

CAMPBELL COUNTY FISCAL COURT MINUTES

August 19, 2009

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, August 19, 2009, 5:30 p.m. at the Fiscal Court offices, 24 West Fourth Street, Newport, Kentucky.

Preceding the opening of the Fiscal Court meeting, a public hearing was held at 5:15 p.m. for the purpose of receiving public comments on the proposed tax rates. Present at the hearing were:

Steve Pendery, Campbell County Judge Executive
David Otto, County Commissioner
Kenneth Rechlin, County Commissioner
Mark Hayden, County Commissioner
Laurie Dowell, County Attorney
Robert Horine, County Administrator
Melissa Williams, Director of Administration
Paula Spicer, Fiscal Court Clerk
Jim Seibert, Director of Fiscal Affairs
Colonel Keith Hill, Campbell County Police Department
Greg Buckler, Jailer
Naguanda Deaton, Director of Human Resources

Jim Seibert, Fiscal Director, opened the public hearing by stating that the Fiscal Court was seeking public input on the property tax rates for 2009. He explained that the rate last year was \$11.06 per \$100 of assessed value, and that this year's compensating rate as calculated by the State is \$12.00 per \$100. This year the Fiscal Court is proposing by ordinance a tax rate of \$12.40 per \$100 assessed value, the allowable 4% increase, to produce \$6,471,765 in revenue. William Schreiber stated that the compensating rate is 4% according to his calculation, but the County's proposed rate is a 7% increase, which is not allowed by House Bill 44; any rate over 4% must be approved by a vote of the general public. Mr. Seibert explained that the compensating rate is calculated to produce the same basic revenue as last year. New property and personal property are used in the compensating rate calculation, and both of those amounts have declined so the tax rates for real property have increased to offset that. Judge Pendery stated that the 4% does not address the rate itself, it is 4% more revenue. Mr. Schreiber asked how other taxes, i.e. payroll taxes and insurance taxes, come into play with the General Fund. Judge Pendery stated that the total revenue from all sources will be about \$38.5 million, compared to about \$6 million from property taxes which is about 15-20% of the budget. Property tax is the only revenue source that adjusts for inflation. The County's largest source of revenue is payroll taxes which is capped by law and can't be changed. Judge Pendery explained that if the compensating rate were used they'd get the same amount of revenue as last year. He further explained that the County's payroll tax revenues are expected to drop by \$700,000 and insurance premium taxes are down about \$400,000, so the money collected will actually go down even if the property tax is increased about \$6-\$8 per household. Mr. Schreiber asked how Boone County is able to not raise its rate, and Kenton County's proposed rate is a 4% increase. Judge Pendery stated that Campbell County is using 4% also. He went on to say that each

homeowner in Campbell County on average pays less in property taxes than they do in Boone and Kenton. Edward Schreiber, an accountant, stated that he was looking at the State's calculations for the compensating rate, and said that there must be a mistake in the watercraft assessment because it has dropped 90% from last year. Mr. Seibert stated that he will check into the watercraft assessment, however it won't affect the property tax rate as it probably wasn't used in the calculation.

Judge Pendery offered that the State mandated a property tax decrease last year which is almost the same amount that the County is taking this year, and the County will never recoup that revenue even by taking the 4% increase this year. Campbell County was the only county in the State affected by that mandate. Eric Stein, a fairly new resident of Campbell County, stated that one of the reasons he moved his residence and business to Campbell County was due to the lower taxes. He stated that this is an advantage that Campbell County has over other counties, and hopes that they take that into consideration when they raise property taxes. An increase in taxes looks bad when everybody else is taking a cut. Judge Pendery stated that Campbell County collects less money in property taxes per resident than the other counties do and property taxes are the only way to make an adjustment for inflation. Judge Pendery explained that there had been a tax in place in Campbell County since the 1800's to support the operation of a courthouse in Newport. Everybody north of Murnan Road paid this tax to the Courthouse Commission. In an attempt to eliminate the Courthouse Commission, the tax was eliminated and the Fiscal Court was then held responsible for housing the County Clerk, Sheriff and PVA offices which were previously the responsibility of the Courthouse Commission. Judge Pendery stated that the Courthouse Commission was to pay the Fiscal Court for assuming responsibility of these offices, but now the Commission has no source of revenue. This meant an additional cost to the Fiscal Court of \$400,000 and they tried to recover the money through a tax increase, which would have been less money than was paid to the Courthouse Commission, however some people circulated a petition for a recall because the tax rate was more than 4%. It was too late to get the issue on the ballot in 2008, and if it was approved in 2010 the Fiscal Court would have to refund amounts paid, so the Fiscal Court decided not to increase the tax last year. There were no further comments and Mr. Seibert closed the public hearing at 5:33 p.m.

