

**CAMPBELL COUNTY FISCAL COURT  
MINUTES**

**March 16, 2005**

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, March 16, 2005, at 5:30 p.m. at the Fiscal Court Conference Room, 24 W. 4<sup>th</sup> Street, Newport, Kentucky.

Preceding the opening of the Fiscal Court meeting, a public hearing was held, beginning at 5:10 p.m. for the purpose of obtaining public comments regarding the Streamlined 5-Year/Annual Agency Plan for the Campbell County Housing Department. Present at the hearing were:

Sarah Collins, Interim Housing Director  
Melissa Williams, Administration Director  
Peter Klear, Planning & Zoning Director  
Sandra Mulligan, Fiscal Court Clerk

Ms. Collins opened the public hearing and stated that public comments would be taken regarding the Streamlined 5-Year/Annual Agency Plan for the Campbell County Housing Department. There were no questions or comments from the public. Ms. Collins then closed the public hearing at 5:11 p.m.

In attendance at the Fiscal Court meeting were:

COUNTY JUDGE/EXECUTIVE  
STEVE PENDERY

COUNTY COMMISSIONERS:  
DAVID OTTO  
KENNETH RECHTIN

Commissioner Verst was absent.

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| Robert Horine    | County Administrator            |
| Justin Verst     | County Attorney                 |
| Keith Hill       | Campbell County Chief of Police |
| Greg Buckler     | Campbell County Jailer          |
| Peter Klear      | Planning & Zoning Director      |
| Sarah Collins    | Interim Housing Director        |
| Pat Dressman     | Human Services Director         |
| Andy Kuykendall  | IT Manager                      |
| Melissa Williams | Director of Administration      |
| Sandra Mulligan  | Fiscal Court Clerk              |

The meeting was called to order at 5:35 p.m. by Judge Pendery. A moment of silence was called for by Judge Pendery, followed by the Pledge of Allegiance. Following roll call, a quorum was declared present.

Judge Pendery presented the minutes from the Fiscal Court meeting of March 2, 2005. It was moved by Commissioner Otto and seconded by Commissioner Rehtin that the minutes of March 2, 2005 be approved. All voted "AYE" and the motion passed unanimously.

Judge Pendery next asked if there were any public officials or citizens in attendance at the meeting who desired to address the Court. There were none.

Judge Pendery then requested items of Old Business be brought before the Court. Ms. Williams presented for second reading and passage consideration Ordinance O-01-05, which she read by title and provided a summary. She explained that this Ordinance amends the text of the Official Zoning Ordinance, Article XV-Performance Standards, adding provisions for Performance Standards in all zones. This text amendment was approved by the Campbell County & Municipal Planning & Zoning Commission. She noted that Peter Klear, Planning & Zoning Director, was present to answer any questions. Judge Pendery stated that this Ordinance will allow better standards and bring the County regulations in line with neighboring counties. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Otto seconded, to approve Ordinance O-01-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams next presented for second reading and passage consideration Ordinance O-02-05, which she read by title and provided a summary. She explained that this Ordinance updates the Official List of Roads in Campbell County that will be controlled and maintained by the Fiscal Court, to add Wigeon Drive, to add to the length of Goldeneye Drive, and changing the name of Trapp Road to Kellan Court. She noted that Peter Klear, Planning & Zoning Director, was present to answer any questions. Commissioner Otto asked if the residents on Trapp Road were aware of the name change. Mr. Klear responded that the residents came up with the new name, which is a family name. Commissioner Rehtin asked if these roads that are being accepted are being built according to the County's specifications. Mr. Klear stated that that was correct. Commissioner Rehtin stated that he had been informed by Dan McGinley, Mayor of Alexandria, that the City of Alexandria's specifications for roads are considerably different than the County's and that the two do not even come close to each other. Mr. Klear stated that he did not believe that was true, but he is in the process of researching that issue. Commissioner Rehtin stated that Mayor McGinley advised him that the City has underdrains under their roads, and the City's specifications call for 8 to 12 inches of base, and the County's specifications call for much less than that amount and also do not call for underdrains. Commissioner Rehtin stated he is concerned that when the County accepts these roads into its system, they will never get into a City, and even though this community may begin to look like an urban area, it will be within the rural area of the County. He asked if the County should have some standard with regard to this, at least with the City that is closest to it. He noted that there is a project coming up that the Fiscal Court will be discussing in a week or two where the roads will be built to the County's specifications, and not to the City's specifications, and it will never be annexed into the City, but is an urban development. Commissioner Rehtin stated he does not feel the County is geared up to provide the level of services that the residents in that area are going to demand

