

CAMPBELL COUNTY FISCAL COURT MINUTES

August 19, 2015

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, August 19, 2015, 5:30 p.m. at the Campbell County Administration Building, Fiscal Court Chambers, 1098 Monmouth Street, Newport, Kentucky.

Cable Access was present to film the public hearing and meeting.

Preceding the opening of the Fiscal Court meeting, a public hearing was held at 5:00 p.m. to receive public comment on the proposed 2015 Ad Valorem tax rate. Present at the hearing were:

Steve Pendery, Judge Executive
Charlie Coleman, County Commissioner
Tom Lampe, County Commissioner
Brian Painter, County Commissioner
Steve Franzen, County Attorney
Matt Elberfeld, County Administrator
Paula Spicer, Fiscal Court Clerk
Kim Serra, Assistant County Administrator
Marie Schenkel, Finance Director
Seth Cutter, Economic Development Officer
Colonel Craig Sorrell, Police Chief

Judge Pendery opened the public hearing. He advised that about 20% of the Fiscal Court's budget comes from property taxes. Last year's rate was 15.4 cents per \$100 valuation. The State uses information about the assessed valuation of the County and to produce a compensating rate which is the rate that produces the same amount of revenue as the tax rate produced in the prior year. By law, cities and counties can set a tax rate that yields 4% more revenue than the compensating rate; anything over that 4% is subject to recall by petition. The compensating rate provided by the State this year is 15.8 cents meaning about a \$5 increase over last year for the average homeowner in Campbell County. The Fiscal Court proposes 16.2 cents per \$100 valuation – which means about another \$5. Judge Pendery invited comments from the public. Bill Woody, Kevin Gordon, Troy Sheldon, Eric Hermes, Joe Powers and Lloyd Rogers addressed the Fiscal Court. Judge Pendery referred to a chart showing how the Fiscal Court's budget rates among other Northern Kentucky cities and counties. He then referred to a pie chart showing all of the jurisdictions that receive part of the revenue collected on the county tax bill. The Fiscal Court actually gets about 13% of the total amount collected. There being no further comments, the public hearing was closed at 5:47 p.m.

In attendance at the regular meeting were:

COUNTY JUDGE/EXECUTIVE
STEVE PENDERY
COUNTY COMMISSIONERS
CHARLIE COLEMAN
TOM LAMPE
BRIAN PAINTER

Matt Elberfeld	County Administrator
Steve Franzen	County Attorney
Kim Serra	Assistant County Administrator
Paula Spicer	Fiscal Court Clerk
Marie Schenkel	Finance Director
Seth Cutter	Economic Development Officer
Colonel Craig Sorrell	Police Chief

The regular meeting was called to order at 5:55 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. Judge Pendery noted that all members of the Fiscal Court were present for the public hearing held at 5:00p.m.

Minutes from the Fiscal Court regular meeting of August 5, 2015 were presented. Motion was made by Commissioner Painter, seconded by Commissioner Lampe to approve the minutes. All voted "AYE" and the motion passed.

Judge Pendery invited comments from the public. There being none, he proceeded with the agenda.

Judge Pendery called on Lynn Saddler, MD, MPH and George Moore of the Northern Kentucky District Board of Health to present the recommended 2016 tax rate of the Campbell County Local Board of Health. Dr. Saddler stated that as a Special Purpose Governmental Entity (SPGE) the Campbell County Local Health Taxing District is required to present its tax rate at a Fiscal Court meeting. She explained the creation of the public health taxing district and the local board of health. The taxing district provides support for public health activities occurring in Campbell County as part of the District Health Department. The revenues are used to maintain the County Health Center, pay for administrative activities, and to provide an allocation to the District Health Department for its various programs. Dr. Saddler stated that the tax rate approved by the SPGE is 2.2 cents per \$100 of assessed valuation; this is the same rate as last year. The annual amount estimated to be generated by this tax is \$1,404,933. From this rate, 1.9 cents per \$100 assessed valuation (\$1,213,352) will be allocated to the Northern Kentucky Independent District Health Department. The FY2015 annual budget for the District Health Department is \$15.8 million. Dr. Saddler answered questions from the Fiscal Court and the public.

