

**CAMPBELL COUNTY FISCAL COURT
MINUTES**

September 3, 2008

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, September 3, 2008, 7:00 p.m. at the Campbell County Courthouse located at 8352 East Main Street, Alexandria, Kentucky.

In attendance at the meeting were:

COUNTY JUDGE/EXECUTIVE:
STEVE PENDERY

COUNTY COMMISSIONERS:
DAVID OTTO
KENNETH RECHTIN

Robert Horine	County Administrator
Melissa Williams	Director of Administration
Jim Seibert	Director of Fiscal Affairs
Justin Verst	County Attorney
Col. Keith Hill	Chief, Campbell County Police Department
David Plummer	Administrative Assistant
Lynn Farris	Acting Fiscal Court Clerk
John Austin	Government Relations Manager

The meeting was called to order at 7:00 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. Commissioner Hayden was unable to attend.

Minutes from the Fiscal Court Meeting held on August 20, 2008 were presented by Judge Pendery. Motion was made by Commissioner Otto, seconded by Commissioner Rechtin, to approve the minutes. All voted "AYE" and the motion passed unanimously.

Due to a large turnout of citizens present regarding a tax issue, Judge Pendery stated that agenda items would be taken out of order. The guest on the agenda could proceed with his PowerPoint presentation and then the court would address the issue of adopting the ordinance for the 2008 tax rates. Judge Pendery added that he had handouts for the audience members and asked them to review this paperwork. He stated this handout will show two issues involving the property tax, one being routine and other being unusual. He explained the unusual part is that the

Kentucky legislature passed a law and the Campbell County Courthouse Commission no longer has the responsibility to house the PVA, sheriff's office and county clerk. The Courthouse Commission will no longer collect property taxes, which they have been doing since the late 1800's. This responsibility now falls to fiscal court. The fiscal court will take on this responsibility with less cost to the taxpayers than what the Courthouse Commission needed to do the job. This issue will not require an increase in revenue; it will simply be a different agency collecting the tax. Judge Pendery then distributed the handouts.

Mr. Les Crooks, General Manager of the Bank of Kentucky Arena, located on NKU campus, addressed the court and audience members. He stated this arena is the newest gem in Campbell County. The grand opening will be September 24, 2008. Back in 1998, there was legislative approval to study the feasibility to construct an arena in this area. In 2005, the Commonwealth appropriated \$60 million for the arena. Some of its features are: 9400 seats for basketball games, 12 luxury suites, 2 party suites, 2 party decks, 13 restrooms and 7 concession stands. They are anticipating 125 event days for the first year in operation. The annual budget for the arena is \$2.2 million. Mr. Crooks mentioned some of the upcoming events include Cirque DuSoleil, Walking with Dinosaurs, Alan Jackson and the Wiggles. The basketball season starts on November 8th with NKU's women and men's teams taking on the University of Louisville. Mr. Crooks invited everyone to an open house on September 22nd and thanked everyone for their attention. A gentleman in the audience asked about parking. Mr. Crooks stated the parking is included in the price of the admission ticket. There are 2300 spaces available and an additional 6500 on campus. Judge Pendery stated he was at the commencement at NKU and the arena was filled. It is a beautiful facility and the community can be proud to have it. He thanked Mr. Crooks for the presentation.

Next, Judge Pendery addressed the audience about property taxes. As previously stated, he mentioned that the fiscal court, along with other governmental entities, routinely take the 4% revenue increase because under state law, this is allowed to compensate for inflation. Other sources of revenue are capped and do not adjust for inflation. The unusual part of this year's budget is the law passed by the Kentucky legislature making the fiscal court obligated to pay for the clerk, PVA and sheriff's office. The Courthouse Commission's tax base was taken away. The fiscal court is not proposing to take more money. The new law was trying to be fair to all citizens of Campbell County since the courthouse tax was collected only from people in the north end of the county. The tax involved only changes who you pay the tax to. Judge Pendery stated the bottom line is the fiscal court is seeking the 4% to adjust for inflation and has been saddled with handling the housing of the PVA, sheriff's office and county clerk due to the new law.

Judge Pendery had a PowerPoint presentation, showing a typical county tax bill. About 12% of a typical tax bill goes to the fiscal court. On a \$100,000 assessed valuation, fiscal court would get \$122 in taxes.