because they will expect to be treated like an urban area, because it will look like one. Judge Pendery stated he agreed with Commissioner Rechtin. Mr. Klear stated that he is making a list of improvements to the County's subdivision regulations. He advised that, by way of reference, where property is going to be developed and if it is approximate to a City jurisdiction, the County has allowed improvements to be made, but requested they be done according to the standards of the jurisdiction, if those standards were higher. He cited the Ivy Ridge Condominium Association off the AA Highway, which was subsequently annexed into the City of Cold Spring. Towne Properties was the developer and built their roads partially to Cold Spring standards and partly to the County's standards, because in some respects, the County's standards were higher than Cold Spring. He stated that when talking about underdrains, in many cases, municipalities have infrastructure that the County does not have. They may have a stormsewer system that the drainage tiles will function collectively with. By and large, the County does not have urban infrastructure. The Campbell County subdivision regulations, which speak to the idea of improvements, cover the entire jurisdiction. Parts of Campbell County are very urban in nature, and can and should support urban-type infrastructure. Other parts of the County are very rural. The update will need to address this situation, and perhaps have two standards – an urban and a suburban – where, if developing either adjacent to or within a certain distance from a city, it should be built to the urban standards, and if further away, perhaps it should be built to the rural standards. Judge Pendery stated that while the County is waiting on new regulations, he believes the point is well made that in selected cases, the County should try to encourage the developments to be built to Alexandria's standards, because it is the interest of everyone that Alexandria become larger and annex the surrounding area. Mr. Klear stated that the more recent subdivisions that the County has seen have seen urban improvements, including storm drains as part of their improvement plans. Commissioner Rechtin asked if the County is assured that the next developments that come up will have that. Mr. Klear responded that regarding the issue of storm drainage, all of Campbell County is now subject to Sanitation District No. 1's standards, which are urban standards. Commissioner Rechtin stated that the development he is speaking of will not be annexed into Alexandria, because it will not meet their standards. Judge Pendery stated that that information had not been related to him and it needs to be digested and researched by the County. Mr. Klear stated that his information was that the City of Alexandria was still interested in potentially annexing the property. Commissioner Rechtin stated that they were, but with the caveat that it would have to have the City's underdrainage and specifications. He noted that Mayor McGinley advised him that there is a lot of water that freezes because of the way the roads have been built, and the City of Alexandria does not want to accept roads that have been built like that. Judge Pendery stated that this is an issue the Fiscal Court needed to pursue. Commissioner Rechtin recommended it be done sooner, rather than later. There being no further discussion, Commissioner Rechtin made a motion and Commissioner Otto seconded, to approve Ordinance O-02-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams then presented for second reading and passage consideration Ordinance O-03-05, which she read by title and provided a summary. She explained that this Ordinance amends Ordinance O-14-2000 relating to the reimbursement by inmates for medical and related expenses incurred during incarceration in the Campbell County Jail. She noted that Greg Buckler, Campbell County Jailer, was present to answer any questions. There being no further discussion, Commissioner Otto made a motion and Commissioner Rechtin seconded, to approve Ordinance O-03-05. All voted "AYE" and the motion passed unanimously.

