

**CAMPBELL COUNTY FISCAL COURT
MINUTES**

August 17, 2011

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, August 17, 2011, 5:30 p.m. at the Campbell County Administration Building, Fiscal Court Chambers, 1098 Monmouth Street, Newport, Kentucky.

In attendance at the 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
Colonel Keith Hill	Campbell County Police Department
William Turner	Office of Emergency Management Director
David Plummer	Solid Waste Coordinator

The meeting was called to order at 5:30 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 August 3, 2011 were presented. Motion was made by Commissioner Painter, seconded by Commissioner Rechtin 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 on any subject. He stated that at the last meeting a public hearing was held regarding the tax rate. Since then the Fiscal Court has received emails and phone calls on setting the tax rate. Judge Pendery stated that a decision would be made tonight on the subject, so this is an opportunity for any additional comments.

Jim Pfister stated that he read the article in the Recorder about the tax rate, and when he used the numbers in the article they did not add up. He understands that the 4% rate is based on some sort of State calculation, but he sees a bigger increase – 8.5% - on his tax bill. He is opposed to any

increase in taxes, and does not see any additional services provided to the citizens. Judge Penderly explained that there are about 90 sources of revenue for the County's budget; the property tax accounts for 15% of the budget. The only tax that adjusts for inflation without action by the Fiscal Court is the insurance premium tax. All other taxes must be changed by the Fiscal Court or there will be no additional revenue, and could be less revenue. He further stated that the method of calculation is set by State law that has been in effect for 30 years and is used by other counties and taxing entities in Kentucky. Mr. Pfister stated that he will have to dig deeper into the budget to see that the Court is fiscally responsible. Judge Penderly stated that the 4% increase terminology is directly from the statute and it is a 4% increase from the compensating rate as calculated by the State.

Van Kowolonek, Campbell County Deputy Sheriff, stated that part of his job is to transport prisoners between the Courthouse and the jail. When he pulls into the bay at the jail to pick up prisoners, there are usually about 15 people smoking in the enclosed area. Being in the smoke-filled area makes him sick sometimes and other deputies have had the same problem. Mr. Kowolonek asked if the prisoners could be brought out to the car or if he could pick up the prisoners at a different place but was told "no". He was further told that this was the designated smoking area for certain prisoners. Melissa Williams explained that the secure area of the jail is smoke-free, but the two sally ports are not considered secure areas and are used to allow the State (Class D) prisoners to smoke. Some State prisons are smoke-free and some are not. Campbell County's Restricted Custody Center has an outside area for smoking. Judge Penderly stated that he believes that as of April 1 next year there will be no smoking anywhere in Kentucky prisons, and the County will follow suit. Commissioner Rehtin requested that staff research the issue of allowing prisoners to smoke.

JR Roth, Winters Lane, Campbell County, stated that he has studied the budget and there is a lot of "fluff" in the budget. He stated that last year the County was in the hole but came out on the positive side, but this year they've added fluff to the budget. Judge Penderly stated that the County includes contingency money in its budget. Mr. Roth pointed out that the City of Florence, Boone County, Kenton County and Boone County Schools use a compensating method that is different from that used by Campbell County. Campbell County seems to be the only one using the fluff method. Mr. Roth stated that taxes should be decreased, not increased.

Jim Parsons, 33 Wilson Road, Newport, Kentucky, stated that the tax rate is calculated the same across the State. Every county in the State receives a report showing the calculations. Some taxing districts may elect to raise the rate. He explained that some jurisdictions, such as the City of Florence have significant other revenue sources. In the last four years, Florence has significantly increased both its payroll tax and insurance premium tax rates. When looking at the budget, you must consider all revenue sources, not one particular tax. Mr. Parsons stated that he believes that Campbell County's rate is very reasonable based upon the whole tax bill. He further stated that the calculation provides for a certain maximum rate. Mr. Parsons stated that he disagrees with the presentation prepared by the Boone County Property Valuation Administrator. Ultimately, the County has set its budget and should set the tax rate to meet the budget requirements. Mr. Parsons pointed out that county tax rates are low in relation to other taxing districts.