The fiscal court is proposing to use a property tax rate that will yield 4% more revenue than what we got last year out of the tax base. Under state law, this is allowed. Most governments routinely take the 4%. Other sources of revenue are capped and do not allow for inflation.

The second and unusual thing the fiscal court is dealing with is the law passed by the legislature. Fiscal court is now responsible for housing the PVA, sheriff's office and clerk's office. The court is proposing to take a little less money that the courthouse commission took and do the same job. The new state tax law was enacted because it wasn't fair to collect taxes only from certain property owners. It was only collected on two-thirds of the county in the north end of the county. One-third of the property in the southern part of the county did not pay these taxes. The change that comes about because of the state legislative action is not going to change the amount of revenue used for the sheriff, clerk and PVA. Based on the average Campbell County home value of \$112,000, taxpayers in the northern two-thirds of the county who were paying the Courthouse Commission tax actually are getting a tax cut. They will be paying \$3.16 less than last year. Taxpayers in the southern one-third of the county, who were not paying the tax, will be paying \$6.72 more on the average. That end result is the same amount of taxes.

A lengthy discussion followed. Judge Pendery stated in 1979, the county tax rate was 17.9 cents. When Mr. Lloyd Rogers was Judge/Executive it was 13 cents and the Courthouse Commission got two cents, for a total of 15 cents. It is now 11.20 and the new proposal is 12.20. In 25 years, the property tax rate has gone down. Two-thirds of the property owners in Campbell County will pay less tax. One-third of tax payers who were not paying the Courthouse Commission tax will pay more. Everyone will now be paying the same amount of tax.

An audience member asked why the PVA, county clerk and sheriff could not be moved to the Alexandria Courthouse. Judge Pendery stated that in 2005, a blueprint of the new building was made and this blueprint included offices for the PVA, county clerk and sheriff. Ground was broken in January of 2008. 60% of the building will be occupied by tenants who will be paying rent. 40% will be used for fiscal court offices. The remodeling costs of the Alexandria Courthouse would be great. The county only owns 8 feet in the back and 8 feet to the sides. There are not adequate parking facilities. The heating and air conditioning is not sufficient. The building is not wired properly for computer access. The square footage needed for the PVA, county clerk and sheriff is not sufficient in the Alexandria Courthouse.

Judge Pendery added that the clerk now has offices in the former Alexandria City Building where residents can get their driver's license and car registrations. Seibert's Auto in Alexandria will do auto inspections for the sheriff's office. County taxes can be paid at any bank.

Mr. Rogers mentioned that thirty years ago, the fiscal court had an Ad Hoc committee to review taxes and services of the county. He said to take the 4% and sit down with people and figure this out.

Judge Pendery stated they have planned a new administration building for ten years. This included adding in the Health Department, Housing Department and various other offices. Fiscal Court has been saving money to try to make this happen. All county services will be in one building. All the courts are moving into a new Justice Center in the City of Newport. Contracts have been signed. Then, the legislature decided they needed to take action. The fiscal court has already borrowed \$10 million to build the building. Because the county has managed the money the way a good business does, the interest rate is 4.097% & the county's bond rating was

improved in view of the good management practices. This saves over \$500,000 conservatively estimated.

An audience member mentioned that her salary has not increased significantly over the years, but her house assessment has increased. With property values going down, no one is reassessing her property to make it worth less.

Daniel Braun, Campbell County PVA, stated that houses in Campbell County are still selling higher than the PVA assessed value. Property values are still increasing in Northern Kentucky. Bellevue alone is up 14.5%. If a house is assessed at \$100,000, it sells for \$110,000 or so.

An audience member then asked why the fiscal court did not build in the Alexandria area. Judge Pendery stated that two of the tenants, the Health Department and Housing Department (Section Eight) largely serve indigents in Bellevue, Dayton and Newport.

Mr. Rogers stated that this issue could not be placed on the ballot because of the timing. He stated it will be on the ballot in 2010 and that is also an election year. Judge Pendery stated the fiscal court is trying to fairly distribute the burden of taxes.