Judge Pendery next requested items of New Business be brought before the Court. Ms. Williams advised that the first order of New Business was Resolution R-27-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution decreases the Payment Standards to be used in the Campbell County Housing Choice Voucher Program. She noted that Sarah Collins, Interim Housing Director, was present to answer any questions. Ms. Collins stated that HUD published new Fair Market Rents for Section 8 Programs effective February 28, 2005, which were lower than the last publication. Housing authorities must set their payment standards between 90% and 110% of the Fair Market Rents, which caused the Payment Standards to need to be adjusted to fall within what is allotted by HUD. Judge Pendery asked at what percent the County was now. Ms. Collins stated the County is now at 110% of the Fair Market Rents. There being no further discussion, Commissioner Rechtin made a motion and Commissioner Otto seconded, to approve Resolution R-27-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams then presented Resolution R-28-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution approves the Northern Kentucky Community Action Commission as the non-profit organization for the administration of the Emergency Shelter Grant Assistance Program for Fiscal Year 2006. This program was previously handled in-house; however, Pat Dressman, Human Services Director, recommends the program be outsourced since the grant is for \$10,000 and there is a lot of work involved. She noted that Ms. Dressman was present to answer any questions. Commissioner Rechtin inquired as to how people would access the program now and after it is outsourced. Ms. Dressman stated that most of the time, clients go to the Community Action Commission or Brighton Center first before coming to the County Human Services Department. The Community Action Commission provides several emergency shelter and winter care programs, and it would make sense to keep this program with them. There being no further discussion, Commissioner Rechtin made a motion and Commissioner Otto seconded, to approve Resolution R-28-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams then presented Resolution R-30-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution acknowledges the execution of a Memorandum of Agreement by the Judge/Executive and County Attorney with the Kentucky Cabinet of Natural Resources and Environmental Protection to pay for the disposal of tires. Reno Deaton, Solid Waste Manager, is overseeing this program. The grant will be for an approximate amount of \$3,000, to help with the upcoming clean-up. The Agreement was due at the Area Development District offices by March 14, 2005, necessitating the signature prior to approval. There being no further discussion, Commissioner Otto made a motion and Commissioner Rechtin seconded, to approve Resolution R-30-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams then presented Resolution R-31-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution adopts the Streamlined 5-Year/Annual Plan for the Campbell County Department of Housing. She noted that Sarah Collins, Interim Housing Director, was present to answer any questions. Ms. Collins stated that the Streamlined Annual Plan is mandated by HUD. The Plan has been out for review since January 28, 2005. A public hearing was held prior to the start of this Fiscal Court meeting,

and there were no public comments received. The major changes include the budget, and amendments to the interim policy, the total tenant policy, and the payment standards. There being no further discussion, Commissioner Otto made a motion and Judge Pendery seconded, to approve Resolution R-31-05. All voted “AYE” and the motion passed unanimously.

Ms. Williams then presented Resolution R-32-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution authorizes the Judge/Executive to execute a Lease Agreement for use of certain areas of the Campbell County Sports Complex by Campbell County Youth Soccer, Inc. and Campbell County North Soccer Club, Inc. She noted that Dennis Reller had been working with the soccer organizations and Bill Schoettelkotte from the County Attorney’s office to update the present leases the County has with those soccer organizations. Judge Pendery inquired as to whether there was an escape clause in the Lease Agreement in case either of these organizations should fall apart. Ms. Williams responded that there was. County Attorney Verst stated there is a right for any party to terminate with a one-year notice clause in the Lease Agreement. Judge Pendery noted that the County, and the kids, have certainly profited by this arrangement, because there is more care taken of the facilities. There being no further discussion, Commissioner Rechlin made a motion and Commissioner Otto seconded, to approve Resolution R-32-05. All voted “AYE” and the motion passed unanimously.

Ms. Williams then presented Resolution R-33-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution authorizing the Campbell County Fiscal Court to be the Title V Local Delinquency Prevention grant applicant. The County was approached with this grant by Brighton Center and they requested that the County be a partner in the grant with them, the Northern Kentucky Learning Academy and the Community Youth Development Council. She noted that Pat Dressman, Human Services Director, will be the Administrator of the grant and she was present to answer any questions. Ms. Dressman noted that this is a 3-year grant in the amount of \$100,000. There being no further discussion, Commissioner Otto made a motion and Commissioner Rechlin seconded, to approve Resolution R-33-05. All voted “AYE” and the motion passed unanimously.

Ms. Williams then presented Resolution R-36-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution declaring obsolete phone and network equipment surplus, and authorizing the Judge/Executive to execute an Agreement with Global Business Solutions to provide broker services to sell used phone and network equipment for the Fiscal Court. She noted that Andy Kuykendall, IT Manager, recommends the proposal and was present to answer any questions. She stated that staff recommends the Court adopt the Resolution pending the review and approval by the County Attorney. Mr. Kuykendall stated that there is a lot of surplus equipment that, if put through the County auction, he does not believe the County would get very much for the equipment. The Agreement with Global Business Solutions is to split the profits from the sale of the equipment; 70% to the Fiscal Court, 30% to Global. The Agreement also takes the work off of Fiscal Court staff of cleaning out the equipment, inventorying, or the process of trying to sell it. There being no further discussion, Commissioner Otto made a motion and Commissioner Rechlin seconded, to approve Resolution R-36-05. All voted “AYE” and the motion passed unanimously.