Kevin Gordon, Wilder, Kentucky, stated that he is appalled at Mr. Parsons' remarks. Mr. Gordon asked, of the 90 sources of revenue, how many are under the control of the County, and what other areas has the County looked at in order to raise revenues. Judge Penderly replied that the payroll tax rate is capped and a lot of other fees are out of the County's hands. He offered to meet with Mr. Gordon and explain it. Mr. Gordon stated that a couple of counties in northern Kentucky are not using the same calculation for the compensating rate. He gave an example of his interpretation of how the compensating rate works. Judge Penderly advised that personal property as well as real property is considered when calculating the compensating rate. The statute says that the County would get at least as much revenue as those two things combined yielded in the previous year. Mr. Gordon questioned why they don't use the same list of properties from the prior year when calculating a number that brings in the same amount of revenue from the prior year. Judge Penderly stated that the personal property tax rate, whether it is higher, the same or lower, affects the calculation. He produced a chart showing spending per resident of various northern Kentucky local governments. He stated that the Fiscal Court tries to provide the best service at the lowest possible cost. Judge Penderly stated that some of the figures used are the gross amounts, and that is not the actual amount collected due to various reductions. Mr. Gordon stated that he understands that the County gets unfunded mandates from the State. He stated that when people are told that there is a 4% increase when in fact it is 8% it causes concern; the process is not transparent enough.

Charles Coleman referred to a statement made at the last meeting that the intent of the 1979 tax law is to allow 4% increase. If that is the intent of the law, then Judge Penderly is violating the law. Judge Penderly stated that the 4% rate is based on the calculations provided by the State, it is court-tested; the compensating rate is what the State provides and the 4% rate is calculated from that. Mr. Coleman stated that the Fiscal Court does not have to take the 4%. The property valuation is going down and so should the tax rate. He requested that they not raise the taxes at all. Judge Penderly stated that things have to be adjusted for inflation; income taxes and sales tax adjust for inflation. He stated that it costs the County more to provide services to its residents and talked about what the County has been doing the cut costs and the consequences of not maintaining infrastructure and vehicles. Judge Penderly stated that it is wrong for the County to have 90 sources of revenue, it is wrong to put the tax burden on businesses, and residents should pay for their government.

JR Roth stated that not enough information was provided for Ordinance O-14-11. He is concerned about comingling of funds, and wondered if each fund should be in a separate ordinance. Judge Penderly read the amounts and the names of funds contained in O-14-11 which amends the FY 2012 annual budget. Mr. Roth again stated that these amounts should be in separate ordinances because there are three different funds involved.

Joe Powers stated that the Fiscal Court should not raise taxes. He stated that there is a shortfall in the budget and the roads are being neglected, but the County is building horse trails and it wants to build a boat ramp. Judge Penderly stated that the horse trails are being funded with \$100,000 in grant money with a match provided by the County, and the construction of a boat ramp has not been solidified. Mr. Powers stated that the money contributed by the County to these two projects could be better used to maintain the roads. He stated that if there will be less prisoners in the jail due to changes in state law, why don't they lay-off workers at the jail.

Kevin Gordon asked if anybody from the Fiscal Court has contacted Trauth Dairy to see if they can do anything about the loss of jobs. Robert Horine stated that the matter has been referred to the Campbell County Economic Progress Authority and assured Mr. Gordon that they are in communication with Trauth. Judge Penderly offered to talk to Mr. Gordon after the meeting.

Judge Penderly called on William Turner, Office of Emergency Management, to begin his presentation on the County's outdoor warning system. Mr. Turner started by stating that outdoor sirens are meant for people outside; they are not designed to warn people who are indoors. He gave the locations of four new sirens to be installed in the next four weeks, and further stated that his office has applied for grant funds to replace three additional sirens. Mr. Turner reminded everyone that the outdoor warning sirens are tested at noon on the first Wednesday of each month unless severe weather is forecast at that time. He explained that the sirens will be activated in the event of severe weather, hazardous material exposure and enemy attack. The three northern Kentucky counties have the same policy regarding activation of sirens for severe weather, i.e. when a tornado warning has been issued by the National Weather Service or if a public official sites a funnel cloud. Mr Turner recommended that residents get a tone alert weather radio for their homes or sign up for cell phone alerts from local radio or television news. He advised that some of the new sirens will have voice capability.

There being no old business, Melissa Williams presented new business with Resolution R-89-11 by title and summary. R-89-11 authorizes the Judge/Executive to apply for litter abatement grant funds from the Kentucky Division of Waste Management for 2012. These grant funds are used to aid in litter education, to clean up county roads, and the County's Trash for Kash program. Campbell County has received \$50,000 in the past, and hopes to receive that same amount for 2012. Commissioner Rehtin made a motion to adopt R-89-11, seconded by Commissioner Garrett. All voted "AYE" and the motion passed.