In attendance at the regular meeting were:

COUNTY JUDGE/EXECUTIVE:
STEVE PENDERY

COUNTY COMMISSIONERS:
DAVID OTTO
KENNETH RECHTIN
MARK HAYDEN

Robert Horine
Melissa Williams
Jim Seibert
Laurie Dowell
Colonel Keith Hill

County Administrator
Director of Administration
Director of Fiscal Affairs
County Attorney
Chief, Campbell County Police Department

Paula Spicer
Sarah Collins
Naguanda Deaton
Greg Buckler

Fiscal Court Clerk
Director of Housing
Director of Human Resources
Jailer

The meeting was called to order at 5:30 p.m. by Judge Pendery.

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

Minutes from the Fiscal Court meeting held on August 5, were presented by Judge Pendery. Motion was made by Commissioner Otto, seconded by Commissioner Rehtin to approve the minutes. All voted "AYE" and the motion passed.

Judge Pendery asked if there were any guests that would like to speak. No one wished to speak, so Judge Pendery proceeded to new business as there was no old business to attend to.

Melissa Williams presented new business with Resolution R-103-09 which was read by title and summary given. R-103-09 authorizes the execution of an agreement with Spyglass Group, Inc. to provide an audit of telecommunications spending. This resolution was tabled at the August 5, 2009 meeting until additional information was obtained. Robert Horine explained that a deadline has been added to the agreement allowing Spyglass 8 weeks after receipt of the records to complete the audit. Staff contacted two organizations who have recently completed an audit by Spyglass and found that they were pleased with the services and the terms of their contracts were the same as those proposed to Campbell County. Commissioner Rehtin asked if the two organizations contacted realized any savings, and asked why the County did not solicit bids for this service. Mr. Horine stated that the two organizations did realize a savings as a result of the audit. He stated that staff was not aware of any other company that provides this type of service. Spyglass called the County offering this service and they only get paid if they find any overpayments or unnecessary services. Commissioner Otto made a motion to adopt R-103-09, seconded by Commissioner Hayden. All voted "AYE" and the motion passed.

Resolution R-109-09 was read by title and summary given. R-109-09 adopts amended utility allowances for the Department of Housing. The changes were recommended by Sarah Collins, Housing Department Director. Commissioner Rehtin made motion to adopt R-109-09, seconded by Commissioner Otto. All voted "AYE" and the motion passed.

Resolution R-110-09 was read by title and summary given. R-110-09 authorizes the Judge Executive to execute a joint advisory team Memorandum of Agreement with the Campbell County Conservation District and the Campbell Conservancy regarding management of the Hawthorne Crossing Conservation District. Melissa Williams explained that the advisory board is made up of members of the Fiscal Court, Conservation District and Campbell Conservancy to discuss management of the Hawthorne Crossing area; she has been attending the meetings. The function of the board is strictly advisory and any request for action will be brought to the Fiscal Court. Commissioner Rehtin made a motion to adopt R-110-09, seconded by Commissioner Otto. All voted "AYE" and the motion passed.

Resolution R-111-09 was read by title and summary given. R-111-09 authorizes the expenditure of \$15,000 from Court Fee Revenues to fund a portion of a position in the Commonwealth Attorney's office. Commissioner Rehtin made a motion to adopt R-111-09, seconded by Commissioner Hayden. Robert Horine explained that this action is being taken at the request of Michelle Snodgrass, Commonwealth Attorney, to create a "rocket docket". There are certain cases at the District Court level that the parties involved know how they will be adjudicated. Currently if a case proceeds to the Circuit Court level there is a 25-40 day delay from the time the case is presented until it is ruled on. During that time the defendant is incarcerated at the County's expense. He stated that if certain cases can be expedited this 25-40 day period can be eliminated, and the defendant becomes the State's responsibility immediately upon being found guilty. Mr. Horine stated that by helping to fund a position that will concentrate on cases that can be expedited, the County will recover well over \$15,000 in savings over the course of the year. The Commonwealth Attorney will provide reports to the Fiscal Court on the success of the program. Laurie Dowell stated that these funds will enable a part-time prosecutor to become full-time in order to focus on speeding up the indictment and arraignment processes. All voted "AYE" and the motion passed.

Robert Horine presented Resolution R-112-09 which was read by title and summary given. R-112-09 authorizes the County Judge/Executive to execute Change Order Number 12-2 to the Contract with Comtek Interiors, Inc. for construction of the Campbell County Administration Building and Health Clinic. Mr. Horine explained that this Change Order is in the amount of \$15,100 and the bulk of it is to provide carpeting pursuant to the final finish schedule for the project. Staff was advised by the architect and construction manager that the final carpeting layout requires an additional 269 square yards of carpet over the amount contained in the original bid. Since this Change Order is over 5% of the original contract price, it requires Fiscal Court action. Commissioner Hayden asked if there was a mistake in the original bid documents, and if this carpet will be replacing other more expensive flooring. Mr. Horine explained that as the project nears completion, the type of flooring was changed in different areas, and it was discovered that more carpet was needed. He stated that the carpet is more expensive than other flooring, however they may get a credit for some tile or rolled flooring that is not needed in the project. It is critical that they take action on this issue because the carpeting needs to be manufactured and delivered for installation. Commissioner Otto pointed out that the architect ordered cabinets that were made wrong, and he is absorbing the cost of replacing the defective cabinets. Mr. Horine stated that as construction reaches the finishing stages, they are discovering some things that need to be changed, for instance hardware for the exit door for the Health Department. He stated that the vendor requested a Change Order before he orders the carpet, and the carpet needs to be installed before furniture is delivered. Commissioner Rehtin made a motion to adopt R-112-09, seconded by Commissioner Otto. Commissioner Rehtin requested a total update on the project including all change orders. Commissioners Otto and Rehtin and Judge Pendery voted "AYE", Commissioner Hayden voted "NAY" and the motion passed.