There being no old business, Paula Spicer presented new business with a first reading of Ordinance O-08-15 by title and summary. O-08-15 authorizes the issuance of General Obligation Bonds, Series 2015 in an aggregate principal amount not to exceed \$5,500,000; approving the form of bonds; authorizing designated officers to execute and deliver the bonds; providing for the payment and security of the bonds; creating a bond payment fund; maintaining the heretofore established sinking fund; authorizing acceptance of the bid of the bond purchaser for the purchase of the bonds; and repealing inconsistent ordinances. Joe Lakofka, Vice-President of Ross, Sinclair and Associates LLC, financial advisor, explained the factors that are considered when determining the County's bond rating. Last year the County's bond rating was confirmed at AA2 which is very good. He talked about how the amount of reserve funds affect the bond rating. Generally a lower rating means a higher interest rate on the bonds.

Resolution R-107-15 was read by title and summary given. R-107-15 approves the Campbell County Health Department tax rate for the fiscal year of 2016 for the Campbell County Public Health Taxing District. The Directors of the Campbell County Board of Health approved and recommend the rate of 2.2 cents per \$100 of assessed value of all real property, the rate of 2.2 cents per \$100 of assessed value of all personal property, and the rate of 2.2 cents per \$100 of assessed value of all motor vehicles. Judge Pendery made a motion to adopt R-107-15, seconded by Commissioner Lampe. All voted "AYE" and the motion passed.

Resolution R-108-15 was read by title and summary given. R-108-15 authorizes the Judge/Executive to execute a lease agreement with the Kentucky Administrative Office of the Courts for lease of office space at 8330 West Main Street, Alexandria, Kentucky. The Driver's License office is located in this space. The lease term is August 1, 2015 through June 30, 2016, in consideration of an annual rental payment of \$3,885.50. Commissioner Lampe made a motion to adopt R-108-15, seconded by Commissioner Coleman. All voted "AYE" and the motion passed.

Resolution R-109-15 was read by title and summary given. R-109-15 authorizes the Fiscal Court to accept ownership of Cryer Road, the Bridge and associated right-of-way and further accepts same for maintenance. The Kentucky Transportation Cabinet has recently completed construction of the Cryer Road Bridge over Twelve Mile Creek and a portion of Cryer Road. It now wishes to transfer ownership and maintenance responsibility for it to the Fiscal Court. Commissioner Coleman made a motion to adopt R-109-15, seconded by Judge Pendery. All voted "AYE" and the motion passed.

Resolution R-110-15 was read by title and summary given. R-110-15 is a joint resolution of the Campbell County Fiscal Court and the Campbell County Public Parks Corporation to grant a permanent easement to Duke Energy Kentucky, Inc. on property located at 3 Williams Way, Melbourne, Kentucky. The requested easement is located on a portion of Pendery Park which is in the name of the Campbell County Public Parks Corporation. Commissioner Lampe made a motion to adopt R-110-15, seconded by Commissioner Painter. Kim Serra explained the purpose and location of the easement. All voted "AYE" and the motion passed.

Resolution R-112-15 was read by title and summary given. R-112-15 authorizes the Judge/Executive to execute an Interlocal Agreement with the City of Alexandria, Kentucky to

provide HVAC permit review and inspection services for the City of Alexandria. The Campbell County Planning and Zoning, Building Inspection staff has been performing these services for the City of Alexandria and the arrangement needs to be formalized with an Interlocal Agreement. Judge Pendery made a motion to adopt R-112-15, seconded by Commissioner Painter. All voted “AYE” and the motion passed.

A motion was requested to appoint Kirk Hunter to the position of part-time Solid Waste Coordinator effective August 20, 2015 with compensation set at Pay Grade 12, \$18.50 per hour. Motion was made by Judge Pendery, seconded by Commissioner Lampe. All voted “AYE” and the motion passed.

A motion was requested to accept the resignation of Matt Latchaw from the position of part-time IT Technician effective August 28, 2015. Motion was made by Judge Pendery, seconded by Commissioner Lampe. Kim Serra explained that Mr. Latchaw was offered a full time position with better salary and benefits. All voted “AYE” and the motion passed.

A motion was requested to authorize staff to advertise, interview and hire a part-time IT Technician. Motion was made by Judge Pendery, seconded by Commissioner Painter. All voted “AYE” and the motion passed.

