

CAMPBELL COUNTY FISCAL COURT MINUTES

August 10, 2005

A special (change of date) meeting of the Campbell County Fiscal Court was held on Wednesday, August 10, 2005, at 7:00 p.m., at the Campbell County Courthouse, 8352 East Main Street, Alexandria, Kentucky.

Preceding the opening of the Fiscal Court meeting, a public hearing was held for the purpose of obtaining public comments regarding the proposed tax rate and for the purpose of introducing an Ordinance to set the tax rates. Present at the hearing were:

Steve Pendery, Judge/Executive
David Otto, County Commissioner
Kenneth Rehtin, County Commissioner
Mark Hayden, County Commissioner
Laurie Dowell, Assistant County Attorney
Robert Horine, County Administrator
Jim Seibert, Fiscal Affairs Director/Hearing Officer
Keith Hill, Chief, Campbell County Police Department
Greg Buckler, Campbell County Jailer
Ken Knipper, Office of Emergency Management Director
Peter Klear, Director of Planning & Zoning
Sarah Collins, Interim Director of Housing
Melissa Williams, Administration Director
Sandra Mulligan, Fiscal Court Clerk

Judge Pendery opened the public hearing and requested that Mr. Seibert conduct the hearing. Mr. Seibert stated that every year the Fiscal Court is required to set the property tax rate for the County. He noted that a first reading of an Ordinance to set the rates would take place at this meeting, and the second reading and passage consideration would take place at the August 24, 2005 Fiscal Court meeting. The purpose of the hearing is to gain public input on the setting of the tax rate and to take any questions or comments that the public may have. He pointed out that the County's rate has varied from time to time, noting that in 2000 the rate was 10.80 cents per \$100 of valuation, in 2001 the rate decreased to 10.70, in 2002 the rate decreased to 10.40, in 2003 the rate increased to \$10.50, in 2003 the rate remained the same at 10.50. The rate gets adjusted according to the valuation of property. State regulations mandate the County to stay within a 4% increase. Mr. Seibert then asked for any comments from the public.

A resident asked what the proposed rate would be for 2005. Mr. Seibert stated that the proposed rate would be 10.70 cents per \$100 of assessed valuation. Judge Pendery noted that a person with a \$100,000 assessed valuation would have an increase of \$2.00 to the County. Larry Watson, a resident living at 1494 Upper Tug Fork Road, Alexandria, Kentucky, asked for an explanation of the 4% cap, and if this was the total tax from property. Mr. Seibert stated that that was correct, and that the County's total increase over the prior year is limited to 4%, and the rate has to be set so that the County does not receive an increase of more than 4%. This calculation was passed by House Bill 44, approved in 1979. Judge Pendery stated that when the assessments are done, which typically goes up, the tax rate has to be adjusted so the County gets no more than

4% additional revenue, and so the tax rate in many years will actually go down to compensate for the fact that assessments have gone up. The tax rate was actually higher in the year 2000 than it is now, even though it is being proposed this year to increase by two thousandths of one percent. In the year 2000, if a resident had a home valued at \$100,000, they would have paid \$108 to the County.

Mr. Watson asked what increase in the property valuation has occurred in the last year. Judge Pendery stated that concept is that the assessed valuation that would have gone up by perhaps 6% would have required the Fiscal Court to take a 2% increase, so that the County only gets 4% more revenue. The tax rate changes in response to the assessed valuation in the County. If the assessed valuation goes up enough beyond what would produce a 4% revenue stream for the County, then the tax rate has to go down to compensate for that. Mr. Watson asked if the valuation increase is based on current existing properties, does it also include additional properties being built, noting that if there are 1,000 houses built in Campbell County, the valuation of those houses would not be included in the assessment. Judge Pendery explained that new house valuations would be considered in the base for the next year's assessment, and is not included in the calculation of the 4% cap. The base will most likely increase, due to the fact that property values go up. The assessor goes out and assesses property, and on average, the amount of assessed valuation goes up by a certain percentage, which is compared to the prior year. The County is not allowed to take more than 4% additional revenue out of the tax base it had for the previous year. In order to cap off at the 4%, many times there has to be an actual reduction in the tax rate. Mr. Watson stated that he understood this, but is trying to figure out where the valuation dollar figure comes from, if new construction is not included in that, and at what point does new construction become a part of that total valuation. Judge Pendery stated that it would become a part of it in the next year after construction.

Mr. Watson stated that he has never gone through a year without his assessment increasing; this year his valuation was increased by 38%, which was adjusted from the original assessment to increase it by 52%. This huge increase was due to homes being constructed within one-quarter mile of his that are valued at \$250,000. He stated he finds it hard to believe that there is only a 4% increase in the valuation if his increases that have occurred every year were more considerable. Judge Pendery stated that there are always winners and losers in this and it is according to who has been assessed and by how much. The County gets averages and totals from the Property Valuation Office and within those averages and totals, there will be people who have not had their property re-assessed for some time that have a significant increase and there will be those who have no increase, and possibly some people who will have decreases. The average of it all is the number that goes into the calculations according to Kentucky law. Mr. Seibert stated that he had just calculated the numbers of the countywide real estate valuations, and the appraisals went up 4.5% over last year. The County then had to adjust its rate back so that the total comes out to 4% over the previous year.

