting. And no action was taken.

3. **Informational Item: Accept Electric, Water and Cable Financials & Statistical Data for October 2017. Katrina Cummins will discuss.**

This item will be presented at the Regular Board Meeting. And no action was taken.

4. **Informational Item: Informational Item - KEMI Announces that FPB is a Destiny Award Winner for 2017 Kim Phillips will discuss (See Tab) (pg.)**

Kentucky Employers' Mutual Insurance (KEMI) announced that FPB is being honored as a 2017 Destiny Award winner for our commitment and success in maintaining a safe workplace. KEMI selected only fourteen organizations out of its more than 23,000 workers' compensation policyholders. FPB has won this award six out of the past seven years.

According to KEMI, FPB was chosen because of our demonstrated ability to effectively manage a formal safety program, provide on-site training and regular safety meetings for employees and we display an ongoing commitment to safety from all levels of our organization.

Jon Stewart, President & CEO of KEMI says, "The 2017 Destiny Award winners embrace a commitment to safety that demonstrates how much they care for the health and well-being of their employees. Safe workplaces don't happen by accident. The organizations who earned this honor understand the value of investing in safety and partnering with KEMI to control their workers' compensation costs, but at the end of the day what matters most is sending each employee home safely to their loved ones."

Representatives from KEMI and Powell Walton Milward will be on-site at the holiday luncheon on December 15 to present the award.

This item was presented, and the impressive achievement of the Award was discussed and praised. This was an informational item and no action was taken.

5. **Informational Item: Public Comment Period (See Tab) (pg.)**

Ms Rosen explained that this is a "work session" if someone from the public was present to make a comment, they can be accommodated within the "work session" topics. All other comments can be made at the Regular Board Meeting or by making a website comment. No one appeared to be present with a concern.

6. **Informational Item: Departmental Reports:**

- Website Customer Comments (pg )
- Cable Dept. (pg )
- Customer Service (pg )
- Electric Dept. (pg )
  - SEPA (pg )
- KyMEA (pg )

- **Safety (pg )**
- **Water Distribution (pg)**
- **Water Treatment Plant (pg )**

These items will be covered in the Regular Board Meeting and are informational only with no action needed.

7. **Informational Item: Consider Award of Bid Invitation #1648 for two 15kV outdoor circuit breakers to Siemens Industry Inc. in the Amount of \$28,596. Travis McCullar will discuss**

Staff prepared an invitation for two new 15kV circuit breakers for Twilight Trail substation. The invitation was publicly advertised and sent to eight vendors. Two responses were received. After reviewing all the bids, staff recommends awarding to Siemens Industry, Inc. in the amount of \$28,596. Siemens submitted the lowest bid and met the specifications.

The low number of responses was anticipated by staff for this bid. Currently Siemens and ABB are the only manufacturers that offer a breaker with a magnetic actuator, which is included in the specification. It is the opinion of the electric department that magnetically actuated breakers are a necessary restriction as they require far less maintenance than their alternative.

This equipment purchase is necessary to replace existing breakers that have exceeded their expected useful life. This purchase is included in the 2017-2018 Capital Budget, line 210. The amount included in the budget for this project is \$62,700.

This item was covered briefly in preparation for the Regular Board Meeting and no action was taken at this time.

8. **Information Item Consider Stop Loss Coverage and Plan Changes for the 2018 FPB Employee Health Plan. Dianne Schneider will discuss**

Staff has worked with Sherrill Morgan over the last several weeks on the health plan renewal for 2018. FPB received proposals from seven carriers for specific and aggregate stop loss coverage for 2018. However, we were notified after the proposals were received that our provider network, Baptist Health, will no longer offer services effective April 1, 2018. This change may impact the proposals and we are waiting for a response from the carrier. Updated information will be provided at or before the work session. The following information was prepared based on the proposals received before the Board agenda item deadline.

Staff recommends the Board consider renewal of third party administration services with MedBen; their fees and services are unchanged for 2018.

Our current carrier, Pan American Life, offered the best overall option for stop loss coverage when additional laser liability is considered (a "laser is a higher deductible for specific individuals; the higher deductible is absorbed by the plan and is transparent to the individual). See proposal spreadsheet included in the detail pages section.

With the self-funded health plan, the specific stop loss coverage reimburses FPB in the event any covered individual has claims exceeding the specific deductible of \$85,000; the aggregate stop loss coverage reimburses FPB if the total claims expense for the entire group exceeds expected total claims by more than 25%. To reduce premium expenses, FPB has elected an additional aggregating specific deductible of \$75,000 that must be met by one or more health plan members before the carrier is responsible for reimbursement of claims expenses above the individual specific deductibles.

For comparison, the following table summarizes estimated plan costs based on coverage for 61 Singles and 141 Families:

Plan Year (January through December)	2017	2018
Annual Specific Premium	\$267,287	\$290,572
Annual Aggregate Premium	\$18,374	\$19,125
NUF Organ Transplant Coverage	\$35,923	\$35,923
Expected Medical Claims	\$1,970,140	\$2,280,761
Administration Fees	\$113,047	\$113,047
Dental/Vision Claims (projected based on claims through October 2017)	\$241,000	\$241,000
<b>Total Estimated Health Care Expenses</b>	<b>\$2,645,771</b>	<b>\$2,980,428</b>

Other Miscellaneous Changes effective January 1, 2018:

- Offer Genetic Testing to reduce Adverse Drug Events to plan participants for drugs that have Guidelines on label or have annual cost > \$2,000 at a cost of \$350 per test. Potential plan savings of \$11,635.
- Cover gender reassignment surgery and related medical expenses (required for nondiscrimination compliance)
- Pharmacy vendor changes: HealthSmart is changing processors effective 1/1/2018. This will mostly be a behind-the-scenes change with a few exceptions:
  - Anyone using mail order will have their prescriptions filled in the future by ESI; however, anyone with a current mail order prescription will have theirs transferred over automatically.
  - Cards will need to be replaced.
  - Require prior- authorization of prescriptions that cost \$1,500 or greater.
- Provider network change; Baptist Health Network will discontinue offering their network after March 31, 2018; Staff recommends Cigna to replace Baptist Health effective January 1, 2018.