A motion was requested to appoint Troy M. Sheldon to the Tri-ED Board of Directors for a three-year term effective August 20, 2015 through August 19, 2018. Motion was made by Judge Pendery, seconded by Commissioner Lampe. All voted “AYE” and the motion passed.

Matt Elberfeld presented Resolution R-111-15 by title and summary given. R-111-15 authorizes the Judge/Executive to execute an agreement with the Nonferrous Metals Group of the David J. Joseph Company for issuance of the Campbell County Jobs Development Program. Mr. Elberfeld explained that the Nonferrous Metals Group of the David J. Joseph Company applied for the Jobs Development Program in anticipation of its relocation from Cincinnati to Newport. The move will bring approximately 38 jobs with an average salary of \$88,000 and total annual payroll of \$3.3 million to Newport. The Metals Group is a brokerage division of the company. Mr. Elberfeld thanked Seth Cutter for finding office space for the Group after its first choice fell through. The company is in the process of finalizing a lease. The Jobs Development Program offers a 40% rate reduction on employee withholding fees for up to ten years provided certain criteria are met. Judge Pendery made a motion to adopt R-111-15, seconded by Commissioner Coleman. All voted “AYE” and the motion passed.

Commissioner Coleman stated that the Fiscal Court needs to remain vigilant on efforts to keep Chase Law School located in Campbell County.

Commissioner Painter stated that he and Mr. Hermes had a talk about property taxes and appraisals in the County. He read the total appraised value of property in Campbell County for the years 2008 through 2015. The valuations have remained pretty stagnant since 2008. There has not been much commercial building in the County. Campbell County has become very good at regionalism – traveling outside of the County for work and returning to households within the County. This is evidenced by the fact that the median household income is now a little higher

than Kenton County. The property values are not going up correspondingly and he understands why Mr. Hermes has moved his business to another county. He stated that Seth Cutter is hustling to get businesses to locate in Campbell County. As the County looks to its future it seriously needs to look at the I-71 extension through southern Campbell, Kenton and Boone Counties. Messrs. Henry Fischer and Matt Toebben have a proposal that would save people a lot of time when traveling through the area. The proposed route would create economic development in Clermont County, Ohio and southern Boone, Campbell and Kenton Counties. He stated that it has taken him a while to come around to this type of thinking about this road. There has been some growth in housing in Alexandria but not much commercial growth. He thinks that the I-71 corridor is worth considering, and it would be less expensive than the Brent Spence Bridge expansion. It would take a lot of truck traffic off of the Bridge and would open the southern end of the County for future expansion.

Judge Pendery announced that the 48th Annual Campbell County Senior Citizen Picnic will be held on September 16, 2015 from 11:00am to 4:00pm at Pendery Park. Due to the picnic being on the same day as a regularly scheduled Fiscal Court meeting, the Fiscal Court meeting will be moved to Thursday, September 17, 2015 at 3:30pm at the County Administration building, 1098 Monmouth Street, Newport, Kentucky.

Marie Schenkel presented Resolution R-113-15 by title and summary. R-113-15 establishes the 2015 ad valorem tax rates for Campbell County. The tax rates per \$100 of assessed value are: real property 16.20 cents, tangible personal property 24.30 cents, motor vehicles 13.10 cents, and watercraft 13.10 cents. Judge Pendery made a motion to adopt R-113-15, seconded by Commissioner Painter. Commissioner Coleman agreed with Commissioner Painter that everybody wants property values to go up and wants to attract business opportunities which will bring housing to Campbell County. If the County is going to prosper it needs an east/west route. While campaigning in southern Campbell County, people told him that they'd be in favor of an expressway-type route, not a congested road like Beechmont Avenue in Cincinnati. The eastern bypass is estimated to cost \$1.8 billion while the Brent Spence Bridge project is estimated at \$3.8 billion. Regarding the tax rate, he stated that the County has a history of having a surplus every year and he appreciates that; it will have one again. Commissioner Coleman wants to keep the tax rate the same as it is – the taxpayers deserve a break. House Bill 44 passed in 1979 instituted a cap of 4%. He thinks that the 4% should include the compensating rate, not be in addition to it. Commissioner Painter stated that this is an easy vote for him. The County has 192 miles of paved roads. It tries to resurface them once every 10-12 years, about 13 miles per year. He stated that this year the State legislature let the gas tax go down so low that it resulted in less money in the state road fund. The County will get about \$167,000 less in road aid money this year. The additional property tax rate will replace what the State took out of the road fund. If the County wants to pave the amount of roads that need it, it will have to raise its taxes to compensate for the loss from the State. Commissioner Painter stated that he and Judge Pendery and Senator Wil Schroder lobbied against the State allowing the gas tax to fall so low. Commissioner Lampe stated that it took weeks to arrive at this tax rate. The loss of gas tax and the heroin problems have increased expenses. The Fiscal Court tries to keep the residents in mind, but the County has expenses and needs the revenue to cover it. He stated that it is not prudent to pay operating expenses out of reserve funds. The proposed tax rate is needed. Commissioner Painter stated that even with the tax increase the County may have to reach into

