

**CAMPBELL COUNTY FISCAL COURT
MINUTES**

May 31, 2006

A special (change of date) meeting of the Campbell County Fiscal Court was held on Wednesday, May 31st, 2006, 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 at 6:45 p.m. for the purpose of obtaining public comments regarding the possible uses of the County Road Aid (CRA) and Local Government Economic Assistance (LGEA) Funds. Present at the hearing were:

Jim Seibert, Director of Fiscal Affairs (Hearing Officer)
Melissa Williams, Administration Director
Keith Hill, Campbell County Police Chief
Tasha Wilder, Meeting Recorder

Jim Seibert, Director of Fiscal Affairs, opened the public hearing and stated that public comments would be taken regarding CRA and LGEA funds. Mr. Seibert asked if there were any questions or comments from the public. There being none, Mr. Seibert then closed the public hearing at 6:47 p.m.

In attendance at the Fiscal Court meeting were:

COUNTY JUDGE/EXECUTIVE:
STEVE PENDERY

COUNTY COMMISSIONERS:
DAVID OTTO
KENNETH RECHTIN
MARK HAYDEN

Laurie Dowell
Peter Klear
Robert Horine
Jim Seibert
Bill Hofstetter
Keith Hill
Ken Knipper
Melissa Williams
Tasha Wilder

Assistant County Attorney
Planning & Zoning Director
County Administrator
Fiscal Affairs Director
Secretary, Police Department Merit Board
Chief, Campbell County Police Department
Office of Emergency Management Director
Director of Administration
Meeting Recorder

Judge Pendery called the meeting to order. 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*.

Judge Pendery presented the minutes from the Fiscal Court meeting of May 17th, 2006 for approval. Commissioner Rechlin made a motion and Commissioner Hayden seconded to approve the minutes of May 17th, 2006. All voted “AYE” and the motion passed unanimously.

Judge Pendery then asked if there were any citizen or public official present that would like to address the Fiscal Court on any subject. Seeing no hands, Judge Pendery moved to acknowledge guests.

Judge Pendery introduced guests, Barbara Schempf, Government Affairs/Noise Abatement, Manager for the Northern Kentucky/Greater Cincinnati International Airport and Ted Bushelman, Senior Director of Communications. Ms. Schempf presented the program, “What’s Happening at CVG?” while Mr. Bushelman followed up with a question and answer session.

Ms. Schempf began the presentation by stating that she would cover the topics of, “What is happening at CVG today, in the flying industry, and in the future?” She stated the biggest change recently at the airport was the addition in December 2005 of the new airfield. Since this addition, our airport has been reporting record “on time” performances. There are also new flight schedules. The airlines have compressed flight banks so more flights are leaving between 7 a.m. and 10 p.m. There has also been a reduction in overall flights. This reduction correlates with Delta’s Right-sizing Plan to reduce superfluous flights and make more profit. Ms. Schempf then discussed community benefits of the airport. There are approximately 15, 000 employees at the airport, and 47, 000 jobs supported in this region because of the airport hub operation. The airport brings in approximately \$4.5 billion into the Tri-State economic community, although this number has been cut by 10% due to the Delta cutbacks. New passenger conveniences are a priority at the airport. The registered traveler program will start this summer and persons, for a fee, can by pass long lines while still going through the same security measures. There are new parking options with a new cell phone lot where people picking up passengers can wait near the terminal for their party to arrive and call them to pick them up. The economy parking lot will be offering a door-to-door service where a shuttle will follow you to your car, assist with your luggage, and then take you to your terminal. There has also been a great improvement with the CVG website. There is now a “Fly from CVG for less” icon where you can compare the flight prices for many weekend destinations at discount prices.

Ms. Schempf then presented information on what is happening in the aviation industry today. She discussed Delta’s Right-sizing Plan aimed to balance the airport’s local passengers and connecting passengers. Ms. Schempf believes that recent changes in the aviation industry will challenge airports nationwide to change business models.

Ms. Schempf next presented information from CVG’s future “2025 Master Plan”. The airport will focus on parking changes and roadway system improvements. They plan to build a consolidated rental car facility. The airport has land purchased and blocked off for future business and industry needs. New runways are beyond the 20 year plan, but they have areas of

interest for new runways as place markers for future study. The airport will continue marketing for new services such as low cost airlines.

Ms. Schempf then introduced Mr. Ted Bushelman to facilitate a question and answer session. Commissioner Otto asked for clarification if the website for checking low fares was www.cvgairport.com. Mr. Bushelman stated he was correct and added that you click on the icon with the folded dollar bill.

Commissioner Rehtin then asked if the airport would have built the North-South runway if they had known the Delta cutbacks would be coming. Mr. Bushelman answered yes because to bring in a low cost airline you must be able to get aircraft in and out of the airport efficiently. He added last month CVG was the most “on time” airport in the country. CVG is ready for new business and the marketing department is out selling.