Mr. Watson stated that he is confused and asked if the increase was more than 4%. Mr. Seibert explained that the assessment increased more than 4%, and Judge Pendery stated that the County's increase in the rate is only 1.9% to compensate. The County does not get a 4.5% increase in the revenue, but its rate has to be lower so that the County only gets 4% more revenue. Mr. Watson stated that if the valuation went up 5.4%, why does the revenue stream not increase by that same percentage. Judge Pendery stated that the law does not allow counties to receive more than 4% in revenue. He also noted that the 5.4% increase in valuation might include some other things. Commissioner Hayden stated that the Fiscal Court should re-check

the numbers to make sure that it is not increasing the rate by more than 4%. Mr. Watson asked if the revenue stream that the County actually gets is decreased by a certain amount with the compensation rate, and then that amount is evaluated as to whether it is a 4% increase or not. He asked if there were some things that the County spends money on that the revenue stream is not considered as part of this, but is subtracted first, and then the rate is increased. Judge Pendery stated that the only thing excluded from the calculation is new construction, which is because it has not been on the books before. As soon as it gets on the books, it enters into the calculation. He stated he believes Mr. Watson is stating that the County could get more revenue if there is a lot of growth. Mr. Watson stated that he is talking about the 5.4% rate, with a compensation rate based on certain expenses that the County has. Mr. Seibert stated that that was not the case. Commissioner Rehtin stated that the compensation rate means that the County cannot take any more money than it took last year. If the County took \$100,000 on real estate this year, the compensating rate next year would be \$100,000, and the County would take 4% of that amount. Mr. Watson stated that he believed residents would understand a whole lot more if they knew where all the numbers come from.

Mr. Horine stated that this is a complicated formula and applies to all local government units in the State of Kentucky, such as counties, cities and school districts. The State actually does the math for the county, by sending the county the new total assessed value of all property in the county and tells the county that if it froze the revenues where they were the prior year, excluding new construction, this is what you would set your tax rate at. The tax rate last year was 10.50; the compensating rate for this year is 10.30 because of all the new property and its increase in the assessed value. If the county wanted to keep the rate exactly where it is at 10.50, that would yield a 2% increase in revenues from last year. In order to take the full 4% increase that is allowable under the law, the State has told the county that it would raise its rate to 10.70. The recommendation to the Fiscal Court is to take the full 4% and set the rate at 10.70. This Fiscal Court for the last four years has taken the full 4% each year, but the rate has either gone down or remained the same each of those four years. This year, the overall increase in assessed values was not enough in and of itself to produce that 4% increase. This is the first time in four years that in order to take the full 4%, it was necessary to go up 2/10 of a percent. The rate will be lower than it was in the year 2000, but the county revenue has been able to increase by 4% each year, and the State allows the county to basically keep up with the rate of inflation. Mr. Horine advised Mr. Watson that the County has documents that the State prepared and would be happy to make a copy for him or any other resident who might be interested in looking at them, so they can understand the complexities of the formula.

Another resident stated that if the County went back to 10.30%, it would just be an accounting practice because residents would not get a rebate of \$.20 per \$1,000. Mr. Horine stated that that was correct. Judge Pendery stated that a point to be made to help put this in perspective is that there are many other different taxing authorities that are involved in collecting property taxes, and are subject to the same rules. A person who has a \$100,000 assessed valuation gets a "County" tax bill that is almost \$960. Of that \$960, the Fiscal Court only got \$105 last year and will get \$107 next year. The State gets almost twice as much money as the County does, the school system gets over \$500 of the \$960, and there is also the Library, the Extension District, the Health District, and others.

Robert VanBenschoten, a resident living on Heck Road in Alexandria, asked if the State determines the County's budget. Judge Pendery advised that the State tells the County that the most the County is allowed to take without its action being subject to recall is 4%. Mr.

VanBenschoten asked if the County does its own numbers on taxes, or if the State determines them. Judge Pendery stated that our County government is a separate entity from the Property Valuation Administration, and are separate from the Sheriff's Department that issues taxes. The Sheriff's Department produces a tax duplicate that goes out to everyone and when the money comes in to the Sheriff's Department, it gets distributed to the various parties. Mr.

VanBenschoten asked if the County prepares its own budget and if the State determines what the County can collect. Judge Pendery stated that the County prepares its own budget and County government is a creature of State government. Each one of the County's sources of revenue has some limitation in the amount that the County is allowed to collect. The rate of inflation that the County experiences is more than the Consumer Price Index, which is about 4%. Mr.