Resolution R-90-11 was read by title and summary given. R-90-11 authorizes the Judge/Executive to submit an application to the Kentucky Transportation Cabinet for 80/20 County Bridge Replacement Program funds for replacement of the Uhl Road Bridge. Commissioner Rehtin made a motion to adopt R-90-11, seconded by Commissioner Painter. Ms. Williams explained that the County applied for the maximum \$100,000 with a 20% match. The estimate to replace the bridge is \$117,449.50 including a 15% contingency; therefore the County's share would be \$37,449.50. A recent inspection by the State engineer determined that the bridge needs to be replaced. All voted "AYE" and the motion passed.

A motion was requested to appoint Joshua R. Johnson to the position of Patrolman Grade III with the Campbell County Police Department under the lateral entry provisions effective September 1, 2011, with compensation set at Grade 11A (\$40,057.00 annually/\$19.2580 hourly). Motion was made by Judge Penderly, seconded by Commissioner Rehtin. All voted "AYE" and the motion passed.

A motion was requested to appoint Nicholas J. Blank V to the position of Patrolman Grade I with the Campbell County Police Department with compensation set at Grade 9A (\$36,332.00 annually/\$17.4675 hourly). The effective date of appointment is dependent on the officer's acceptance in the Basic Police Officer Training Academy. Motion was made by Judge Penderly, seconded by Commissioner Rehtin. All voted "AYE" and the motion passed. Judge Penderly

stated that with the addition of these appointments, they are still a couple of officers short in the Police Department. If there is a shortage of officers, the overtime cost is more than the cost of hiring an officer. In response to a question about hiring police officers in light of the merger discussions, Judge Pendery stated that the merger is still under discussion.

A motion was requested to appoint Matthew Franck to Fire District No. 1 Board of Trustees for a three-year term effective July 1, 2011 through June 30, 2014. Motion was made by Judge Pendery, seconded by Commissioner Garrett. All voted "AYE" and the motion passed.

A motion was requested to appoint Christopher Fuchs to Fire District No. 1 Board of Trustees for a term effective August 17, 2011 through June 30, 2013. Motion was made by Judge Pendery, seconded by Commissioner Garrett. All voted "AYE" and the motion passed.

A motion was requested to appoint Phil Ciafardini to the Transit Authority of Northern Kentucky (TANK) Board of Directors for a four year term effective August 17, 2011 through June 30, 2015. Motion was made by Judge Pendery, seconded by Commissioner Garrett. Commissioner Rehtin asked if staff has looked into appointing elected officials to this board. Robert Horine replied that KRS Chapter 96 governs the TANK Board and it prohibits the organizations that created the agency from appointing one of their own members to be on the Board. Commissioner Rehtin stated that they need to look into changing the law. The way to affect change in organizations such as TANK is to have elected officials on the boards. All voted "AYE" and the motion passed.

A motion was requested to reappoint Kenneth Rehtin to the Northern Kentucky Area Development District (NKADD) Board of Directors as a citizen representative from Campbell County, with a term effective September 30, 2011 and expiring September 29, 2014. Motion was made by Judge Pendery, seconded by Commissioner Painter. All voted "AYE" and the motion passed. In response to a question as to why Commissioner Rehtin can serve on the NKADD Board but not the TANK Board, Judge Pendery stated that the Boards were created under different statutes.

A motion was requested to appoint Joseph Cottingham to the Northern Kentucky Area Development District (NKADD) Board of Directors as a citizen representative from Campbell County, with a term effective September 19, 2011 and expiring September 18, 2014. Motion was made by Judge Pendery, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

Robert Horine presented Resolution R-91-11 by title and summary. R-91-11 authorizes the Judge/Executive to execute an amendment to the professional services agreement with Cardinal Engineering Corporation for design of the equestrian barn and campground at A. J. Jolly Park. Mr. Horine explained that the amendment provides for an increase of \$4,300 to the agreement with Cardinal. Once the project was started, they discovered additional work that was needed but not anticipated in the original agreement. Staff has reviewed the request by Cardinal and found it to be reasonable. Judge Pendery made a motion to adopt R-91-11, seconded by Commissioner Garrett. Commissioner Rehtin asked how this amendment changes the percentages – originally it was 80/20. Mr. Horine stated that it is an additional \$4,300 to be paid by the County. All voted "AYE" and the motion passed.

Steve Franzen advised that originally he was going to request an executive session, but it is not needed now.

Lloyd Rogers stated that there are two conflicting Attorney General's Opinions regarding tax rate calculations. He requested that the County Attorney research these two Opinions and report back at the next meeting as to which one is correct. Steve Franzen stated that he would be happy to talk to Mr. Rogers about this.