Ms. Williams then presented Resolution R-37-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution authorizing the Judge/Executive to execute a Support Service Contract with Global Business Solutions, Inc. for Fiscal Year 2005. The contract will be effective April 1, 2005. Mr. Horine stated that staff recommends the Court adopt the Resolution pending the review and approval by the County Attorney. Ms. Williams noted that Andy Kuykendall, IT Manager, was present to answer any questions. County Attorney Verst stated he had not had an opportunity to review this Agreement, as it was not presented to him until the start of this meeting. Mr. Kuykendall stated that the Agreement is very similar to the previous agreement. The dollar amount and the number of hours have changed and there is a clause to handle any agreed upon projects and project work decided upon by the IT representative. A list of projects for next year and the budget is being worked out and discussed with the Fiscal Director. Mr. Horine stated that this issue took on some urgency because Mr. Kuykendall has accepted a position with another organization and his last day with the County is March 18, 2005. It is important that the County maintain a relationship for support services, especially during the transition period. He noted that the previous agreement with Global was a joint agreement between the Fiscal Court and other County offices. The Fiscal Court's portion of the cost under the previous agreement was approximately \$2,800 per month, but the number of hours included in that price has been running over every month, causing the Fiscal Court's per month charge to increase dramatically. Mr. Kuykendall stated that the County Clerk, Sheriff and PVA offices will be entering into separate contracts with Global. The overages that have occurred each month were looked at and it was determined that the Fiscal Court should obtain a contract whereby it pays a flat fee with unlimited hours. Mr. Kuykendall noted that while his last day would be March 18, he will continue to provide support in the evenings and on weekends as needed to assist in the interim period until an IT Manager is hired. He noted that, when the Fiscal Court hired him, he did a market study to determine the consultancies within a 25-30 mile radius and the rates and services they offered. He believes that Global still offers the best rates and hours necessary to continue this contract. He stated that the new contract would also include monitoring services for the T-1 lines and the servers, in order to make sure the County does not have any outages or other problems. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Otto seconded, to approve Resolution R-37-05. All voted "AYE" and the motion passed unanimously.

Judge Pendery then thanked Mr. Kuykendall for his service over the last two years, noting he has done great work for the County, and he believes he has left the County in great shape insofar as the County seems to now have a grip on its needs and the solutions for them in the future. Mr. Kuykendall stated he appreciated Judge Pendery's comments and feels a lot of love and loyalty for the County. He wants to make sure that the needs of the County are taken care of in the interim of finding a replacement for his position. He apologized for the shortness of his announcement to leave, and wants to make sure he does good by the County and it is taken care of. Judge Pendery wished Mr. Kuykendall and his family the best.

Ms. Williams next requested a motion to proclaim March 23, 2005 as Rotary International Day in Campbell County and urge citizens to honor and recognize the Rotary International for their 100 years of service to the community. This Proclamation was requested by Brad Kinkema, Director of the Ft. Thomas YMCA, who will present the Proclamation at the Rotary meeting to be held on March 23, 2005. There being no further discussion, Commissioner Otto made a

motion and Commissioner Rehtin seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Ms. Williams then requested a motion to proclaim April 1, 2005 as Arbor Day in Campbell County and urge citizens to participate in the observance of this day by planting trees to beautify the Commonwealth of Kentucky and to focus attention on our great natural resource, the forests. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Otto seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Ms. Williams next requested a motion to appoint Terry Kennedy, Elden Siemer, Charles Rauch, Roger Church and Dennis Newberry as Seasonal Workers in Golf Course Maintenance for the 2005 Park Season, at a salary of \$9.29/hr. each, effective March 16, 2005. These workers will be working under the direction of Steve Myers, Golf Course Superintendent. There being no further discussion, Judge Pendery made a motion and Commissioner Rehtin seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Ms. Williams then requested a motion to authorize the distribution of 2005 Park Passes to A.J. Jolly Park for Campbell County Fiscal Court employees and Campbell County Detention Center employees. There being no further discussion, Judge Pendery made a motion and Commissioner Otto seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Judge Pendery then requested that the next item on the Agenda regarding an appointment to the Northern Kentucky Convention and Visitors Bureau be tabled until such time that he has an opportunity to speak with the recommended appointee to get their acceptance.