VanBenschoten stated that the residents have just gone through this with the fire districts and people are getting tired of tax increases. He asked where all the extra money goes with these tax increases. Judge Pendery stated that the County has a \$27 million budget, and a lot of that money is pass-through money, with about \$15 million to spend on its legal and moral obligations such as the jail, police, etc. The new tax rate will yield approximately \$4.2 million of the \$15 million. Mr. VanBenschoten asked if the County has a general fund for emergencies and if this money is put away for disasters and other things that the County may need. Judge Pendery stated that the 4% inflation rate is about what the County experiences, so the additional revenue will continue to cover the same things. The County is not putting back reserve money at this point and, in fact, probably needs more money to pay for the things that it is responsible for. Mr. VanBenschoten stated that he does not mind paying an extra couple dollars if it is needed, but if it is not needed, he is against the increase 100%.

Commissioner Hayden stated that there are a couple of other important facts that the public needs to know about. When he learned that a tax increase was being recommended, it caught his attention as the new Commissioner. He knows everyone is paying high prices for gasoline, our farmers in the south end are suffering from hot and dry conditions that will affect their crop production, and a tax rate increase really catches everyone's attention. There are a couple of factors that he has looked at in addition to the increase. The County's payroll tax and property tax make up most of the revenue into the County government, and the payroll tax is frozen at .9% and capped at \$37,500 and it cannot move under the law. This is a big source of revenue for County government. Another source of revenue is the property tax, which can only go up 4% and no more. The County, just like all other consumers, has price adjustments and cost adjustments that it has to make. The County has to pay more for goods and a cost of living increase to its employees. If the County is going to provide a cost of living increase to its employees and pay more for goods, it has to look hard at this particular source of revenue because payroll taxes are frozen. The property tax in Campbell County is 10.50 cents per \$100; in Kenton County the tax is 13.50 cents per \$100, which has a total budget of about \$69 million. In Boone County, the total budget is about \$93 million. Campbell County's budget is \$27 million. Campbell County still has to provide police, still has to take care of its roads, and still has to provide a jail. Those three factors take up most of Campbell County's budget. In Kenton and Boone Counties, they have doubled and tripled the amount of revenue. Commissioner Hayden stated that this is a vote he takes very seriously and he will look very hard at the figures in the next couple of weeks before he casts his vote. He noted that he has been over and over the budget, and there is not a lot of fat in it.

Commissioner Otto stated that the County's payroll tax is already at its cap, so there is no additional money coming in. He noted that there are many things most people do not think about. He cited the Bosley murder case that has been written up in the newspapers. This case

will cost the County between \$150,000-\$200,000. There were 462 overtime hours the first week of this case. The money to pay for these overtime hours will come from the Chief's Police budget, which comes from the General Fund. If the Chief is not able to make up for these funds, other services suffer such as knothole and soccer ballfields. Commissioner Otto also pointed out that an extreme amount of money is being spent on medical expenses for inmates housed at the jail. There is a State law that says the State must pick up any medical expense over \$2,000. If an inmate has to have an emergency operation, which may cost \$26,000, the County should pay \$2,000 and the State should pay the balance. The State is not paying their portion, and now owes the County approximately \$300,000 from last year's expenses. It was recently advertised that the State has surpluses, but they are still not giving the counties the money they owe them. He stated that he would rather pay medical expenses for the good people in the County versus people who commit crimes that warrant their being in jail, but the County is forced to pay these expenses. The State mandates that counties must provide health, welfare, medical, and psychiatric care.

Commissioner Hayden stated that he believes Campbell County is stretching the dollar to the breaking point. The County has contracts with knothole baseball teams and some soccer leagues that help the County maintain Pender Park. Very few counties do this, and it is a good example of how to be creative about how to use the taxpayers' money and save money for the County. Campbell County is also using minimum security jail inmates to help do community service work around the County, which is another effort by the County to help stretch the dollar. The thing that keeps jumping out at him is that when the payroll tax is frozen and the County has to provide cost of living increases to its employees in order to keep the good staff of people that the County presently has, the County has to look for small incremental increases in revenue when it can. Mr. VanBenschoten asked if it was possible to get a fiscal financial report for 2004. Mr. Seibert stated he would be happy to provide a copy of the financial report to him. Judge Pendery stated that if anyone wanted to come in and talk about the budget, the Court is more than happy to do that. He pointed out that all governments use a very arcane out-of-date accounting system, which is another thing that the State mandates. Everyone else uses Generally Accepted Accounting Principles (GAAP), but the counties are on a cash basis, which is like using a little cash drawer and a pad of paper keeping track of income and expenditures. Trying to find your way through a budget can be a very confusing exercise, and if anyone needs an explanation of any budget item, the Court will be happy to assist.