This item was presented, and gave an introduction to the materials that Board will be studying in preparation for the Regular Board Meeting and no action was taken on this item.

**9. Informational Item Consider Employee Contributions for 2018 FPB Employee Health Plan. *Dianne Schneider will discuss***

Staff proposes that the Board consider an increase in employee cost sharing for health care beginning January 1, 2018.

FPB employee health care payroll contributions have been unchanged since 2016. Unfortunately, based on unusually large claims experience, we anticipate an increase in expenses for next year.

In a recent survey, employees responded that they would prefer an increase in payroll contributions versus an increase in out of pocket expenses (deductibles,

copays, coinsurance, out of pocket maximums) by more than 2-1. This change will bring the estimated annual total employee contributions to \$284,082; an increase of \$43,655.

The proposed employee monthly contributions based on plan type and level of coverage are as follows:

	2017 Current Monthly Employee Contributions	2018 Proposed Monthly Employee Contributions
HRA		
Single	\$36.66	\$42.00
Employee/Child	\$102.48	\$120.00
Employee/Spouse	\$105.11	\$122.00
Family	\$180.61	\$202.00

	2017 Current Monthly Employee Contributions	2018 Proposed Monthly Employee Contributions
Well Living CDHP		
Single	\$11.66	\$15.00
Employee/Child	\$52.48	\$68.00
Employee/Spouse	\$55.10	\$68.00
Family	\$130.61	\$148.00

	2017 Current Monthly Employee Contributions	2018 Proposed Monthly Employee Contributions
PPO		
Single	\$57.40	\$73.00
Employee/Child	\$166.92	\$192.00
Employee/Spouse	\$177.65	\$205.00
Family	\$231.92	\$270.00

	2017 Current Monthly Employee Contributions	2018 Proposed Monthly Employee Contributions
Well Living PPO		
Single	\$32.39	\$45.00
Employee/Child	\$116.37	\$140.00
Employee/Spouse	\$127.64	\$150.00
Family	\$181.91	\$215.00

This item was presented and discussed briefly. Like item #9 this was an introduction to the material the Board will be studying before the Regular Board Meeting and no action was taken.

**10. Informational Item: Request KyMEA Create Video Recordings of all Public Meetings. *Walt Baldwin will discuss***

This item was discussed as a way for the Board to have a better understanding of KyMEA meetings and no action was taken.

**11. Informational Item: Direct Staff to Select Candidates for Board Consideration to fill Mr. Bannister's Vacant Seat as FPB Representative to KyMEA Board. *Walt Baldwin will discuss.***

The Board needs to designate a person to fill the KyMEA representative position. The Staff is asked to suggest candidates but no action was taken on this matter at this time.

12. **Informational Item: Consider a Resolution to Support the Efforts of FPB to Continue to Offer Inexpensive, Consistent, Quality Electrical Power. Anna Marie Rosen will discuss**

The Frankfort Plant Board, (FPB) and Board of Directors are focused on the importance of a stable, low cost power supply for the community. We are especially aware of the role energy has as a critical element for our industrial customers and also for the economics of our residential customers. With these concerns in mind, the Staff and Board are working within FPB's contractual obligations to Kentucky Municipal Energy Agency, (KyMEA) to strengthen the organization, ensure affordable electricity rates, and focus toward environmentally conscious choices in its power selection. FPB has a contract for electric power with KyMEA

The above possible resolution was discussed. Dawn suggested a resolution would be a good idea but should be a Board statement that is independent from staff. Members are asked to consider the resolution they would like to see and no action was take on this matter.

13. **Informational Item: Begin the Process for Selecting the General Manager by Defining the Job Description, Reviewing Search Firm Options, and Considering Employment Listing Websites. Anna Marie Rosen will discuss.**

Board members had different opinions on proceeding. Ralph suggested waiting for a 5<sup>th</sup> member. Diane agreed to supply all information on previous GM hiring processes. The general discussion pointed toward beginning the hiring process at the Regular Board Meeting and no action was taken on the matter.

14. **Informational Item: Discuss the Addition of a Board Education Allocation in the Future for FPB Budget. Anna Marie Rosen will discuss**

David suggested that this could certainly be accomplished, and that it had been included in past budgets, with low activity results and no action was taken at this time.

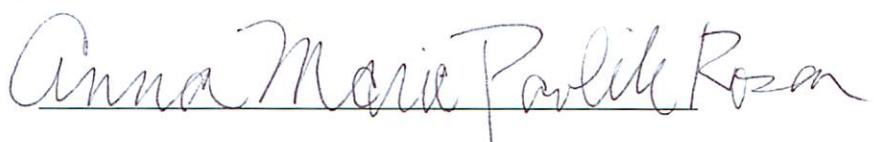
15. **Informational Item: General Manager's Comments.**

There were no general comments at this time.

16. **Request Permission to Have Chair Call for a Closed Session KRS 61.810(1)(f) for discussions which might lead to the appointment, discipline, or dismissal of an individual employee. KRS 61.810(1)(k) and 61.878(1)(c) allow for closed session where discussions regarding records or information disclosed to the agency as confidential or proprietary would, if disclosed by the agency, provide unfair advantage to competitors of the entity disclosing such information to discuss analysis from E3 of RFP data from nFront/KyMEA.**

17. **Closed Door Session:**

There was a closed door session with no action taken.





ATTEST: