

**CAMPBELL COUNTY FISCAL COURT
MINUTES**

August 3, 2011

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, August 3, 2011, 7:00 p.m. at the Campbell County Courthouse, 8352 East Main Street, Alexandria, Kentucky.

Preceding the opening of the Fiscal Court meeting, a public hearing was held at 7:00 p.m. for the purpose of receiving public comments on the 2011 property tax rate.

Steve Pendery, Campbell County Judge Executive
Pete Garrett, County Commissioner
Brian Painter, County Commissioner
Kenneth Rehtin, County Commissioner
Steve Franzen, County Attorney
Robert Horine, County Administrator
Melissa Williams, Director of Administration
Paula Spicer, Fiscal Court Clerk
Jim Seibert, Director of Fiscal Affairs
Lt. Barrett Champagne, Campbell County Police Department

Jim Seibert opened the public hearing by stating that there would be a first reading of the ordinance tonight, and a second reading on August 17, 2011. He then gave the 2010 tax rate of 12.80 cents per \$100 assessed value estimated to produce revenues in the amount of \$6,815,897 and the compensating rate for 2011 as 13.40 cents which is estimated to produce revenues in the amount of \$7,151,616. Mr. Seibert stated that the Fiscal Court proposes a 2011 tax rate of 13.90 cents which is estimate to produce revenues in the amount of \$7,418,467. He further announced the revenues expected from: New Property as \$4,391, Personal Property at \$609,508, Motor Vehicles at \$642,029 and from Watercraft at \$12,681. Judge Pendery gave a history of Kentucky's property tax reform (HB 44) which took place in 1978-1979. He then explained the meaning of "compensating rate" and that the law allows governments to use a rate that can produce up to 4% more revenue in the coming year; this rate is calculated by the state. Any rate that produces more revenue than 4% in a year is subject to recall by the voters. He stated that this tax is unique in that federal and state sales tax and income taxes automatically adjust for inflation. Judge Pendery stated that property tax contributes about 15-20% to the County's budget. He then talked about inflation and how it and other factors affect local government. Two major issues affecting the County's budget this year are the passage of HB 463 (penal code reform) and rising pension costs. Judge Pendery displayed a chart showing the amount spent per resident by local governments in fiscal year 2010, and then a pie chart indicating how a tax bill is divided among jurisdictions and that the County gets about 12% of the total tax bill. Kevin Gordon asked how much revenue was generated last year and in 2009 and what was estimated using 13.90 cents per \$100. Judge Pendery and Mr. Seibert reviewed the amounts and pointed out the difference in the gross and net amounts. Tax rates must be advertised at the gross rates. Mr. Gordon spoke about the high cost of police and firefighters' pensions, the unfunded state mandates and rising costs from the state's mismanagement of the pension system that are being

passed on to the taxpayers, and asked why the league of counties/cities are not trying to do something about these costs. Judge Pendery stated that the County provides certain services and tries to hold down the costs while providing the services. He further stated that the County does not make decisions about the pension itself or the healthcare that is provided to retirees. Judge Pendery stated that pension reform legislation was introduced last year but it was not passed. He stated that the longer you put off expenditures such as road repairs, the more expensive they become in the long run. If the County doesn't adjust the property tax revenue for inflation this year, it will compound and they will never recover it; that is why he recommends taking the 4% increase. JR Roth stated that if the County had no increase in revenue last year and still had a surplus, why can't they do it again, and he suggested that more jobs be outsourced so that they don't have to pay pension costs. Judge Pendery stated that the surplus was due in part to cutting \$1 million from the road fund, which they can not do again and the County can not outsource everything. Joe Powers asked how much of the tax goes to the fire districts. He further stated that the fire district, water district and sanitation district are out of control, and that the libraries get a lot of tax money. He doesn't think that they need to build a new library when they could be using the Alexandria Courthouse as a library. Judge Pendery advised that the fire districts get about 15% of the tax bill. In response to a question, Judge Pendery stated that the Health Department Soil and Conservation District are taking the same rate as last year which will generate less revenue for them this year. Linda Pfister stated that road projects put on hold and other cuts will eventually have to be done, so will they ask for an increase in the future. Judge Pendery stated that pursuant to state law they can only raise the property tax by 4%. Steve Trauth asked how much the insurance tax premium has increased. Judge Pendery stated that the average increase on homeowners' policies usually mirrors the rate of inflation – 3-5%. The County is getting more money because the state law has changed to ensure that the proper jurisdiction is getting the revenue. Mr. Trauth asked for clarification on the revenue generated by the compensating rate. Commissioner Rehtin stated that over the last 30 years the tax burden has been lessened on property owners, and increased on businesses. Due to HB 44 (tax reform) the County's income from real estate has shifted from 65% to 15%. He stated that government has begun to rely more on businesses and payroll tax. Ken Moellman asked if funds could be taken from the TANK tax and put into the road program and the golf course. Judge Pendery reminded him that in 1979 Campbell County residents voted to fund up to 1% of payroll tax, with no cap, to TANK. He stated that TANK could sue the County if it did not provide the funding to it as well as lose the County's share of the tax. Mr. Moellman stated that he sees a lot of waste with the TANK buses on a daily basis. Charlie Coleman asked if there could be a recall on the TANK tax. Judge Pendery stated that he does not believe that there is statutory basis for a recall.

There being no further comments or questions, the public hearing was closed.

In attendance at the regular meeting were:

COUNTY JUDGE/EXECUTIVE:
STEVE PENDERY

COUNTY COMMISSIONERS:
PETE GARRETT
BRIAN PAINTER

KENNETH RECHTIN

Robert Horine	County Administrator
Steve Franzen	County Attorney
Melissa Williams	Director of Administration
Jim Seibert	Fiscal Director
Paula Spicer	Fiscal Court Clerk
Lt. Barrett Champagne	Campbell County Police Department

The meeting was called to order at 8:05 p.m. by Judge Pendery. Cable Access was present to film the meeting.

Judge Pendery asked for a moment of silence followed by the Pledge of Allegiance. Following roll call, a quorum was declared present.

Minutes from the regular meeting of July 20, 2011 were presented. Motion was made by Commissioner Rehtin, seconded by Commissioner Garrett to approve the minutes. All voted "AYE" and the motion passed.

Judge Pendery asked if anyone in the audience would like to address the Fiscal Court.

Steve Trauth asked about the status of the slippage on Rt. 8 in Ft. Thomas. He stated that the Fiscal Court should send a letter to the Highway Department District 6 about the condition of the road which will soon be unpassable. Judge Pendery stated that they will contact District 6 to determine that status.

J R Roth agreed with Mr. Trauth's comments about Rt. 8. He stated that he counted over 100 bicycles going down Rt. 8 yesterday. He stated that the cyclists do not follow the law and there will be a problem because of the unsafe condition of the road. Mr. Roth further stated that he takes offense to an ad that was in the newspaper on Friday stating that Campbell County made a mistake. He doesn't think that the County made a mistake. The County's Planning and Zoning Director does a wonderful job. He believes that somebody should respond to the ad.

Preston Kidd, Lees Road, stated that the creek by his property floods and is destroying his driveway. He has made a lot of phone calls but nobody will do anything about it or take responsibility. Judge Pendery stated that the County is getting FEMA money for some damage on Lees Road. Diane Keating, a 24-year resident of Lees Road, stated that her driveway and bridge are being damaged as well. She stated that since they put in the new highway and church, there is too much water coming down the creek and it overflows its banks. Ms. Keating stated that the Road Department has repaired the road on both sides of her bridge because the road had collapsed, and they also have taken out a lot of trees along the road. Judge Pendery asked for Mr. Kidd's and Ms. Keating's contact information and they will talk to them about the problems. Jeff Wolfzorn, a 28-year resident on Tarvin Road, stated that since the new highway was put in there is a lot more water runoff. He does not think that the culvert is big enough to handle the water; the problem has gotten worse in the last few years.

Melissa Williams presented new business beginning with Resolution R-84-11 by title and summary. R-84-11 amends the Campbell County Administrative Code, Section 370 "Use of Technology in the Workplace" to add a new Section 373.12 "iPad" Policy. Ms. Williams explained that the Fiscal Court purchased iPads with a grant from Duke Energy. Staff wanted to have a use policy in place before distributing the iPads to members of the Planning and Zoning Commission. The policy will be incorporated in the Administrative Code with the current technology policy. Commissioner Rehtin made a motion to adopt R-84-11, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

Resolution R-86-11 was read by title and summary given. R-86-11 adopts and approves the execution of a Rural Secondary Program Agreement between the Fiscal Court and the Commonwealth of Kentucky Transportation Cabinet, Department of Rural and Municipal Aid, and accepting all roads and streets referred to therein as being a part of the county road system. Ms. Williams explained that the Fiscal Court applied for "flex funds" for County roads and was awarded \$126,242 for resurfacing portions of Pleasant Ridge Road, Lees Road and Tarvin Road. Commissioner Rehtin made a motion to adopt R-86-11, seconded by Commissioner Garrett. All voted "Aye" and the motion passed. Commissioner Painter stated that he hopes that this will help with Mr. Kidd's problems although it seems like there may be some hydrologic issues that need to be addressed. Ms. Williams stated that it will take about 3-4 months to get the final approval from the State. Commissioner Rehtin asked if retention ponds are required when road work is done. Steve Franzen stated that the County can not insist that the State install retention ponds. Commissioner Rehtin asked if staff would investigate this.

Resolution R-85-11 was read by title and summary given. R-85-11 amends the County Administrative Code to reflect changes in the job description of the Human Resources Director/Assistance Program Coordinator. Judge Pendery made a motion to adopt R-85-11, seconded by Commissioner Garrett. Commissioner Rehtin stated that the job description includes a lot that is not generally under the purview of a human resources director. Mr. Horine stated that due to the limited number of staff, the position has taken on other duties such as overseeing the Assistance Program. He stated that the Assistance Program was formerly under the Human Services division, but that division is now staffed by two part-time employees to avoid paying benefits. The two employees in the Assistance Program are under the direct supervision of the Human Resources Director. Commissioner Painter asked about the requirement of a college degree for the position. Mr. Horine explained that the qualification of each candidate will be considered, but a generic college degree is satisfactory. Commissioner Rehtin stated that he does not agree with the creation of this position at this time, so he will be voting "no". Commissioners Garrett and Painter and Judge Pendery voted "AYE", Commissioner Rehtin voted "NAY" and the motion passed.

A motion was requested to authorize staff to advertise, interview and hire for the position of Human Resources Director/Assistance Program Coordinator. Motion was made by Judge Pendery, seconded by Commissioner Painter. Commissioner Rehtin estimated that the County will be paying a quarter million dollars on pension costs over the lifetime of the employee based on the recommended annual salary of \$70,000. He stated that this is not a core function of government; the County does not need a full-time Human Resources Director. Commissioner Rehtin acknowledged that the County can not change anything about the pension costs, but it can out-source employees to avoid pension costs. Another option would be to collaborate with

another unit of government or the Northern Kentucky Area Development District (NKADD) for this function. This would not eliminate the pension cost, but the County would only be paying a portion of it. Commissioner Rehtin stated that he will be voting “no” on this motion, but will vote in favor of hiring a person when it comes up. Kevin Gordon asked if the County would have to sign a contract if this position was out-sourced, or could it be done on a trial basis. Judge Pendery stated that he believes that the County needs certain expertise in-house in order to direct activity in the organization. He further stated that if the County had a really good in-house Human Resources Director, it could contract with other cities to provide human resources services like it does with IT services. He stated that in the corporate world, human resources positions have been elevated over the years due to the increased complexity of the position. Commissioner Rehtin offered that if the County was to share services there would soon be more commonality among job descriptions and salary structure in local governments. He again mentioned using the NKADD. Commissioner Painter asked if they wanted to add to the job description the possibility of providing services with other cities. Mr. Horine stated that this subject could be brought up during the interview process. Commissioner Garrett stated that he talked to someone in a corporation who told him that the County should have started looking for a replacement as soon as they knew that the Director was resigning. He agreed that it would be great to have the NKADD provide human resources services for the three counties, but was not sure if it would work because Boone and Kenton Counties are self-insured. He stated that the County needs somebody in this position quickly. Commissioner Painter stated that he and Commissioner Rehtin talked to two of the Kenton County Commissioners about this topic and they may talk to the NKADD about self-insurance issues in the future. In answer to JR Roth’s question, Mr. Horine explained that the County Clerk and Sheriff are constitutional offices and are not under the jurisdiction of the Fiscal Court. The Fiscal Court has 200 full-time employees; it shares office space and is on the same computer network and email system with the Clerk and Sheriff. Mr. Horine stated that the Fiscal Court offered to let them join in the County insurance plan to get a better rate, however they did not want to do that. He further explained that the County Clerk’s and Sheriff’s offices do not get money from the Fiscal Court, they operate their offices with fees that they collect. He also pointed out that the PVA office employees are employees of the State. Steve Trauth stated that \$90,000 is a high salary for an HR Director and they are misleading the public by saying that the salary is \$70,000. He stated that the Fiscal Court should have true honesty and transparency with what they are doing. Commissioner Painter stated that the high end of the salary range is \$61,623; the salary should be negotiable considering the good benefit package. Ken Moellman stated that if they contracted with other cities to provide HR services, they may have to hire additional staff. Judge Pendery replied that that is why they would charge a fee for the services. Commissioners Garrett and Painter and Judge Pendery voted “AYE”, Commissioner Rehtin voted “NAY” and the motion passed.

A motion was requested to appoint Tina Fetters to the part-time position of Animal Technician at the Campbell County Animal Shelter with compensation set at Grade 6E (\$10.41 per hour), effective August 4, 2011. This position works mainly on weekends and holidays since the animal shelter is operated 7 days, 24 hours a day. This part-time position became available due to the promotion of the previous employee. Motion was made by Judge Pendery, seconded by Commissioner Garrett. All voted “AYE” and the motion passed.

Robert Horine presented Resolution R-87-11 by title and summary. R-87-11 authorizes the Judge/Executive to execute a professional services agreement with Paul D. Linnee for consulting

services. Mr. Horine explained that this agreement is in connection with the evaluation of combining a 911 dispatch system among the three counties and opportunities to implement an interoperable emergency communication system across the region. Mr. Linnee is well qualified to perform this study; he worked with Campbell County on studies that resulted in consolidating three dispatching agencies into one in Campbell County as well as other counties across the country. The \$125/hour fee will be shared equally by Boone, Campbell and Kenton Counties. Commissioner Rehtin made a motion to adopt R-87-11, seconded by Commissioner Painter. Commissioner Rehtin asked if an agreement among the three Counties is needed since they will be sharing the cost of Mr. Linnee's services. Steve Franzen stated that an agreement among the Counties is not necessary; Campbell County's only obligation is to pay its one-third share of the fee. Mr. Horine advised that Boone County will be billed by Mr. Linnee, and they will then bill Campbell and Kenton Counties for their shares. He stated that if one of the Counties drops out, then the agreement can be cancelled with 30 days notice. All voted "AYE" and the motion passed. JR Roth asked if the cities that have their own fire departments or dispatch centers will be paying their fair share of this fee. Judge Penderly stated that the fee will be shared by the three Counties.

Judge Penderly announced that the Campbell County Senior Picnic will be held on Wednesday, September 21, 2011 at Penderly Park from noon until 5:00 p.m. Tickets may be purchased in advance at the Campbell County Administration Building or at the Campbell County Senior Center.

Judge Penderly announced that the "Paddling in Pink" Dragon Boat Races sponsored by the Kentucky Thorough Breast Organization and St. Elizabeth Hospital will be held on Saturday, September 10, 2011 at A. J. Jolly Park.

Judge Penderly announced that the Fiscal Courts of Boone, Campbell and Kenton Counties will meet on August 11, 2011 beginning at 6:00 p.m. at Boone Links Clubhouse, Florence, Kentucky to discuss issues of mutual concern. Items on the agenda include discussions on TANK, Sanitation District No. 1 and 911 dispatch services. No action will be taken at the meeting.

Jim Seibert requested a motion to accept the bid of Hermes Construction in the amount of \$55,414.15 to install a pole barn and lighting (Bid No. 1) for the equestrian campground at A. J. Jolly Park. Motion was made by Judge Penderly, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

A motion was requested to accept the bid of Perkins/Carmack in the amount of \$73,600 to install water lines and spigots, underground electric service and pedestals, and grade and install pads for RV campsites (Bid Nos. 2-4) for the equestrian campground at A. J. Jolly Park. Motion was made by Judge Penderly, seconded by Commissioner Garrett. Commissioner Rehtin stated that Perkins/Carmack's bid is \$109 less than the next lowest bid for this work. The next lowest bidder is a company located in Wilder, Kentucky while Perkins/Carmack is from Ohio. He pointed out that if the local company were hired, the County would be getting more payroll taxes. He asked that the Fiscal Court consider a policy giving preference to local businesses. All voted "AYE" and the motion passed.

A motion was requested to acknowledge that the Fiscal Year 2011 Treasurer's report has been submitted as required by Kentucky Revised Statutes. Motion was made by Judge Pendery, seconded by Commissioner Garrett. All voted "AYE" and the motion passed.

Resolution R-83-11 was read by title and summary given. R-83-11 approves the Campbell County Health Department tax rate for the Fiscal Year of 2012 for the Campbell County Public Health Taxing District. Judge Pendery made a motion to adopt R-83-11, seconded by Commissioner Rehtin. All voted "AYE" and the motion passed.

Ordinance O-13-11 was read by title and summary given for a first reading. O-13-11 relates to the annual budget and tax rates. Mr. Seibert read the tax rates for the various funds as contained in the Ordinance. He stated that since this is a first reading no vote is required.

Mr. Seibert then requested a motion to approve the claims and election claims as presented for August 3, 2011. County Attorney Steve Franzen stated that he has reviewed the claims and all appear appropriate. Motion was made by Commissioner Rehtin, seconded by Commissioner Painter. Commissioner Rehtin recused himself from voting to approve any payments made to Senior Services of Northern Kentucky, his employer. All voted "AYE" and the motion passed.

There being no further business to come before the Fiscal Court, Commissioner Rehtin made a motion to adjourn, seconded by Judge Pendery. All voted "AYE" and the meeting adjourned at 9:12 p.m.

Attachments:

- Resolution R-84-11 Adopt iPad Use Policy
- Resolution R-86-11 Agreement for Rural Secondary Road Program Funds
- Resolution R-85-11 Amend Job Description – Human Resources Director
- Resolution R-87-11 Agreement for Consulting Services
- Resolution R-83-11 Approve Health Department Tax Rate for 2011
- Ordinance O-13-11 2011 General Fund Ad Valorem Tax Rates
- Claims and Supplemental Claims of August 3, 2011

Approved:

STEVE PENDERY
Judge/Executive

Attest:

Paula K. Spicer
Fiscal Court Clerk