Mr. Watson stated that a recent article in the *Kentucky Post* relating to the rates showed that there was a difference of \$320,000 thousand collected last year versus the previous year, and asked how there could be that big of a difference. Commissioner Hayden stated that the amount of additional revenue that will be collected by the County from the increase in the current rate would be \$90,000. Mr. Horine stated that part of the amounts shown in the *Kentucky Post* article is new property that came on line this year. New property will create a certain amount of additional revenues. The reason the State excluded new property from the base in the law is because if there is new property, those people will demand services, such as police protection, and clearing of snow and ice and general care of the roads. The State allows the County to exclude the new property from its base, which is why the number appears to be off. He noted that later in this meeting, the Court will be considering accepting three new streets for maintenance into the County. This will mean three more streets that have to be cleared in the winter, kept clean, and paved eventually. The State allows the County that much increased revenue to cover those increased costs, which go up significantly every year with all the new subdivision development that is taking place.

Mr. Watson then asked if all the new houses were not included in the tax base, but if the County still got money from them, and then the new houses built this year will not be included in the tax base. Mr. Horine stated that that was correct, explaining that the State sort of lets the baseline go up for the new properties, and the County can get 4%, and then the new property comes on. The new properties are not free properties, because the folks living in those homes expect a certain level of services.

Mr. Watson stated that it sounds like this tax is actually one of the smallest percentages of any tax that the County has and brings in a smaller percentage of revenue. Judge Pendery stated that that was correct. If you lived in a different State with a different constitutional and statutory backdrop, it would be a different conversation. In Ohio, taxes for local government oftentimes are income based, and a factor would be where people live. Payroll taxes are affected by where you work. Now we have to have the businesses in our County, or the County does not get the revenue. If everyone in Campbell County went to work in Kenton and Boone Counties, their tax money would go to build the quality of life in those two counties. Campbell County needs to have the businesses in its county in order to produce wealth to provide for Campbell County citizens. Campbell County only has about 25,000 jobs, with a population of over 90,000. Boone County has about the same population, but they have almost as many people working in the county as they have living there. This is why they get so much more money to spend than Campbell County does, even though their needs are greater in some instances. This is also why Campbell County has to make every penny stretch further. Commissioner Hayden added that Campbell County has to stretch every penny so that it can keep the tax rates low and grow its economy. If Campbell County can keep the rates low, the assessed values will go up, which will increase the amount of revenue the County gets from property, and if the County can grow an industrial base or other good paying jobs, we will increase our revenue through payroll.

Bill Rains, a resident living on Upper Tug Fork Road, in Alexandria, stated that the County didn't have to worry about increasing its revenue from property taxes, because his assessment went up by \$7,000 last year. He was out of town when the bill came in and not able to go down to appeal the increase. He asked if there was any way he could still appeal this. Judge Pendery stated that he did not know what the deadline was, but there is an appeals process. Ms. Williams stated that the appeals process was in June, but that Mr. Rains would be able to appeal the assessment the following year.

Judge Pendery then asked if there were further questions or comments from the public. He again stated that if anyone would like to come in to the Fiscal Court office and see the numbers that the County gets from the State, the Court would be happy to accommodate them. There being no further comments from the public, Judge Pendery then closed the public hearing at 7:42 p.m.

Judge Pendery then called the Fiscal Court meeting to order at 7:43 p.m. A moment of silence was called for by Judge Pendery, followed by the Pledge of Allegiance. Following roll call, a quorum was declared present. The meeting was covered by *Government Access*.

In attendance at the meeting were:

COUNTY JUDGE/EXECUTIVE:
STEVE PENDERY

COUNTY COMMISSIONERS:

DAVID OTTO
KENNETH RECHTIN
MARK HAYDEN

Laurie Dowell	Assistant County Attorney
Robert Horine	County Administrator
Jim Seibert	Fiscal Affairs Director
Keith Hill	Chief, Campbell County Police Department
Greg Buckler	Campbell County Jailer
Ken Knipper	Director, Office of Emergency Operations
Peter Klear	Director of Planning & Zoning
Sarah Collins	Interim Director of Housing
Melissa Williams	Director of Administration
Sandra Mulligan	Fiscal Court Clerk

Judge Pendery presented the minutes from the Fiscal Court meeting of July 20, 2005 for approval. It was moved by Commissioner Otto and seconded by Commissioner Rechlin that the minutes of Fiscal Court meeting of July 20, 2005 be approved. All voted "AYE" and the motion passed unanimously.

Judge Pendery next stated that it was his honor to present a Memorial Resolution to Mrs. Barbara Verst, widow of Commissioner Bill Verst, who passed away on April 29, 2005. Judge Pendery read the Resolution that was unanimously approved by the Fiscal Court on May 9, 2005 and stated that although this Resolution is just words, but under the circumstances, words and caring are what we have to offer. He stated that it was a true pleasure to have known and worked with a person of such quality as Bill. Mrs. Verst introduced her family, sons Billy and Chip, daughters Stephanie and Wendy, son-in-law Eric, and grandson Carter. Her son Jeff and daughter Jamie and her husband were not able to be present tonight due to work. Mrs. Verst thanked the Court and many other people of Campbell County for the kind words, cards, letters and prayers during her husband's illness. She stated that while going through Bill's desk recently, she found a piece of paper dated 2003 where Bill had written the letters in WILDER and wrote a line for each letter, and she wanted to share his writing with everyone - "When I was just a boy in this place where I grew up, Living the American dream, Dreaming someday that I would Eventually marry and stay right here, Raising our children in my kind of town." She noted that this simply states just how important the community of Campbell County was to Bill, because he truly wanted to serve the people. She thanked everyone for supporting Bill's dream. Judge Pendery thanked Mrs. Verst and her family for sharing their time with the Court this evening.