Ms. Williams next requested a motion to appoint John Ellison to fill the unexpired term of Frank Mazzei to the Northern Kentucky Convention and Visitors Bureau, effective March 16, 2005 through July 31, 2007. Mr. Mazzei is the proprietor of Pompilio's and represented the Restaurant Association on the Board. He has recently resigned from the Board. Mr. Ellison is the Operations Manager of the Hofbrau Haus. There being no further discussion, Judge Pendery made a motion and Commissioner Otto seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Judge Pendery next requested reports from Staff. Mr. Horine, County Administrator, presented Resolution R-34-05, which he read by title and provided a summary to the Court for its consideration. He stated that this Resolution adopts and approves the execution of an Interlocal Agreement between the City of Newport and the Campbell County Fiscal Court regarding local government cooperation and efficiencies. He stated that one of the positive things that came out of the process of securing the passage of HB 400 is some very productive and positive discussion that took place with representatives of the City of Newport. As a result of those discussions, it was proposed that an Interlocal Agreement be created that would allow for the two organizations to engage in ongoing conversation to determine ways that the two could cooperate to better serve the businesses and citizens of the City of Newport and the entire County, and to strengthen the cooperation that already exists. The City of Newport demonstrated during the course of these conversations that they were very eager and committed to spend the time to work with the County on these issues and to share information between the organizations so that the County could determine ways to seek efficiencies. The City of Newport and the County are the two

local governments with the largest budgets in Campbell County, and there is a lot of economic development activity that is taking place in the City of Newport that is ultimately of interest to the County because it is a large part of the County tax base. There are also major public facilities both located in Newport and planned to be built in Newport. All of these factors support a targeted effort to work with the City in this regard. Judge Pendery advised that each of the parties to this Agreement will have something different in mind that they hope to accomplish. In the County's case, he would like to see some grand solution crafted that allows the cities and the counties to join forces in the next legislative session to come up with a different authority where revenue and expenditure is concerned from the legislature. He has heard that the budget problem will be worse next year than it has been for the legislature to deal with and, in trying to recover something useful out of a long session, if there is no money, perhaps there can be authority that can be named. He is hopeful that Kenton County and Boone County will pursue the same sort of cooperation and discussion with the cities in their counties as we will pursue with Newport. Commissioner Rehtin stated he agrees with Judge Pendery, but he wanted to publicly state that even though the City of Newport may in many cases exhibit those traits, the City of Bellevue will double its current assessed value with its development along the riverfront and yet the City of Bellevue is not a part of this discussion. He also pointed out that all of the "Whereas" clauses in the Agreement, except for the first one, could apply to every other city in Campbell County. In that vein, he suggested that the County do the same with every other city in the County and offer them an Interlocal Agreement to discuss this with the County. He also believes that this needs to be discussed on a greater basis than just Newport and the County, but also on a regional scope as well. He believes the format of the 2015 Visioning process that Jim Votruba is Chairing is very much attuned to this and this should be discussed there as well. He stated that he will vote in favor of the Resolution, but believes the County should extend the same courtesy to those cities who were extremely supportive of the County in getting HB 400 voted on favorably. Judge Pendery stated that the intention with the Agreement with the City of Newport was to see to it that there was some written understanding that the process would happen, and not that it become an exclusive agreement with the City of Newport alone. Commissioner Rehtin stated that some of the verbiage in the Agreement indicates that the County and the City of Newport would negotiate for the "cities" in the County, and he does not feel that that is appropriate. Commissioner Otto stated that he agreed with Commissioner Rehtin, and the County should bear in mind that the City of Newport is not the only city in Campbell County that it relies on. He pointed out that the City of Dayton might be getting a development on Prigge Hill. He noted that he is very much in favor of sharing the information, especially when considering the expenditures that the County has. In the discussion of HB 400 with the cities, the County tried to explain to them the dire need for the bill, but he does not believe that individual cities and councils really understand the scope of the larger problems such as the jail and the costs associated with the jail regarding medical expenses, not being reimbursed the proper amount of money by the State, and other issues. He believes that if each city commission or council realizes what the County is truly faced with, they would have a better understanding of the County's future. He does not believe that lots of people do not really care about the jail problem, but if fully explained to them about things such as the medical care the inmates get, they may be flabbergasted. Judge Pendery stated that he found that financial information can help. When discussions were held in both counties, there were some people who felt they should get a cut of some of the funds. He would ask them to name a percentage, which they would give, but then he could tell them that they did not really want to get a cut, because the money was going for them anyway. They could then be shown that, in Kenton County, \$6.1 million was

being spent on TANK and \$3.6 million of that was Covington, which shows that a very high percentage of all the payroll tax money coming in gets spent for the welfare of the cities and is not being siphoned off someplace. The other money that was being spent in Kenton County went towards a garage in Covington that made possible the Convention and Visitors Bureau. It is his belief that one could say that 100% of the money that is being taken in through payroll taxes is being spent for the benefit of the cities. Commissioner Otto commented that when looking at the percentage of inmates for each cities who are in the County jail, he believes the cities would be quite surprised at how high their percentages are and how expensive it is. Judge Pendery stated that he has faith that when things are explained in a little more depth, those cities will see that their faith in the County was justified in this issue. There being no further discussion, Judge Pendery made a motion and Commissioner Otto seconded, to approve Resolution R-34-05. All voted "AYE" and the motion passed unanimously.