Concerning the airport cutbacks, Mr. Bushelman added that today Delta’s pilots agreed to a cut in their contracts and the bankruptcy judge approved it. This was one of the biggest obstacles in the negotiations. He added that Delta cutting flights was a smart move because now they are filling up their flights. After the flight reduction, service was lost to only four cities. Judge Pendery added that even after the cutbacks, CVG has more direct flights and more cities to choose from than other regional airports. He added that the airport is a big reason we enjoy such a high quality of life in Northern Kentucky.

Commissioner Rehtin asked if in the future planning, any mass transit system for taking airport customers to downtown Cincinnati is being considered. Mr. Bushelman stated yes, it is a part of their master planning, but it is limited by federal funds.

Judge Pendery then asked if there were any more questions. Being none, he then asked Robert Cooper, Senior Principle with Seasongood & Mayer, to address the Court about our recent bond sale for general obligation bonds.

Robert Cooper stated that on May 23rd, Campbell County went to competitive market to bid out \$13,135,000 worth of bonds for purposes of the renovation and 256 bed addition to the jail, land acquisition, and building the Restrictive Custody Center. This was a 90 day process with much work done by County Administrator, Robert Horine, and Fiscal Director, Jim Seibert, to prepare a statement to be used as marketing material to sell these bonds to potential bidders. Moody’s Investment Service from New York visited and rated Campbell County as an A1 rating. In their opinion, “the county’s growing tax base, sound financial management, and low debt burden have been well recognized in acquisition of the A1 rating”. As for the results of the sale itself, there were seven bidders, and the bids ranged from 4.31% to 4.51%. Analysis was made comparing these rates to similar issues in the country and the state of Kentucky. We were overall better because there are not many general obligation bonds issued to counties in Kentucky. The bond sale was successful and for a long term rate, 4.31% over 20 years is very favorable.

Commissioner Hayden asked for clarification what factors, like tax base and debt burden, Moody’s included into their assessment. Mr. Cooper stated financials, such as audits and past audits, are the most important factor examined. Additionally, past analyses of the County

completed by Moody's are examined; we were once an A2 rating and have been upgraded to an A1. Moody's then does a comparative analysis to other counties and that is where factors like quality of life, strong support of region, the Northern Kentucky/Greater Cincinnati International Airport, are helpful to set us apart.

Commissioner Hayden then asked how a favorable bond rating helps the citizens of Campbell County. Robert Cooper stated the benefit for the county is lower interest rates. Commissioner Hayden added that since we were restructuring existing debt and building a new jail, it was important for the county to get a low interest rate for the tax payers of Campbell County. Commissioner Hayden added thanks to the staff that assisted with gaining the A1 rating because even a small difference in the amount of that interest rate over a number of years would be a significant amount of money when you are looking at restructuring this kind of debt. Judge Pendery thanked Robert Cooper for his involvement in showing the people from Moody's the Northern Kentucky area because that factors into the assessment.

Judge Pendery then requested items of Old Business. Melissa Williams, Director of Administration, stated there was no Old Business to be presented.

Judge Pendery next requested items of New Business. Ms. Williams presented Resolution R-87-06, which she read by title and provided a summary to the Court for its consideration. She stated this Resolution authorizes the Judge/Executive to execute a contract with the Campbell County Water Rescue Unit (CCWR) for FY07 funding. The funds requested were for the same amount as last year. She noted Robert Horine, County Administrator, was present to answer any questions. Commissioner Otto made a motion and Commissioner Rehtin seconded to approve R-87-06. Commissioner Hayden asked what percentage of the organization's income came from the Court versus how much was raised privately. Robert Horine commented that he was not sure what the percentage is and asked Ken Knipper, Director of Emergency Management, if he was aware of the figure. Mr. Knipper commented that the exact figure is on record, but he believes that a figure of 25-30%. Mr. Horine told Commissioner Hayden that they would supply him with the exact number. Mr. Horine then added that all the members of the Campbell County Water Rescue Unit are all volunteers and they have no paid staff. The volunteers are not just from Campbell County, but come from all of Northern Kentucky. We are very fortunate to have a group of people so dedicated considering the fact that we have over 50 miles of river coverage in Campbell County. Commissioner Hayden added that he asked the question to highlight how much private money they raise. He stated they are very aggressive and successful. Judge Pendery asked if there were any other questions. There being none, all voted "AYE", and the motion was unanimously approved.