its reserve funds. Judge Pendery stated that further investments are needed due to the heroin problem. The County plans to renovate the jail, it has improved salaries for jail employees, but it has not yet budgeted money for treatment programs. The plan is to allocate resources to evaluate inmates so that they can get help when released. The money for such a program has not yet been budgeted and they do not have a good estimate. However, they do have assistance from the Northern Kentucky Office for Drug Control Policy and are working with the Kenton County Fiscal Court who has hired a Substance Abuse Program coordinator that will help with Campbell County's inmates. He is afraid that we will not have a surplus this year and he is certain that we will spend more money than budgeted on heroin issues. Judge Pendery stated that the County is aggressively trying to get some of the federal funds recently made available and funds from the State. Distribution of these funds is a political process and is not always based on need. Recently funding was made available to community health providers like NorthKey. Taunya Nolan Jack referred to an earlier comment about prisoners paying for their stay in the jail before they are found guilty or innocent. She stated that it costs a lot to try to recoup the money from these people who probably won't pay their bill anyway. In answer to a question, Matt Elberfeld stated that \$4.117 million is budgeted for TANK this year. Judge Pendery reiterated that the State prescribes the formula for calculating taxes and the compensating rate. Commissioners Lampe and Painter and Judge Pendery voted "AYE", Commissioner Coleman voted "NAY" and the motion passed.

A motion was requested to accept the bid of Worldwide Equipment for the purchase of a Kenworth T370 single axle dump truck with alternate Vbox in the amount of \$153,327.00. Worldwide Equipment submitted the lowest bid for this truck. The purchase is included in the Road Department's budget. Upon delivery of the new truck the County will retire two trucks that have been unreliable. Motion was made by Judge Pendery, seconded by Commissioner Coleman. All voted "AYE" and the motion passed.

A motion was requested to accept the bids of Mago Construction Company for resurfacing of Aulick Road in the amount of \$66,680.16 and Demossville Road in the amount of \$59,048.32. Mago was the lowest bid received for both of these projects. Motion was made by Judge Pendery, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

A motion was requested to reject all bids received for resurfacing of Washington Trace Road and to authorize staff to readvertise this project pursuant to prevailing wage laws. The original bids for the project exceeded \$250,000 requiring the use of prevailing wages. Motion was made by Judge Pendery, seconded by Commissioner Coleman. All voted "AYE" and the motion passed.

Ms. Schenkel then requested a motion to approve the claims as presented for August 19, 2015. County Attorney Steve Franzen stated that he has reviewed the claims and determined that they all appear appropriate. Motion was made by Commissioner Coleman, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

There being no further business to come before the Fiscal Court, Commissioner Lampe made a motion to adjourn, seconded by Commissioner Painter. All voted "AYE" and the meeting adjourned at 7:05 p.m.

Attachments:

Ordinance O-08-15 Bond Issue for Detention Center Renovation
Resolution R-107-15 Approve Tax Rate for Campbell County Public Health Taxing District
Resolution R-108-15 Lease with Administrative Office of the Courts
Resolution R-109-15 Accept Ownership and Maintenance of Cryer Road
Resolution R-110-15 Grant of Easement to Duke Energy
Resolution R-112-15 Interlocal Agreement with City of Alexandria
Resolution R-111-15 Agreement Pursuant to Jobs Development Program
Resolution R-113-15 2015 Ad Valorem Tax Rates
Claims August 19, 2015

Approved:

STEVE PENDERY
Judge/Executive

Attest:

Paula K. Spicer, Fiscal Court Clerk