Mr. Horine next presented Resolution R-35-05, which he read by title and provided a summary to the Court for its consideration. He explained that this Resolution authorizes the County Judge/Executive to execute Change Order Number 5 to the contract with Whalen, Inc. for the construction of the Restricted Custody Center. He stated that the County is finally nearing completion of this project. There were five items that needed to be addressed that were not included in the original contract for construction, those being water service installation, additional plumbing and duct work in the kitchen area, desks for guard platforms, and shower upgrades to meet code standards for people with disabilities. The change order is in the amount of \$26,037.56. Commissioner Otto inquired as to whether the items in this change order were out of our control. Mr. Horine stated they were either out of our control or the result of changes that were made with the support building adjacent to the Restricted Custody Center, when the decision was made to put a kitchen in there so as to provide meals for the 128 inmates who will be housed in the Restricted Custody Center. This had to be submitted to the Health Department for approval and once their approvals came back, it resulted in additional plumbing and ductwork that needed to be done. Mr. Horine noted that Mike Carroll, from Brandstetter/Carroll, and Greg Buckler, Campbell County Jailer, were present to answer any questions. Judge Pendery asked when the expected opening date was. Mr. Buckler stated that the final inspection had been pushed back a couple of days, and he still hoped for a date in April for opening. There being no further discussion, Commissioner Otto made a motion, and Judge Pendery seconded, to approve Resolution R35-05. All voted "AYE" and the motion passed unanimously.

Judge Pendery then requested a report from the County Attorney's office. Mr.. Verst advised he had nothing further to report from the County's Attorney's office at this meeting.

Judge Pendery next requested reports from the Commissioners. Commissioner Otto reported that he and Mr. Buckler would be going to the Women's Correctional Facility on March 22, 2005, upon clearance with the Warden, to take a look at the Paws with a Purpose program, and will give an update on the program at the next Fiscal Court meeting.

Commissioner Rehtin advised they had nothing further to report at this meeting.

Judge Pendery then reminded everyone of the County Clean-Up to be held March 18, 19 and 20. He also announced that the next meeting of the Fiscal Court is being moved, due to schedule conflicts, from Wednesday, April 6, 2005 to Tuesday, March 29, 2005, to be held at the

Alexandria Courthouse. Judge Pendery then announced that Governor Fletcher signed HB 400 today.

Judge Pendery then asked for a report from the Fiscal Director. Mr. Horine stated that Mr. Seibert was ill and was not able to be present at this meeting. In Mr. Seibert's absence, Mr. Horine requested a motion to accept bids for the kitchen and laundry addition at the Campbell County Detention Facility. Bids were opened on March 1, 2005. The construction manager split this project into 11 individual bid packages. The bid for steel and the bid for painting were unacceptably high. Staff's immediate recommendation is that the County go back to the marketplace and simply rebid the steel, and have determined that Mr. Buckler can supply labor to accomplish a good part of the painting with the services of inmates, but professional services will still be needed to install the treatment on the floor of the facility, and that particular part of the painting bid will need to be rebid. There was also a complication with one of the bids being a combination bid that could include the steel, and until new bids are received on the steel, staff does not want to recommend the combination bid. The rebids will be due on April 5, 2005 and will be brought for consideration thereafter. The project should take approximately seven months to complete. This is an important project because of the overcrowded conditions at the present jail. Staff does, however, recommend a motion to accept the bids for paving, masonry, roofing, glass, mechanical, fire protection, and electrical work, as delineated in the memo provided. He noted that Mike Carroll of Brandstetter/Carroll Architects, and Travis Curry of Codell Construction, were present to answer any questions. Commissioner Rechten questioned how the County was going to pay for this addition, noting that, in his opinion, the passing of HB 400 has put the water level up to the County's nostrils. The County is now up to \$1.7 million on two expenses for the jail. He stated that the County is currently funding this by taking out of cash flow. He does not believe the County can continue that forever. The original expectation was to roll this into a pretty significant debt issuance in the amount of approximately \$10-\$15 million that would include a new administration building. He noted that in his line of business, he looks for creditworthiness, cash flow, collateral, and capacity when making loans. The County currently has significant cash flow, which could be constrained in the future because it does not have any CPI in the new payroll tax. Collateral wise, the County is fine because banks lend money to cities and counties based on a general obligation of the taxing authority of the unit of government. As far as capacity, that could be a problem, because capacity deals with your future and not with your past credit. It deals with your ability to raise funds should you get into trouble. He does not believe that it would be wise, unless there is a definite plan to pay the \$1.7 million back. He believes the County should come up with a plan to pay this amount back before it accepts these bids and begin any expenditure of capital monies. If the plan is to pay this amount back out of normal operating and reserves, that would be fine. He recognizes the need for the addition, but he is distressed by future capacity to pay the loans off. The legislature had an opportunity to look at a statewide system in HB 500, and feels that they solved the problem by allowing \$4 per day, but that is only a 15% increase, and it still stays below what the County pays per diem, and does nothing to address the time served issue. He is not sure the legislature will step in and help the counties on this in the future, and this County does not have a way to generate more money now, which brings back the question of how the County is going to pay back \$1.7 million. Mr. Horine stated that he had met with Fiscal Director Jim Seibert that morning and he alerted Mr. Seibert of Commissioner Rechten's concern. In their meeting, Mr. Seibert assured Mr. Horine that the County can pay for the kitchen and laundry addition project out of reserves. The County anticipated paying for the Restricted Custody Center out of