Ms. Williams next presented Resolution R-88-06, which she read by title and provided a summary to the Court for its consideration. She stated this Resolution authorizes the County Judge/Executive to execute two-year renewal agreements with towing and recovery operators for Campbell County Police Department. She noted Chief Keith Hill was present to address any questions. Commissioner Otto made a motion and Commissioner Rehtin seconded to approve R-88-06. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Ms. Williams next presented Resolution R-92-06, which she read by title and provided a summary to the Court for its consideration. She stated this Resolution authorizes the County Judge/Executive to enter into an agreement with the City of Dayton for temporary pavement repairs on Dayton Pike. The City of Dayton will provide the fuel and pay for materials, while the county road department will provide labor and equipment to do a temporary paving job. Commissioner Otto made a motion and Commissioner Rechtin seconded to approve R-92-06. Judge Pendery noted that while the County cannot always do everything that people might like to help constituent cities, when we can and in emergencies, we stand ready to help and this is one of the cases where the services we have to offer will be very much appreciated. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Ms. Williams next presented Resolution R-86-06, which she read by title and provided a summary to the Court for its consideration. She stated this resolution establishes the matching contribution of the county for Health Savings Accounts (HSA) of all eligible Fiscal Court employees. There are three available health plans and this match would only apply to the HSA. Commissioner Rechtin made a motion and Commissioner Hayden seconded to approve R-86-06. Commissioner Rechtin commented HSA are a fiscally responsibly way to handle health insurance and he appreciates the way employees were briefed about this new program. Judge Pendery added there are traditional health plans still available to employees for those who do not wish to use the HSA. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Ms. Williams then requested that the next two items on the Agenda, an appointment to the Campbell County Municipal Planning and Zoning Commission and an appointment to the Central Campbell County Fire District Board, be tabled due to staff being unable to finalize those recommendations.

Ms. Williams then requested a motion to reappoint David Rust to the Central Campbell County Fire District Board, for a three year term effective July 1, 2006 through June 30, 2009. Judge Pendery made a motion and Commissioner Rechtin seconded to approve Rust's reappointment. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Ms. Williams then requested a motion to reappoint Michael Cooney to the Alexandria Fire District Board, for a three year term effective July 1, 2006 through June 30, 2009. Judge Pendery made a motion and Commissioner Otto seconded to approve Cooney's reappointment. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Ms. Williams then requested a motion to reappoint Gary McCormick to the Fire District One Board, for a three year term effective July 1, 2006 through June 30, 2009. Judge Pendery made a motion and Commissioner Rechtin seconded to approve McCormick's reappointment. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Ms. Williams then requested a motion to reappoint Timothy Brannock for a two year term effective July 1, 2006 through June 30, 2008. Judge Pendery made a motion and Commissioner Otto seconded to approve Brannock's reappointment. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Ms. Williams then requested a motion to approve Pendleton County Water District's request to increase compensation for Board Members who meet education requirements by \$100 a month. The members do meet the education requirement and the board does have the funds in their budget. Judge Pendery made a motion, and Commissioner Hayden seconded, to approve the increase. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Judge Pendery next requested reports from the staff. County Administrator, Robert Horine, presented two Resolutions for change orders for the jail construction projects for consideration. The first is Resolution R-91-06, which he read by title and provided a summary to the Court for its consideration. He stated this Resolution authorizes the Judge/Executive to issue change orders to contracts for construction to the Campbell County Detention Center. The change orders will extend the completion date to account for unforeseen conditions like, unknown utilities. The renovation deadline will be extended 30 days, making the final completion date September 21st, 2006 and the addition portion of project extended 18 working days, making the final completion May 23rd, 2007. The final completion date of entire project in May 23rd, 2007, and there is no additional costs for these changes. Commissioner Rechtin made a motion, and Commissioner Otto seconded, to approve the change orders. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Mr. Horine then presented Resolution R-93-06, which he read by title and provided a summary to the Court for its consideration. He stated this Resolution authorizes the County Judge/Executive to issue change orders for purchasing and installing duct detectors and smoke detectors for the Campbell County Detention Center renovation project. Commissioner Otto made a motion, and Commissioner Rechtin seconded, to approve the change orders. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Mr. Horine further commented that the construction project has progressed to a stage where we are not anticipating any more delays.

Mr. Horine then requested a motion to enter into Executive Session, after staff reports are given, per KRS 61.810(1)(b) to discuss the acquisition of property by the County. Commissioner Rechtin made a motion, and Commissioner Otto seconded, to enter into Executive Session. Commissioner Rechtin then asked if any action would be taken tonight. Judge Pendery replied no. All voted "AYE" and the motion passed unanimously.

Judge Pendery then asked for a report from the County Attorney's office. Laurie Dowell, Assistant County Attorney, stated the County Attorney's office had no report.

Judge Pendery then asked the County Commissioners for their report. Commissioner Otto requested thank you letters be sent to the cities and entities that hosted parades for Memorial Day. There was nothing else to report.