Judge Pendery then asked if there were any citizens or public officials present who wished to address the Court. There were none.

Judge Pendery then requested items of Old Business be brought before the Court. Ms. Williams stated there was no Old Business to be brought before the Court.

Judge Pendery then requested that items of New Business be brought before the Court. Ms. Williams presented for first reading Ordinance O-09-05, which she read by title and provided a summary to the Court for its consideration. She explained that this Ordinance updates the

official list of county maintained roads and amends Ordinance O-02-05 by adding Richland Lane, Hearthstone Court and Timbercreek Court, along with correcting an administrative error in the length of Gunkle Road and Mystic Rose, and deleting the Grandview Connector Road that has been annexed by the City of Alexandria. She noted that Peter Klear, Planning & Zoning Director, was present to answer any questions. Ms. Williams noted that no action was necessary on the Ordinance at this meeting, and that it would be acted on at the next Fiscal Court meeting.

Ms. Williams next presented Resolution R-109-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution establishes payment standard rates to be used in the Campbell County Housing Choice Voucher Program. These standards were set earlier this year, but HUD requires this change due to rents that were rounded off contrary to their regulations. She noted that Sarah Collins, Director of Housing, was present to answer any questions. There being no further discussion, Commissioner Rehtin made a motion and Commissioner Hayden seconded to approve Resolution R-109-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams then presented Resolution R-110-05, 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 contract with CorrectCare, Inc. for utilization management at the Campbell County Detention Center. She noted that Greg Buckler, Campbell County Jailer, was present to answer any questions. Judge Pendery asked Mr. Buckler to give a brief explanation of the Contract. Mr. Buckler stated that this contract will allow the negotiation of better prices on medical expenses at hospitals, orthopedic offices, and other medical expenses. Over the years, the jail staff has been doing the negotiations. CorrectCare will be able to negotiate better prices, which will help to put the jail in line with what insurance companies would pay. This will only affect County inmates. He noted that along with the Resolution, there was a sample of the savings that would be received from using CorrectCare, even though there is a cost for their services. The cost will be \$13 per month per County inmate. Another savings that would be seen is that his staff would be freed up from dealing with agencies to negotiate better prices. Commissioner Otto asked if procedures that the hospital may have will need to be pre-approved. Mr. Buckler stated that if the jail sends an inmate to the hospital, they would notify CorrectCare and the hospital will send bills directly to Correct Care. CorrectCare will then negotiate the price and notify the jail of the negotiated price.

Commissioner Hayden asked what amount Mr. Buckler expects to be able to save using this company over the next year. Mr. Buckler stated that it is difficult to predict, due to not knowing how much will have to be spent on any inmate. He estimates the cost to utilize this company will be \$27,000-\$28,000, and if we could eliminate approximately 12 trips to the hospital, we should see a significant savings. Commissioner Hayden inquired as to whether Mr. Buckler expects savings in excess of the amount of payments to CorrectCare. Mr. Buckler stated that he did, and he would not recommend entering into this contract if there would not be a savings. He noted that CorrectCare has informed him that if this is not worthwhile for the County, it could pull out any time that it wanted to. Commissioner Otto stated that, as everyone knows, he keeps a pretty good tab on the medical expenses at the jail. He stated that the jail averages one MRI per month, and in looking at the report from CorrectCare, just the MRI/CT scan charges will be greatly reduced. He noted that Mr. Buckler has gone all over the State and he and Mr. Buckler have met with other county jailers to try to figure out an inexpensive way of making this work. When you find a company that has the expertise and also has the health care systems in place, it

is worthwhile. Mr. Buckler stated that he has talked to the three other county jailers and the Department of Corrections who are all using CorrectCare, and they have all reported that they have received significant savings by using CorrectCare. Commissioner Hayden stated that if the Court approves entering into this contract, it should be looked at at the end of a year to determine whether there were savings and, if not, terminate the contract.