Judge Penderly requested a motion to change the date of the Wednesday, September 21, 2011 Campbell County Fiscal Court meeting to Thursday, September 22, 2011 at 5:30 p.m. in the Fiscal Court Chambers at the County Administration Building, 1098 Monmouth Street, Newport, Kentucky. The change in date is due to the Senior Picnic on Wednesday, September 21, 2011. He stated that this is done every year. Motion was made by Commissioner Rehtin, seconded by Commissioner Garrett. All voted "AYE" and the motion passed.

Judge Penderly then 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 Senior Center or at the Campbell County Administration Building for \$8.00, or for \$10.00 the day of the picnic.

Judge Penderly announced that the "Paddling for the Pink" Dragon Boat Races sponsored by the Kentucky Thorough Breast Organization and St. Elizabeth Healthcare will be held at A. J. Jolly Park on Saturday, September 20, 2011. In response to a question as to whether this event is affiliated with the Susan G. Komen Foundation, Judge Penderly offered to give a contact phone number for information about the event.

Jim Seibert requested a motion to authorize staff to advertise for sealed bids for the purchase and installation of an Emergency/Standby Power System Generator set and Automatic Transfer Switch for the Police Department and Emergency Operations Center. The County has received \$75,000 in CDBG funds for this project with no required match. Mr. Seibert further advised that the Northern Kentucky Area Development District will administer the grant for Campbell County. Motion was made by Judge Penderly, seconded by Commissioner Rehtin. All voted "AYE" and the motion passed.

Ordinance O-14-11 was presented by title and summary given. O-14-11 relates to the 2011-2012 annual budget and amendments thereof. Mr. Seibert explained that this amendment is necessary to cover funds not anticipated in the original budget. This includes receipts of \$313,750 for County road repairs, \$120,000 for emergency communications upgrades, and \$7,250 for truck license distribution. This is a first reading, and no vote is required.

Resolution R-88-11 was read by title and summary given. R-88-11 adopts guidelines for the 2011-2012 Northern Kentucky Area Development District (NKADD) Funds Project. Jim Seibert explained that the County receives funds from the NKADD every two years for capital improvements. The allocation for FY 2011-2012 is \$11,823. This resolution adopts the method used by the County in allocating these funds to public agencies. Commissioner Rehtin made a motion to adopt R-88-11, seconded by Judge Penderly. All voted "AYE" and the motion passed.

Mr. Seibert then requested a motion to approve the claims and supplemental claims as presented for July 20, 2011. County Attorney Steve Franzen stated that he has reviewed the claims and all appear appropriate. Motion was made by Commissioner Garrett, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

Ordinance O-13-11 was read by title and summary given. O-13-11 relates to the annual budget and tax rates. Judge Pendery stated that the County uses the same process every year when setting the tax rate. By law, they could take 4% which would have been 13.9 cents per \$100 assessed value, however they are taking 13.6 cents per \$100 assessed value which is just a bit higher than the compensating rate, but gives enough funds to cover the budget. Judge Pendery made a motion to adopt O-13-11, seconded by Commissioner Garrett. Judge Pendery stated that he wants everybody on the Fiscal Court to agree on the rate, and this amount will be sufficient. Commissioner Rehtin expressed concern about shifting about 65% of the burden of government on business owners and employees. Many of these business owners and their employees may not live in the County and don't have the opportunity to vote. Judge Pendery stated that that is the reason why Kentucky has a hard time attracting business. Commissioner Painter stated that they adopted a budget in May. It does not include large capital expenditures in recognition of the current economy. It does include funds for studies for consolidation of services. He stated that it is a lean budget and they cut where they could. Commissioner Painter stated that the tax rate increase is less than the inflation rate which results in shrinking County government. He stated that the County covers its bills as they are incurred and this adjustment was needed to do that. Commissioner Garrett stated that the County adopted a narrow budget two months ago. This is the only rate that covers the budget with a little money left over; it would be irresponsible to do anything less. All voted "AYE" and the motion passed.

There being no further business to come before the Fiscal Court, Commissioner Painter made a motion to adjourn, seconded by Judge Pendery. All voted "AYE" and the meeting adjourned at 7:12 p.m.

Attachments:

Resolution R-89-11 Application for Litter Abatement Funding
Resolution R-90-11 Application for Bridge Replacement Funds
Resolution R-91-11 Amend Agreement with Cardinal Engineering
Ordinance O-14-11 Amend FY 2012 Annual Budget
Resolution R-88-11 Adopt Guidelines for NKADD Funds Project
Ordinance O-13-11 2011 General Ad Valorem Tax Rate
Claims and Supplemental Claims of August 17, 2011

Approved:

STEVE PENDERY
Judge/Executive

Attest:

Paula K. Spicer, Fiscal Court Clerk