Judge Pendery then reported that the next meeting of the Campbell County Criminal Justice Advisory Commission is Tues, June 27th at Noon at the Newport Peace Bell conference room.

Judge Pendery then asked for the Fiscal Director's Reports. Jim Seibert, Director of Fiscal Affairs, stated the first item of business is the bids opening for road commodities that the Road Department uses through the year. Originally hot mix bituminous concrete (black top) was included in the bidding, but due to discrepancies in the bids, it would be in our best interest to re-bid for this commodity. The Road Department Director, Ken Schultz has recommended we accept salt bids from Morton Salt Company, culvert pipe from Reis Concrete, oil/tar from Marathon Petroleum Company, and stone from Hilltop Stone. He added these were the low bidders. The prices are comparable to last year with the biggest difference being the black top because of oil prices being higher. Salt was only up 2% because we had a good winter and our supplies are up. A motion to re-bid the black top and accept the other commodities bid is sought. Commissioner Rechtin made a motion and Judge Pendery seconded to approve the increase. Commissioner Hayden asked if discretion was exercised in accepting the lowest bid in a closed bid arena. Mr. Seibert stated that distance is considered in the bidding so the county does not have to accrue a large transportation expense, but we usually accept the low bidder. Commissioner Otto then asked how much salt was left after the mild winter. Mr. Seibert stated he believes half of last year's allotment is still left, but he is not sure of the exact amount. Mr. Horine also noted last year was the first winter the additional storage space was in operation. Commissioner Hayden commented it may be a good idea for Ken Schultz to come in a report to the Fiscal Court. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Mr. Seibert next requested a motion to solicit bids for leasing golf carts at A.J. Jolly Golf Course because this is a very competitive market right now. We usually wait until the spring to bid this, but it would be in our best interest to do this now. Commissioner Otto made a motion, and Commissioner Rechtin seconded, to go to bidding for golf cart leases. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Mr. Seibert next requested we table the next agenda item, Ordinance O-04-06, for second reading and passage consideration because it was not published in the newspaper as required.

Mr. Seibert next presented Resolution R-90-06, which he read by title and provided a summary to the Court for its consideration. He stated this Resolution authorizes the County Judge/Executive to pre-approve bond issuance expenses, jail construction and land acquisition expenses. The overall program was approved prior to this, but this gives specific approval. Commissioner Rechtin made a motion, and Judge Pendery seconded, to approve R-90-06. Commissioner Rechtin asked if the county had yet received the proceeds from the bond issues. Mr. Seibert replied June 2nd is when the bond proceeds will be coming in. Jim Seibert stated the county has discussed with the financial advisor as to how much money we could put into long term investment, however, right now our better option is to stay with the money market rates. Commissioner Rechtin then asked if we will spend down the \$13 million in the next nine months. Mr. Seibert stated yes and that some of the money is going back into the reserve fund for previously completed projects and that money is what we will be able to invest for a longer term. The money market rates are 5.25% and we are doing better with a short term rate. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Mr. Seibert next asked for a motion to approve transfers. He stated this is the time of year the county adjusts department accounts due to unexpected expenses. Commissioner Rechtin made a motion, and Commissioner Otto seconded, to approve the transfers. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Mr. Seibert next asked for approval of the regular bi-weekly claims and the election claims. Laurie Dowell stated the County Attorney's office had reviewed the claims and they appeared in order. Commissioner Otto made a motion, and Judge Pendery seconded, to approve the claims. There being no further discussion, all voted "AYE", and the motion was unanimously approved.

Members of the Fiscal Court then went into Executive Session.

At the conclusion of the Executive Session, Commissioner Otto made a motion, seconded by Commissioner Rechtin, to exit the session. All voted "AYE" and the motion passed unanimously.

There being no further business to come before the meeting, it was moved by Commissioner Otto, seconded by Judge Pendery, that the meeting be adjourned. All voted "AYE" and the meeting adjourned at 8:23 p.m.

Attachments:

Resolution R-86-06: Health Savings Accounts for Employees
Resolution R-87-06: CCWR FY 07 Contract
Resolution R-88-06: Wrecker, Towing, and Recovery Agreement
Resolution R-90-06: Pre-approval to Pay Bond Insurance Expenses, Jail Construction and Land Acquisition Expenses
Resolution R-91-06: Change Order for Jail Construction
Resolution R-92-06: Agreement for Repairs on Dayton Pike
Resolution R-93-06: Change Order for Jail Construction

Transfers: May 31, 2006
Claims: May 31, 2006
Election Claims: May 31, 2006

Approved:

STEVE PENDERY
Campbell County Judge/Executive

Attest:

Melissa Williams
Acting Fiscal Court Clerk

Tasha Wilder
Meeting Recorder