Commissioner Rehtin inquired as to whether there were any other vendors that he identified that provide these services. Mr. Buckler stated that there is no other group in the State of Kentucky who provides these services, noting that CorrectCare has been in existence for 15 years. Commissioner Rehtin asked if CorrectCare uses a format on their reporting process back to him for what they are actually invoicing for. Mr. Buckler stated that part of the sample included with the Resolution shows the format used. Commissioner Rehtin asked if Mr. Buckler would receive this form monthly. Mr. Buckler stated he would receive the form individually based on usage. Commissioner Rehtin asked if the 200 patient limit was for County inmates or if it took into account the overall population of the jail. Mr. Buckler stated that this limit would be for County inmates. Commissioner Hayden stated that most inmates do not have insurance and, in some instances, an inmate's insurance is cancelled when they are arrested. He asked if the jail pays full rates for someone in this predicament and has no insurance or their insurance is cancelled. Mr. Buckler stated that at the present time the jail is paying a 30% reduction at St. Luke and St. Elizabeth South, but this reduction is not available with every agency the jail deals with. Commissioner Hayden asked how services are paid for inmates who do have insurance. Mr. Buckler stated that an inmate is asked at the time they are brought into the jail if they have insurance. If they do, and require medical attention after incarcerated, their insurance company is billed for those charges. Commissioner Hayden clarified that the benefit with CorrectCare is that we will be able to negotiate lower rates for those inmates who are uninsured. Mr. Buckler verified that that was correct, and also stated that CorrectCare will also serve as our watchdog at the hospital to make sure that the inmate is receiving the proper treatment, rather than getting something else done, since the fees are being paid by the County.

Commissioner Otto stated that he would like County Attorney Verst's office to check KRS 441-045, dealing with Rules for Jails, to determine what legal remedies the County has for getting the monies paid to it that it is owed by the State for medical reimbursement. In point #7 of that statute, it states, "When the cost of necessary medical, dental or psychiatric care for a prisoner exceeds \$2,000 as calculated by using the maximum allowable cost of similar persons or facilities for the same or similar services under the Kentucky Medical Assistant Program, the State shall reimburse the County for that portion of the cost that exceeds \$2,000." Commissioner Otto stated that this County has a large amount of monies owing it by the State and has yet to be reimbursed. In that same statute, it states, "The jailer may adopt, with the approval of the County governing body, a prisoner fee and expense reimbursement policy which may include, but not be limited to, the following: administrative processing or booking fee [which our jail has, and we are currently being sued for], a per diem for room and board for not more than \$50 per day or the actual per diem cost, whichever is less, for the entire period of time that the prisoner is confined to the jail, actual charges for medical and dental, for psychiatric care, reimbursement for County property, damage" There was a recent inmate at the jail who incurred \$82,000 in hospital charges due to necessary medical care he needed. In this statute, the County can go after that individual for reimbursement if he has any property. He asked that the County Attorney check on the legalities of the County sending a letter to the State requesting payment of the medical expenses that are owed. He believes that if we continue to let this go year after year, the

problem will just get worse. He noted that if this was an issue of a past due delinquent tax bill, the State would be sending us a letter threatening to file suit. He believes the County needs to get aggressive with the State to obtain the funds owed to it. Commissioner Rechlin stated he believes this is a good idea and would like the County Attorney's office to check into it further. Commissioner Otto stated he would also like the County Attorney's office to check into what remedies the County has to recover medical expenses from inmates, specifically the inmate who incurred the \$82,000 in expenses.

Ms. Williams then stated that since the CorrectCare contract was received late and had not been reviewed by County Attorney Justin Verst, she would request that the Court approve Resolution R-110-05, subject to the County Attorney's review and approval of the contract. There being no further discussion, Commissioner Rechlin made a motion and Commissioner Hayden seconded to approve Resolution R-110-05, subject to review and approval by the County Attorney. All voted "AYE" and the motion passed unanimously.

Ms. Williams then requested a motion to appoint Karen Dennemann to the position of Police Clerk with the Campbell County Police Department, effective August 22, 2005, with compensation set at \$13.32/hr. (Grade 7I). This vacancy is being filled due to the retirement of Velma Krieg. 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.

Ms. Williams then requested a motion to appoint Brett Ruschman to the position of Information Technology Manager, with compensation set at \$69,080/yr. (Grade 16M), effective September 7, 2005. This vacancy is being filled due to the resignation of Andy Kuykendall. 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.

Ms. Williams next presented Resolution R-107-05, which she read by title and provided a summary to the Court for its consideration. She stated that this Resolution amends the Tuition Reimbursement Policy to eliminate the one year of full-time service for eligibility. Commissioner Hayden asked if the purpose of this change was to help the County to recruit new employees. Mr. Horine stated that that was correct. He added that the policy is relatively new and the County has only had this policy in place for three years. As the County attracts and recruits new employees, one of the things they are asking about is this policy, and the County would like to support the efforts of those who are motivated to seek additional education and become better employees for the County. He stated that it is important to note that if an employee leaves the employment of the County and they have received tuition reimbursement within the prior year, they are responsible for paying back the last tuition reimbursement that they have received. This protects the County as far as its investment, but still makes it attractive for new employees to encourage them to increase their skills to serve the County. Commissioner Otto inquired as to whether this is the same policy that the County has for the Police Department. Mr. Horine stated that it was, as this is a countywide policy, noting that the maximum amount an employee can receive per calendar year is \$1,600. Commissioner Rechlin inquired as to how many employees have utilized this policy. Mr. Seibert stated that he knew of two employees who had utilized the policy. Mr. Horine stated that he believes there have been a few more than that, and that another change that was made to the policy in the past was to allow employees to take accredited online training courses and academic courses, which boosted the number of

employees who were participating, particularly in the Police Department. There being no further discussion, Judge Pendery made a motion and Commissioner Rehtin seconded to approve Resolution R-107-05. All voted "AYE" and the motion passed unanimously.

