

Lake Cumberland Area Development District, Inc.
Executive Committee
June 21, 2017

Call to Order

Mr. Eddie Wesley, Chair, called the meeting to order at 8:55 a.m. central time in the large conference room of the ADD office in Russell Springs, Kentucky. Members of the Executive Committee present were Mr. Allan Chapman, Mayor Bill Dick, Judge John Frank, Mayor Nicky Smith, Judge John Phelps, Jr., Mayor Curtis Hardwick, Mr. Eddie Wesley and Judge Gary Robertson. Staff present included Executive Director Darryl McGaha, Deputy Executive Director Nick Hazel, Mr. Chris Ford, Ms. Judy Keltner, Ms. Jean Wilson and Mr. Tony Meeks, guest speakers Ms. Maryellen Sweetman, Mr. Brent Richey, Mr. Bryan Burgess and Ms. Sandy Hockensmith with the HIG Insurance Group.

HIG Insurance Presentation

HIG Representatives gave a presentation outlining the resources they could offer and how it might benefit the LCADD employees.

Approval of Minutes

Mayor Curtis Hardwick asked if anyone had any questions or comments regarding the minutes of the previous meeting (05/17/17). There being none, Mr. Eddie Wesley made a motion to approve the minutes as e-mailed. The motion was seconded by Judge Gary Robertson and motion carried.

P & F Report

Mayor Curtis Hardwick reported the P&F Committee had met prior to the Executive Committee and reviewed the monthly Financial Report. Mr. Tony Meeks, Director of Finance, presented the Financial Report to the Executive Committee. Mr. Meeks informed the committee that the PDS (Participant Directed Services) client participation was down from last year reducing the revenue from this program, also the Aging Department is now more under control, WIOA Admen is slower coming in and JFA was normal. Judge Mike Anderson asked what the ADD spent on employee health insurance a year. Mr. Meeks advised it was approximately \$1 million dollars. Judge Anderson asked Mr. Meeks to have a list of employee health insurance premiums for the next executive committee meeting. Eddie Wesley stated the P&F Committee recommended accepting the Financial Report. A copy of this report is attached and made a part of these minutes. Judge Mike Anderson made the motion to accept the Financial Report as presented and Judge Gary Robertson seconded. Motion carried.

Executive Director Darryl McGaha informed the Executive Committee that Mr. Tony Meeks has determined it would cost the ADD approximately \$64,000 per year at 2.1% for the employee

Cost of Living Adjustment. Mayor Curtis Hardwick advised that the P&F Committee recommended giving 2.1% Cost of Living Adjustment. Mr. Allan Chapman made a motion to give the 2.1% COLA increase to be active July 1, 2017. Mayor Nicky Smith seconded and motion carried.

Executive Director Darryl McGaha advised that parts of HB189 would be effective July 1, 2017 and the By-Laws will need to reflect the changes. These changes are pertaining to auditing of the ADDs. The changes are word for word from HB189, (a copy of HB189 is attached and made a part of these minutes).

Section 5: Delegation/Audit

In case of absence of ~~or~~ disability of an officer, or for any other reason the Board may deem sufficient, the Board of Directors may delegate, in whole or in part, the powers and duties of such officer to any other person the Board deems qualified to perform the same. ~~There shall be an audit as directed by the Board of Directors at least annually and/or at such time as may be requested by the Board of Directors.~~

Section 6: Audit

There shall be an audit as directed by the Board of Directors at least annually and/or at such time as may be requested by the Board of Directors.

(1) No area development district shall enter into any contract with a certified public accountant or firm to perform an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The area development district shall furnish the Auditor of Public Accounts with a comprehensive statement of the scope and nature of the proposed audit. The actual expense of audit performed by the Auditor of Public Accounts shall be billed to the audited area development district.