Commissioner Otto commented about the audience member who mentioned that she moved from the north to the south and will now be paying more taxes. He stated that Mayor Guidugli of Newport, for instance, pays for two road departments, two police departments and yet he gets no use out of the county road department or police department. Commissioner Otto then discussed the new law which eliminated the tax for the Courthouse Commission.

Mr. Tim Nolan addressed the fiscal court. He stated he filed the lawsuit against the county. He stated Alexandria is the courthouse seat and Campbell County only has one county seat. He said the Courthouse Commission was formed because people in the north 125 years ago had trouble with their horse and wagons coming out to Alexandria. Campbell County is the only county in Kentucky that had this situation. He stated the possible solutions are to make use of the Alexandria Courthouse. It is big enough for the clerk or PVA. He suggested selling the new building to a commercial enterprise. Mr. Nolan stated acreage is available close by that could be made into a parking lot. He suggested using the basement of the county clerk's office in Alexandria. He stated there is no responsibility on the county to have a county police department. The sheriff's office has this responsibility. He suggested eliminating the county police department and have the sheriff move out to the building in Alexandria. Judge Pendery stated sworn officers are needed and all taxpayers will be paying for the police whether the sheriff employs them or the county employs them.

Mr. Homer Field of Alexandria stated that senior citizens' wages are not increasing. He asked that the county put their priorities in line.

Mr. Ronald Johnson of Alexandria asked if the fiscal court could take a "fine tooth comb" look at the finances and see if this money could be found somewhere. Judge Pendery added that \$300,000 is roughly the amount involved and it translates into five police officer salaries or about 12 miles of road. There are serious repercussions for an amount that big. Mr. Seibert,

Fiscal Director, added that just this year the county has lost a half million dollars in funding for the jail. Commissioner Otto stated that with unfunded mandates, it's difficult to look at a yearly budget. The county is also not reimbursed for housing criminal suspects, sometimes for years.

Representative Dennis Keene stated he represents approximately 45% of the people who had been taxed. The only way to make this work was to eliminate the Courthouse Commission and turn the responsibility over to the fiscal court. The roughly \$2.5 million also includes real estate and about \$600,000 in cash. Under his bill, all assets were going to revert to fiscal court which would have taken this burden off of everybody. Now with the Stine amendment, it gave that money to an unelected group of people that run the courthouse. We need that money, so hopefully in the next session, we can get together and get this money back.

Judge Pendery mentioned that the state of Kentucky has made it an ambition to replace court houses around the state that serve district and circuit courts. The reason is for lack of security in old buildings. There are many entrances and exits. They are building an addition on to the historic courthouse in Newport. There will be one way in and out of it. Everyone will have to go through security. Over 100,000 Campbell County residents make visits to Newport to get their licenses or to pay taxes. We had discussions with the Courthouse Commission that we would take in the PVA, county clerk and sheriff's office. We were already talking to the Health Department and Housing Department located in Newport. We would all build a building and it would be less expensive. If you need to go to court, you'd go to justice center. Administrative functions would be handled out of the county administration building or in Alexandria.

An audience member asked what the fiscal court is doing with the money now since they are providing less and less services. Judge Pendery suggested some of the audience members form a committee and he will meet with them personally to go over the budget line by line.

Another audience member stated that the average tax bill is higher in the southern part of the county. Some areas do not even have city water. He stated there are a lot of problems in Campbell County.

An audience member asked if they formed a citizens committee to review the budget, would the fiscal court not vote tonight? Judge Pendery stated no, the court has to act by September 7th.

Judge Pendery thanked everyone for attending the meeting. He hoped everyone had a chance to talk.

Mr. Nolan asked if Mr. Chuck Peters, member of the Courthouse Commission, could address the court. Mr. Peters stated that the Courthouse Commission legislation allows for a courthouse to be built in the City of Newport. If the Courthouse Commission did not exist, they would have had the \$29 million in funding put in jeopardy. If the Courthouse Commission did not exist per the constitution, it would have been built in the city limits of Alexandria.

Judge Pendery again thanked everyone for attending. He stated that this fiscal court is more thrifty than other governments in Northern Kentucky. He added all fiscal court records are public records and audits are available from the State of Kentucky.