Ms. Williams next requested a motion to accept the resignation of Lori Goetz, Administration Intern, effective August 12, 2005, and to authorize staff to advertise, interview and hire for the vacancy in this position. She noted that staff will advertise with NKU and Thomas More College and hopefully be able to hire a student Intern as they are getting ready to start classes. Last year the County received a grant in the amount of \$6,000 from the Murray and Agnes Seasingood Good Government Foundation to help pay for that position, and this year the County was awarded a \$12,000 grant from that Foundation. She stated that Ms. Goetz will be sorely missed and was a wonderful addition to our staff. Judge Pendery stated Ms. Goetz has accepted a great position with Bob Farrell at NKU, who is involved with the Economic Development Project, and is sure there were probably many people very interested in working for a man of his caliber. This goes to show what kind of quality we had in Ms. Goetz, and we are thankful for the time she spent with us and grateful for the work she did. 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 next requested a motion to appoint Doug Wagner to the Northern Kentucky Water District Board for a four-year term, effective August 27, 2005 through August 26, 2009. 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. County Administrator, Robert Horine, stated he had nothing further to report at this meeting.

Assistant County Attorney Dowell stated that she had nothing further to report from the County Attorney's Office.

Commissioner Otto and Commissioner Hayden stated they had nothing further to report at this meeting.

Commissioner Rehtin stated that he was at A.J. Jolly recently and received some comments about the program charges and he would like to ask Terry Jolly to review the program charges and see what the utilization is. A number of people have said they have bought the annual membership, but turned around and been charged for other fees. Commissioner Rehtin also stated that as you come west off I-275 and getting onto the AA Highway, the stacking that is occurring across the river is of great concern to him. The same issue of stacking across the bridge from Cincinnati coming into Rt. 8 is a problem. The accidents that happen when these cars stack up onto that street are really devastating. He believes the County needs to talk with the Highway Department about the potential of doubling the area by putting a line down the center to allow for separation and stacking on the ramp. Something needs to be done to move that traffic off of the bridge crossing the Licking River. He believes if we would allow them to stack and make the ramp lane two lanes, to where they would be going south and north on the AA Highway, this would get them off the expressway quicker. Judge Pendery asked if Commissioner Rehtin thought the problem might be sensitive to the timing of day such as rush hour, and if the lighting were adjusted, would this help. Commissioner Rehtin stated he does

not believe that adjusting the lights would help, but rather getting the cars off more quickly. Judge Pendery stated that he would bring this up at the next meeting with the Transportation Department.

Commissioner Hayden stated that a recent inquiry was received from Sean Detisch of Clay Ridge Road, who is very concerned about the intersection of Clay Ridge Road and U.S. 27 in the south end of the County. Ms. Detisch told Commissioner Hayden that there had been 6 fatalities at that intersection, and he would like to know if that number is correct, and what is being done to try to eliminate this happening. Ms. Detisch's concern is that there should be a light at that intersection now, rather than wait three to four years when U.S. 27 will be expanded out beyond A.J. Jolly Park. Chief Hill noted that there is a flashing yellow light installed at that intersection and the school buses are no longer turning left off of Clay Ridge onto U.S. 27. Commissioner Hayden stated that that is another concern of Ms. Detisch, because it has increased by 30-45 minutes the commute for the kids on those buses. Chief Hill advised that he would look into the matter further and get more information for Commissioner Hayden on the issues at this intersection. Judge Pendery advised that he had sent a letter out today to the Transportation Cabinet on this issue.

Judge Pendery then reminded everyone that the next Fiscal Court meeting has been changed to August 24, 2005 and will be held at the Fiscal Court Conference Room, 24 W. 4th Street, Newport, Ky. He next gave an update on the August 9 meeting of the Campbell County Criminal Justice Advisory Commission ("CJAC"). This group is an effort on the part of prosecutors, judges, pretrial services, and law enforcement people who have a contribution to make where law enforcement and incarceration are concerned. It is odd, but true, that there is no overarching authority that looks at this whole system to make sure that it works effectively and inexpensively for the taxpayers. There are many independent agencies who look after their own business and may handle things within their purview beautifully, but they are also doing things every day that affect the ability of each of the other agencies to work efficiently. The elements of each of those agencies are now working together to produce better results in terms of efficiency and expense to the taxpayers and, importantly for the County's purpose, improvements in the jail population. As a result of these meetings, there were 17 people who were released under certain circumstances in the pretrial phase so that they did not become part of the County's jail population. We expect to reach 30-40 people at any given moment who may be eligible for release rather than incarceration because there will be an approved system of supervising these people as they live and work outside the jail. The ambition will never be to have people on the street that should be incarcerated. Anyone who presents a threat to the public in some form or fashion will be jailed. Because the system has not been working as efficiently as it used to, there are almost twice as many people now being incarcerated than there were just a few years ago. Almost 50% of the pretrial population used to be released. That percentage is now down to 25% statewide. Inmates do not learn anything in jail that improves the odds that they will behave when they get out; it is better for a person to remain engaged in the community if they present no threat, and keep working, than to put them in jail if it is not necessary. Every bed that the County can free up saves the County \$12,000-\$15,000 per year, not including medical costs. The first advances that have resulted from these meetings have made a big improvement, and there are additional ideas that are hoped will make further improvements. Commissioner Otto stated that the children and spouses of these inmates will be greatly benefited also because that inmate will be able to continue to work to put food on their tables and care for their children and spouses.