(2) Any contract with a certified public accountant or firm entered into as a result of the Auditor of Public Accounts either declining to perform the audit or failing to respond within thirty (30) days of receipt of a written request for an audit shall specify the following:

(a) That the certified public accountant shall forward a copy of the audit report and management letters to the Auditor of Public Accounts for review;

(b) That the Auditor of Public Accounts shall have the right to review the certified public accountant or firm's work papers before and after the release of the audit; and

(c) That after review of the certified public accountant or firm's work papers, should discrepancies be found, the Auditor of Public Accounts shall notify the audited entity of the discrepancies. If the certified public accountant or firm does not correct these

discrepancies prior to the release of the audit, the Auditor of Public Accounts may conduct its own audit to verify the findings of the certified public accountant's report.

(d) If an audit verifying the findings of the certified public account or firm's report is conducted by the Auditor of Public Accounts, the actual expense of the audit shall be billed to the area development district.

Judge John Frank made a motion to accept the recommendation of the P&F Committee to change section 5 and add section 6 to the LCADD By-Laws. Judge John Phelps, Jr. seconded and motion carried.

Drug Free Testing Policy

After reviewing the draft of the Drug Testing-Policy, Executive Director Darryl McGaha advised that it needed to be amended to state:

On page two of the Drug Free Testing Policy ---Under definitions and then under driver---add *volunteers*, ~~commercial~~ and add *personal vehicle during working hours and/or company assigned vehicles* ~~motor vehicle~~.

On page four of the Drug Testing Policy----~~at~~ *by Premier Tox*---~~dr~~ *the Medical Review Officer from PremierTox* to review the results.

After discussion Judge Mike Anderson made a motion to amend the Drug Free Testing Policy to the above changes. Judge Gary Robertson seconded and motion carried.

Executive Director Darryl McGaha advised the committee with HB189 going into effect July 1, 2017, he felt it necessary to add this paragraph word for word to the employment process.

B. Executive Director and Deputy Executive Director Positions:

1. The board of directors in each district may appoint an executive director and deputy executive director and fix the salary for each position. The executive director shall perform, in the name of the board, such functions and duties and may exercise such authority of the board as the board may delegate to the executive director. The deputy executive director, if one is hired, shall perform such functions and duties as designated by the executive director.

2. On or after the effective date of this ACT, HB189, an open position for the executive director or deputy executive director with an area development district shall be advertised by the board of directors in a manner designed to provide adequate notice of the opening and sufficient time for interested applicants to apply. Advertisement of an open position shall, at a minimum, be published on the website of the district and published in accordance with KRS Chapter 424 at a minimum for a period of twenty-one (21) days.

After discussion Mayor Nicky Smith made a motion to add **Section B** regarding the Executive Director and Deputy Executive Director Position to the Employment Process of the Policy and Procedure Manual. Mayor Bill Dick seconded and motion carried.

Director McGaha informed the committee that another part of HB189 to be effective July 1, 2017 is in regard to the compensation plan and it states:

J. Unallowable Salary Increase

1. Bonuses, awards, one (1) time salary adjustments, special salary enhancements, or severance pay for any employee, unless severance pay is provided pursuant to a contract approved by the board, that do not constitute a permanent change in the employee's compensation shall not be made or to any employee of a district.

Director McGaha advised that this needed to be in our Policy and Procedure Manual also. This will be added as an unallowable salary increase and it will be word for word from the HB189. After discussion Judge John Frank made the motion to add the above unallowable salary increase to the Policy and Procedure Manual. Judge Mike Anderson seconded and motion carried.

Executive Director Darryl McGaha informed the committee that Mr. Jordan Burks, Director of Wayne County Senior Center, has completed his six (6) month probation. Director McGaha asked for him to be taken off of probation and hired as a full time employee. Judge Mike Anderson made a motion to take Jordan Burks off of probation and hire him on a full time basis. Allan Chapman seconded and motion carried.

