

# CITY OF HENDERSON – RECORD BOOK

Record of Minutes of     A Called Work Session     Meeting on     March 27, 2018    

A Called Work Session of the Board of Commissioners of the City of Henderson, Kentucky, was held on Tuesday, March 27, 2018, at 4:30 p.m. in the third floor Assembly Room, Municipal Center, 222 First Street, Henderson, Kentucky.

There were present the Honorable Steve Austin, Mayor, presiding.

PRESENT:

Commissioner Patti Bugg (arrived at approximately 5:10 p.m.)

Commissioner Robert N. Pruitt, Sr.

Commissioner Bradley S. Staton

Commissioner Austin P. Vowels

CITY STAFF MEMBERS included Russell R. Sights, City Manager; Dawn Kelsey, City Attorney; Maree Collins, City Clerk; Donna Stinnett, Public Information Officer; and Mike Richardson, Police Reserve Officer.

ALSO PRESENT: Paul Bird, Water and Sewer Commission Chair; Tom Williams, HWU General Manager; Todd Bowley, HWU Chief Financial Officer; Eric Shappell, Water and Sewer Board Attorney; William L. “Buzzy” Newman, Jr., Director of Field Operations; Kevin Roberts, Director of Plant Operations; John Baker, Projects and Compliance Manager; News 44 Reporter; and Douglas White, *The Gleaner*

THE FOLLOWING AGENDA ITEMS WERE DISCUSSED:

1. Review and Discussion of the Financial Management of the Henderson Water Utility and Possible Rate Increases
  - ✓ Tom Williams, Henderson Water Utility General Manager, gave a brief overview of the revised cash position/cash flow rate models, reduced spending, and projected strategic capital improvement plan

DISCUSSION WAS HELD regarding the proposed flat rate of \$10-5-5 (including 750 gallons of water each month) to be phased in over the next three years; the projected reduced capital improvement plan; minimum flat rate vs. volumetric usage rate; various plans - \$5-5-5 with and without gallons included-\$7.50-\$7.50 with and without gallons included; the impending retirement system cost increases; the fact that we have completed our Consent Judgment and incurred those expenses; amount of Payment in Lieu of Taxes (PILOT) and if it should be increased; Commissioner Pruitt took umbrage that Mayor Austin and Commissioner Staton would meet with HWU staff after direction was given to HWU staff at the last work session on what rate models to produce for review; Commissioner Staton responded that he didn’t believe that his job was only to come in to meetings to work for the City; each commissioner has different expertise and that due to the Open Meeting regulations, only two members can be together in a meeting without it becoming an open called meeting; that no matter which plan was adopted, the utility would be back in a few short years for a rate review; amount of reserves before Consent Judgment and after completion of projects; amount to keep for a fiscally sound reserve; and that all Board of Commissioners members agreed that they could support the proposal of the scheduled July 1<sup>st</sup> 5.85% rate increase being replaced by a \$7.50-\$7.50 minimum flat rate with no gallons included.

It was determined that HWU staff would move forward with a proposal to be presented to the Water and Sewer Commission for formal action.

NO FORMAL ACTION WAS TAKEN BY THE BOARD OF COMMISSIONERS.

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MEETING ADJOURN:

MOTION by Commissioner Staton, seconded by Commissioner Pruitt to adjourn.

The vote was called. On roll call, the vote stood:

- Commissioner Staton ----- Aye:
- Commissioner Pruitt ----- Aye:
- Commissioner Bugg ----- Aye:
- Commissioner Vowels ----- Aye:
- Mayor Austin ----- Aye:

WHEREUPON Mayor Austin declared the work session adjourned at approximately 5:25 p.m.

ATTEST:

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Steve Austin, Mayor  
April 24, 2018

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Maree Collins, City Clerk