Judge Pendery then asked for a report from the Fiscal Director. Mr. Seibert presented Resolution R-108-05, which he read by title and provided a summary to the Court for its consideration. He stated that this Resolution authorizes the Judge/Executive to execute a contract with AFM Demolition to remove two structures located at 1130 and 1140 Rockyview Drive in unincorporated Campbell County for safety reasons. There being no further discussion, Commissioner Rechlin made a motion and Judge Pendery seconded to approve Resolution R-108-05. All voted "AYE" and the motion passed unanimously.

Mr. Seibert then presented for first reading Ordinance O-08-05, which he read by title and provided a summary to the Court for its consideration. He explained that this Ordinance sets the tax rates for 2005, noting that a public hearing was held on the matter prior to the start of the Fiscal Court meeting this evening. Mr. Seibert stated that no action was necessary on the Ordinance at this meeting, and that it would be acted on at the next Fiscal Court meeting.

Mr. Seibert next presented Resolution R-105-05, which he read by title and provided a summary to the Court for its consideration. He stated that this Resolution authorizes the submission of an application to the Northern Kentucky Area Development District for Area Development grant funds in the amount of \$23,370 that will be used toward construction costs of the kitchen/laundry addition at the Campbell County Detention Center. There being no further discussion, Judge Pendery made a motion and Commissioner Hayden seconded to approve Resolution R-105-05. All voted "AYE" and the motion passed unanimously.

Mr. Seibert then presented Resolution R-106-05, which he read by title and provided a summary to the Court for its consideration. He stated that this Resolution approves the rate of 2.4 cents per \$100 of assessed value for the Campbell County Health Taxing District for Fiscal Year 2006. Commissioner Hayden inquired as to the rate last year. Mr. Seibert advised that the rate was the same for Fiscal Year 2005. There being no further discussion, Commissioner Rechlin made a motion and Judge Pendery seconded to approve Resolution R-106-05. All voted "AYE" and the motion passed unanimously.

Mr. Seibert next requested a motion to acknowledge for the record that the 2005 Treasurer's Annual Report was published in the Campbell County Recorder on August 4, 2005, as required by Kentucky Revised Statutes. There being no further discussion, Commissioner Rechlin made a motion and Commissioner Hayden seconded to approve the motion. All voted "AYE" and the motion passed unanimously.

Mr. Seibert then requested approval of the Transfers being presented at this meeting. The Transfers relate to the general road fund, jail fund, and jail commissary fund. There being no further discussion, Commissioner Rechlin made a motion that the Transfers be approved, and Commissioner Otto seconded the motion. All voted "AYE" and the motion passed unanimously.

Mr. Seibert next requested approval of the Claims being presented at this meeting. Assistant County Attorney Dowell stated that County Attorney Verst had reviewed the Claims and they appear to be appropriate. There being no further discussion, Commissioner Otto made a motion that the Claims be approved and paid. Commissioner Rechlin seconded the motion. All voted "AYE" and the motion passed unanimously.

There being no further business to come before the meeting, it was moved by Judge Pendery, seconded by Commissioner Rehtin, that the meeting be adjourned. All voted "AYE" and the meeting was adjourned at 8:40 p.m.

Attachments:

Ordinance O-08-05: Approval of 2005 Tax Rates

Ordinance O-09-05: Update of Official List of County Maintained Roads

Resolution R-105-05: Grant for Area Development Funds

Resolution R-106-05: Campbell County Health Taxing District Rates for Fiscal Year 2006

Resolution R-107-05: Amendment to Tuition Reimbursement Policy

Resolution R-108-05: Contract for Demolition in Unincorporated Campbell County

Resolution R-109-05: Housing Choice Voucher Program Payment Standard Rates

Resolution R-110-05: Contract for Utilization Management at Campbell County Detention Center

Transfers: August 10, 2005

Claims: August 10, 2005

August 10, 2005 (Supplemental)

Approved:

STEVE PENDERY

Campbell County Judge/Executive

Attest:

Sandra L. Mulligan

Fiscal Court Clerk