Next, Old Business was presented to the Court. Ordinance O-6-08 was on the agenda for second reading and passage consideration. Mrs. Williams read the ordinance by title and gave a summary. This ordinance adopts supplement 2008 S-17 to the Code of Ordinances that covers ordinances that were adopted from July 1, 2007 through December 31, 2007. Commissioner Rehtin made a motion to adopt O-6-08, seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

New Business was then presented to the Court. Mrs. Williams presented Ordinance O-8-08 for first reading. The ordinance was read by title and a summary given. This ordinance adopts a Policy and Procedure Manual for the Campbell County Restricted Custody Center. Kentucky Corrections has approved the manual and now Jailer Greg Buckler has requested the approval by the Fiscal Court. Mrs. Williams stated no action was necessary at this meeting. Due to advertising constraints, this Ordinance will be on the agenda of the October 1, 2008 meeting for the second reading.

Resolution R-92-08 was read by title and a summary given. This Resolution authorizes the Fiscal Court to accept title to ownership and maintenance responsibility for the roads related to the US 27 Reconstruction Projects (Phase One & Phase Two). Commissioner Rehtin made a motion to adopt R-92-08, seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

Resolution R-94-08 was read by title and a summary given. This Resolution approves the distribution of \$1,000.00 in funds to the Silver Grove Independent School System who will be the Fiscal Agent for the Campbell County Drug Free Coalition. This is for a youth substance abuse program in the Silver Grove Area. It is part of the \$4,000.00 allocated for Youth Substance Abuse Treatment from MH/MR tax funds this Fiscal Year. Commissioner Rehtin made a motion to adopt R-94-08, seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

Resolution R-95-08 was read by title and a summary given. This Resolution authorizes the Judge/Executive to execute a contract with the City of Silver Grove to assist with labor and equipment for weed cutting on the portion of Uhl Road that are within the city limits of Silver Grove. Commissioner Rehtin made a motion to accept R-95-08, seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

Resolution R-97-08 was read by title and a summary given. This Resolution authorizes the Judge/Executive to execute a contract with Campbell County Water Rescue for Fiscal Year 2009 for funding in the amount of \$32,000. Commissioner Rehtin made a motion to adopt R-97-08, seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

Judge Pendery made a motion to reappoint Victor (Van) Needham III to the Campbell County Police Merit Board for a four-year term effective August 5, 2008 through August 4, 2012. Motion was seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

Mrs. Williams then presented Resolution R-96-08. It was read by title and a summary given. This Resolution amends the County Administration Code to reflect changes in Job Titles for the Senior Center Manager to Senior Center Coordinator, and Government Relations Manager to Government Relations Manager/Senior Policy Analyst. Judge Pendery made a motion to adopt Resolution R-96-08, seconded by Commissioner Rechlin. All voted "AYE" and the motion passed unanimously.

Judge Pendery made a motion to adjust the annual compensation of Marsha Dufek, Senior Center Coordinator, from Grade 9J to Grade 11G effective September 8, 2008. This has been recommended by Pat Dressman, Human Services Director. Motion was seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

Judge Pendery made a motion to adjust the annual compensation of David Lusher, IT Specialist, from Grade 10G to Grade 11G to be effective September 8, 2008. This has been recommended by Brett Ruschman, IT Director. Motion was seconded by Commissioner Rechlin. All voted "AYE" and the motion passed unanimously.

Lastly, under New Business, Judge Pendery made a motion to adjust the annual compensation of John Austin, Government Relations Manager/Senior Policy Analyst, from Grade 11H to Grade 13H to be effective September 8, 2008. This has been recommended by Robert Horine, County Administrator. Motion was seconded by Commissioner Otto. All voted "AYE" and the motion passed unanimously.

The County Administrator, County Attorney and County Commissioners had no reports.

Judge Pendery reminded everyone that the regular meeting of the fiscal court scheduled for September 17, 2008 will be moved to Tuesday, September 16, 2008 at 5:30PM. The location will remain the same, the fiscal court conference room in Newport. This change is necessary due to the Senior Picnic being held on September 17th.

Judge Pendery also announced that at the Northern Kentucky Area Development District Annual Dinner, held on Monday August 18, 2008, Campbell County was very proud to have four individuals that were honored: Chief Keith Hill- Outstanding Police Chief; Pat Dressman- Outstanding Professional in the Human Service Field; Chief John Daley- Outstanding Firefighter/EMT and Denise Ashford, a resident of Dayton- Outstanding Volunteer. He congratulated everyone for their awards, especially the employees of fiscal court, Chief Hill and Mrs. Dressman.