reserves, and never recovering that amount from a debt or bond issue because it is not a long-term building. The County does have the funds available and Mr. Seibert has assured Mr. Horine the County will not need to do anything extraordinary in the next budget year to meet its cash flow needs over the course of the year. The only thing that the County might need to do is take money out of investments to free those up during the time of year when cash flow gets particularly lean in the Fall before property taxes come in. Mr. Seibert is satisfied that the County will have enough reserves through the next fiscal year to be able to absorb this expenditure for capital improvements. It will still be subject to recovery when the County is in a position to issue bonds at some future date, but this project can be done. Mr. Horine does not believe that the County can proceed with other projects that have been in the pipeline without more extraordinary efforts to come up with a financing plan for those projects. Commissioner Rechtin then asked if the County has to pay back past taxes, where would that money come from if the County has expended all of its reserves. Judge Pendery stated that, with all of that aside, the County would be able to establish to a bank that the payback would be relatively short. The County's original pro forma called for the County to make \$500,000 on the Restricted Custody Facility exclusive of the capital expense. The thought was that that \$500,000 would address the capital expense in eighteen or more months, which would pay for the Restricted Custody Center itself in a year and a half. There will be a little bit of help out of the \$4 per day from the legislature, which should improve the pro forma for the operation of the Restricted Custody Center. He suggested that the County would be financially better off having spent the money on the Restricted Custody Center and the kitchen than it would have been had it undertaken neither. Commissioner Rechtin stated that, having looked at the pro forma, it generates immediately 128 prisoners, and he would argue that it would be another half year beyond that time before the County begins to generate additional monies. Judge Pendery stated it would probably take a longer time because of the setbacks that have occurred. Commissioner Otto asked what the association is doing as far as proceeding with a lawsuit. Mr. Buckler stated that the association has not official met since the legislative session, but a meeting would take place next month. Mr. Buckler stated that the \$4 increase still needs to be seriously looked at since it did not address medical issues or credit for time served, and even with the \$4 increase, the County is still the lowest paid per diem. Campbell County is losing between \$15,000-\$17,000 per month on these expenses. He believes the State association still needs to address these issues. Commissioner Otto stated that if the State association does not go forward with a lawsuit, there are five or six counties that will probably join together in a lawsuit. Commissioner Rechtin also pointed out that the average labor rate for employees of the jail is \$11.75/hr. and that amount is not the same across the State, yet the State pays every County the same amount per diem. Commissioner Rechtin stated that, in light of this discussion, perhaps the members of the Fiscal Court should review what the debt service on the total projects will look like at current rates and begin to ascertain how much more money the County will need in its revenue stream. Judge Pendery stated this would absolutely have to be done. Commissioner Rechtin inquired as to the actual total cost so far into this project. Mr. Horine stated that the actual cost for these two projects is closer to \$2.13 million, including architectural fees. There will likely be revenue anticipation borrowings through KACo again this year, which will be paid back in December or January. Judge Pendery stated that the County will be in a better financial position having spent the money on these projects, even though the County might be required to make refunds of payroll taxes. There being no further discussion, Commissioner Rechtin made a motion and Judge Pendery seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Mr. Horine next presented Resolution R-29-05, which he read by title and provided a summary to the Court for its consideration. He stated that this Resolution approves the annual renewal of computer software support contracts with ACS Government Systems in the amount of \$5,175.02 for finance, business license and fees, fixed assets, purchase orders, and server programs. There being no further discussion, Commissioner Otto made a motion and Commissioner Rehtin seconded, to approve Resolution R-29-05. All voted "AYE" and the motion passed unanimously.