Director McGaha also informed the committee that Mr. David Rowland, CDBG Specialist, will be retiring September 30, 2017. As of right now he will not be replaced and Mr. Rowland's duties will be spread among the other employees in that department. Ms. Judy Hachey, CDBG Specialist and Mr. Chris Ford, ITT Computer Analyst will take over the website.

Director McGaha stated with the changes in WIOA (Workforce Innovative Opportunity Act), the Workforce Board decided to contract out board staff. The Workforce Board voted to contract with LTADD (Lincoln Trail ADD), the two (2) positions are Workforce Director and Administrative Assistant. Ms. Beverly Grimes was hired as the administrative assistant and there have been interviews for Workforce Director and these will be employees of LTADD. The Workforce Director position will be cut in half and Director McGaha advised that he did not want to hire someone to be a director to do the other half. Director McGaha advised if he changes the position of three (3) of the current staff to be coordinators it would save the ADD money. After discussion Mr. Allan Chapman made the motion to give Executive Director McGaha the authority to create WIOA Coordinator positions as needed. Judge John Frank seconded and motion carried.

Judge Gary Robertson informed the P&F Committee that the Rescue Squad had approached him regarding the 1999 Astro Van at the Senior Center Kitchen. The Rescue Squad advised Judge Robertson that there was a former member of the Rescue Squad, who was disabled, and they had donations to fix a van up for him when they found one. The P&F Committee had rejected the

bid of \$26.00 when the van was advertised for sell. The P&F Committee recommended donating the 1999 Astro Van to the Rescue Squad. After discussion Judge Gary Robertson made a motion to donate the 1999 Astro Van to the Rescue Squad. Judge Mike Anderson seconded the motion and motion carried.

Surplus Equipment

Executive Director Darryl McGaha presented the committee with a list of equipment that needed to be disposed of due to condition. List of said equipment is attached to and are a part of these minutes. Following review and discussion, Mayor Curtis Hardwick made a motion to dispose of the said equipment. Mayor Bill Dick seconded and motion carried.

RLF Committee Report

Ms. Judy Keltner, Director of Community/Economic Development, presented the committee with a RLF (Revolving Loan Fund) loan request. The RLF Committee met on Monday, June 19, 2017 and is recommending a loan for Shell Tech Company, a new start-up company. This company is located in Eubank and makes a lighter weight casing for ammo. They are asking for a loan of \$250,000 with an interest rate of 7% for ten years. They would create twenty new jobs the first year. The ADD's collateral will be co-first on all equipment being bought, a 2nd on the real estate and a 2nd on the patent. After discussion Judge John Phelps, Jr. made a motion to approve the loan for Shell Tech Company and Judge John Frank seconded. Motion carried.

Ms. Keltner advised that the Recreational Trail Grants ended in March and they did not get any Motorized Trail expansions or new applications. DLG will still accept any applications. Ms. Keltner also informed the committee about a Broadband and Your Community Workshop at the Center for Rural Development on June 29, 2017.

KIRPS

Eddie Wesley presented two (2) KIRPS: (1) KY201705240694 and (2) KY201705260701. Judge Gary Robertson made a motion to accept the KIRPS as presented and Mayor Bill Dick seconded. Motion carried.

NADO

Jean Wilson presented information on travel cancellation insurance for the Anchorage Alaska flights. She advised she would need to know as soon as possible who wanted to purchase this insurance.

Aging Council Reappointment

Executive Director Darryl McGaha informed the committee that Ms. Karen Miller's position on the Aging Council was up for reappointment. After discussion Judge John Frank made the motion to reappoint Ms. Miller and Mayor Curtis Hardwick seconded. Motion carried.

After discussion regarding the presentation from the HIG Group it was ask of Mr. Tony Meeks

to bring employee health insurance numbers to the next Executive Committee Meeting.

Adjourn

With no further business meeting adjourned at 9:55 a.m. CT with a motion from Mayor Curtis Hardwick a second from Judge Gary Robertson. Motion carried.

Eddie Wesley, Chairman

Judge John Phelps, Jr., Secretary