Next on the agenda was the Fiscal Director's report. Mr. Seibert noted that Resolution R-93-08 will be tabled at this meeting until further discussions occur. This Resolution involves the busing of non public school children for fiscal year 2009.

Mr. Seibert then presented Ordinance O-5-08 for second reading and passage consideration. The Ordinance was read by title and a summary given. This Ordinance adopts the 2008 tax rates for Campbell County. Commissioner Rechlin made a motion to adopt O-5-08, seconded by Judge

Pendery. Judge Pendery read a statement submitted by Commissioner Hayden, who was out of town on business:

I am sorry that I have a conflict and cannot attend the meeting this evening. I support this tax measure. For nearly 100 years, the Campbell County Courthouse Commission has paid for the upkeep and maintenance of the County Courthouse and provided offices for the County Sheriff, PVA and County Clerk. Also, for nearly 100 years, the State Legislature has permitted the Campbell County Courthouse Commission to levy a tax on the Northern half of our County to pay for these services and provide offices for the PVA, County Sheriff and County Clerk. Recently, the State Legislature revoked the authority of the Courthouse Commission to collect the tax. Now, these obligations fall to us -- the County -- without Frankfort providing any money to pay for these new obligations. This is an unfunded mandate from Frankfort. We are compelled to take this action today to raise the revenue necessary to pay for these new obligations. This is not a tax increase -- it is actually a net tax decrease and only replaces the revenue necessary for the County to pay for these new obligations. Some argue that these offices should be located in Alexandria and not Newport. But that misses the point. Regardless of where these offices are located, the County must have the revenue necessary to provide for these offices. As a Fiscal Court, we have worked very hard to be wise stewards of your money. I am very proud that our County is in sound financial condition. This measure is necessary for us to continue along a path of financial stability. Thank you. Mark Hayden

Commissioner Rehtin added that he had listened to a lot of comments this evening. He added that he had hoped this issue could have been negotiated, with the fiscal court taking over responsibility and the Courthouse Commission would have faded out of existence. It was logical with the change over time without any hardship to people. Commissioner Rehtin stated that as a result of the legislation, it was a sound fiscal response that fiscal court has to make. He added that every county in the state has the responsibility to house the PVA, county clerk and sheriff. The solution presented makes sense. We have judicial services housed in the old courthouse with the new addition, which is the \$29 million that Mr. Peters talked about. All judges will be in the same building with security. It also makes senses for our constituents to have all the services provided in one area. He added that housing the PVA, sheriff's office and clerk's office is the fiscally responsible thing to do. He also added that Commissioner Hayden stated it very well in his statement.

Judge Pendery stated there had been a motion and a second to adopt O-5-08. All voted "AYE" and the motion passed unanimously.

Mr. Seibert then requested a motion to approve the claims as presented for September 3, 2008. County Attorney Verst stated he reviewed the claims and all appear appropriate. Motion was made by Commissioner Otto and seconded by Commissioner Rehtin. All voted "AYE" and the motion passed unanimously.

There being no further business to come before the Fiscal Court, Commissioner Rehtin made a motion to adjourn, seconded by Commissioner Otto. All voted "AYE" and the meeting adjourned at 8:58 PM.

Attachments:

Copy of Judge Pendery's Handout

Ordinance O-6-08 Adopts Supplement S017 to the Code of Ordinances

Resolution R-92-08 Accepts Ownership and Maintenance for Road Related
To US 27 Reconstruction Projects

Resolution R-94-08 Approves Distribution of \$1,000 to Silver Grove Independent
School System for Campbell County Drug Free Coalition

Resolution R-95-08 Authorizes Judge/Executive to Execute Contract with City of
Silver Grove

Resolution R-97-08 Authorizes Judge/Executive to Execute Contract with Campbell
County Water Rescue

Resolution R-96-08 Amends County Administration Code

Ordinance O-5-08 Adopts the 2008 Tax Rates for Campbell County

Claims September 3, 2008

Approved:

STEVE PENDERY

Campbell County Judge/Executive

Attest:

LYNN FARRIS

Acting Fiscal Court Clerk