Commissioner Otto stated that Otter Creek, a privately-owned jail in Kentucky, has been having quite a few problems. He read that the State of Hawaii houses women inmates in several different states including at Otter Creek. The State of Hawaii is paying \$58 per day to house inmates. He suggested that if inmates have to be moved from Otter Creek, instead of sending

them back to Hawaii, they could be housed at the Campbell County Jail as the rate paid by Hawaii is more than that paid by Kentucky.

Ken Rechtin stated that there has been a lot of press lately about problems at KACo and KLC, and he wondered if the Fiscal Court should make a statement on this issue, and encourage other counties to do the same. He placed a phone call to Judge Bertram who is on the board, to express his concerns about how these agencies have been operated. He does not know the names of the other board members. Commissioner Otto was surprised to read that one of the board members was unaware that over \$2 million had been paid out to settle claims by former employees. Commissioner Rechtin suggested getting the names of all board members and then see what action, if any, other counties are considering.

Judge Pendery announced that the Alexandria Fair will take place from Wednesday, September 2 through Monday, September 7. He advised that the Fiscal Court meeting on September 2, 2009 has been moved up to 4:00 p.m. due to a conflict with the fair parade.

Judge Pendery also announced that the Campbell County Senior Picnic will take place on Wednesday, September 16. Tickets this year are \$8 presale and are available at the Senior Center and the Fiscal Court offices in Newport.

Jim Seibert requested a motion to authorize staff to solicit proposals for printing services for items such as stationary, envelopes, etc. needed in connection with the move to the new administration building. Motion was made by Commissioner Rechtin, seconded by Judge Pendery. Commissioner Hayden asked if there was a limit on the amount of stationary that staff was going to request. Commissioner Otto offered to work with Mr. Seibert on the request for proposals as the prices vary depending on the quantity ordered. All voted "AYE" and the motion passed.

Resolution R-108-09 was read by title and summary given. R-108-09 authorizes the Campbell County Judge/Executive to execute a Contract with the Campbell County Board of Education for Fiscal Year 2010 for the provision of bus transportation of parochial school students. Mr. Seibert stated that the amount of the contract has decreased substantially from last year due to the fact that the number of parochial students transported has dropped and the cost of fuel has dropped. He stated that he will bring a proposal for St. Peter and Paul School to the Fiscal Court at a later meeting. Commissioner Rechtin made a motion to adopt R-108-09, seconded by Commissioner Otto. Commissioner Hayden suggested that the language in paragraph two of the contract be amended to provide that the Fiscal Court be copied on complaints received by the Board of Education. He has heard from parents who have made complaints about bus routes that he was not aware of. All voted "AYE" and the motion passed.

Ordinance O-08-09 was presented for first reading by title and summary given. O-08-09 relates to the annual budget and tax rates. Mr. Seibert read all of the proposed rates. No vote was taken at this meeting. Commissioner Hayden asked Mr. Seibert to get contact information from Mr. Schreiber so that he can respond to his question about the watercraft assessment.

Mr. Seibert then requested a motion to approve the claims and supplemental claim as presented for August 19, 2009. County Attorney Laurie Dowell stated that she has reviewed the claims and all appear appropriate. Motion was made by Commissioner Otto, seconded by Commissioner Rechlin. All voted "AYE" and the motion passed.

There being no further business to come before the Fiscal Court, Commissioner Rechlin made a motion to adjourn, seconded by Judge Pendery. All voted "AYE" and the meeting adjourned at 6:05 p.m.

Attachments:

Resolution R-103-09 Agreement with Spyglass Group, Inc.
Resolution R-109-09 Adopt amended utility allowances for Department of Housing
Resolution R-110-09 Agreement regarding Hawthorne Crossing Conservation Area
Resolution R-111-09 Authorize expenditure of Court Fee Revenues
Resolution R-112-09 Change Order to contract with Comtek Interiors, Inc.
Resolution R-108-09 Contract with Campbell County Board of Education
Ordinance O-08-09 Annual Budget and Tax Rates

Claims and Supplemental Claim of August 19, 2009

Approved:

STEVE PENDERY
Campbell County Judge/Executive

Attest:

Paula K. Spicer
Fiscal Court Clerk