Mr. Horine then requested a motion to authorize additional fees in the amount of \$2,000 to Von Lehman & Company for an audit fee payment over the original audit fee. He explained that this is for audit work done on the County's non-general fund accounts. This was the first year that Von Lehman & Company has done this work for the County. The original amount of the annual fee was \$19,100. As expected, and as part of the learning curve, Von Lehman ended up spending more hours than anticipated on the audit. A large portion of the additional time was incurred due to prior period adjustments that were necessary. They incurred an additional 60 hours of work and are proposing to bill the County for 25 hours. Commissioner Rehtin stated that he is concerned about a company that submits a fixed bid contract and then comes back with additional charges. He believes that the Von Lehman Company is a big concern and should have understood going in what was involved with the audit of these entities. He asked if the County asked them to do the additional work. Mr. Horine stated that the work was required as a result of things they found in the course of the audit, which was prior year work. He believes for this reason, the additional fees were warranted, since they could not have anticipated work from prior years. This is a one-time fee. Von Lehman's bid was for a 3-year proposal, and their amount next year will be the exact amount bid. They will not get this additional amount again. There being no further discussion, Judge Pendery made a motion, seconded by Commissioner Otto, to approve the motion. Judge Pendery and Commissioner Otto voted "AYE;" Commissioner Rehtin voted "NO." The motion passed by majority vote.

Mr. Horine then requested approval of the Claims being presented at this meeting. County Attorney Verst advised that he had reviewed the claims and that they appeared to be appropriate. There being no further discussion, Commissioner Otto made a motion that the claims be approved and paid. Commissioner Rehtin seconded the motion. All voted "AYE" and the motion passed unanimously.

Judge Pendery then made a motion to take the meeting into executive session in order to discuss pending litigation relating to HB 400, pursuant to KRS 61.810(c). Commissioner Rehtin seconded the motion. All voted "AYE" and the motion passed unanimously. The meeting was taken into executive session at 6:53 p.m.

After executive session, Commissioner Otto made a motion to resume the regular meeting, and Commissioner Rehtin seconded. All voted "AYE" and the meeting resumed.

There being no further business to come before the meeting, it was moved by Commissioner Otto, seconded by Commissioner Rehtin, that the meeting be adjourned. All voted "AYE" and the meeting was adjourned at 8:00 p.m.

**Attachments:**

Proclamation: Rotary International Day  
Proclamation: Arbor Day  
Ordinance O-01-05: Amendment to Zoning Ordinance  
Ordinance O-02-05: Additions to County Road Maintenance System  
Ordinance O-03-05: Amendment to Ordinance O-14-2000 Regarding Campbell County Detention Center  
Resolution R-27-05: Decrease in Payment Standards for Campbell County Housing Choice Voucher Program  
Resolution R-28-05: Administration of Emergency Shelter Grant Assistance Program  
Resolution R-29-05: Renewal of Software Support Contracts  
Resolution R-30-05: Memorandum of Agreement with Kentucky Cabinet of Natural Resources and Environmental Protection  
Resolution R-31-05: Streamlined 5-Year Plan for Campbell County Department of Housing  
Resolution R-32-05: Lease Agreement with Campbell County North Soccer, Inc. and Campbell County Youth Soccer, Inc.  
Resolution R-33-05: Title V Local Delinquency Prevention Grant Application  
Resolution R-34-05: Interlocal Agreement with City of Newport  
Resolution R-35-05: Change Order for Campbell County Restricted Custody Center  
Resolution R-36-05: Agreement with Global Business Solutions to Sell Used Phone and Network Equipment  
Resolution R-37-05: Agreement with Global Business Solutions for Support Services  
Claims: March 16, 2005  
March 16, 2005 (Home Emergency Grant)

Approved:

/s/ Steve Pendery

STEVE PENDERY

Campbell County Judge/Executive

Attest:

/s/ Sandra L. Mulligan

Sandra L. Mulligan

Fiscal Court Clerk