

**CAMPBELL COUNTY FISCAL COURT
MINUTES
October 5, 2005**

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, October 5, 2005, at 7:00 p.m., at the Campbell County Courthouse, 8352 East Main Street, Alexandria, Kentucky.

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*.

In attendance at the meeting were:

COUNTY JUDGE/EXECUTIVE:
STEVE PENDERY

COUNTY COMMISSIONERS:
DAVID OTTO
KENNETH RECHTIN
MARK HAYDEN

Justin Verst	County Attorney
Robert Horine	County Administrator
Jim Seibert	Fiscal Affairs Director
Keith Hill	Chief, Campbell County Police Department
Ken Knipper	Director, Office of Emergency Management
Dan Braun	Property Valuation Administrator
Melissa Williams	Director of Administration
Sandra Mulligan	Fiscal Court Clerk
Josh Wice	Administration Analyst
Lori Goetz	Administration Analyst

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

Judge Pendery then asked if there were any citizens or public officials present who wished to address the Court. Mr. Pat Lucas, a resident of the City of Wilder, addressed the Court regarding the smoking ban issue. Mr. Lucas stated that eventually there will be citizens to come before the Court requesting a smoking ban. The elected officials have a tough job, having been elected to fight to appease the masters of their whims, by always protecting minorities. Section 6 of the Constitution, which the elected officials affirm to uphold and protect, among other things gives the individual citizen the right to assemble peaceably. He understands that to mean that he does not have to assemble with other people, if he doesn't want to. In that case, he thinks we should let the marketplace do its thing. If people do not want to visit an establishment because of certain criteria, they shouldn't visit it. People have the right to go wherever they want to, to eat, drink, or otherwise. Since 9/11 and, actually, in the last 50 years, this country has lost so many of its rights that it really needs to watch itself, because many of the people here or watching on TV have children and grandchildren and should think about what they are going to leave them. When the citizens come before the Court to request the

smoking ban, he would like the Court to consider what he has said. Judge Pendery thanked Mr. Lucas for his comments.

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

Judge Pendery then requested items of Old Business be brought before the Court. Ms. Williams presented for second reading and passage consideration Ordinance O-11-05, which she read by title and provided a summary to the Court. She explained that this Ordinance enacts and adopts Supplement 2005 S-12 to the County Code of Ordinances, codifying Ordinances passed from January 1, 2005 through June 30, 2005. There being no further discussion, Commissioner Rechlin made a motion and Commissioner Hayden seconded, to approve Ordinance O-11-05. All voted "AYE" and the motion passed unanimously.

Judge Pendery then introduced Dale Edmondson, Director of the Campbell County Consolidated Dispatch Center, who was present to provide a report on the Dispatch Center and to update the Fiscal Court on the status of revenue collection from 9-1-1 fees. Mr. Edmondson thanked the Fiscal Court for allowing him to make his presentation. The dispatch centers of the Campbell County, Ft. Thomas and Newport Police Departments were merged almost 4 years ago into one dispatch center, and is now called the Campbell County Consolidated Dispatch Center. The Board of Directors of the Dispatch Center consists of police chiefs and fire chiefs, one of each coming from the three departments that were merged. Currently, there are 4 police officers and 3 fire/EMS members. The representatives from Campbell County are Fire Chief Jerry Sandfoss and Police Chief Keith Hill, from Ft. Thomas are Police Chief Mike Daly, Fire Chief Mark Bailey, and Officer Ken Fletcher, and from Newport are Police Chief Tom Fromme and Fire Chief Larry Atwell. The Dispatch Center is not a simple operation, with five people on staff at all times. The Center is very busy at all times, and turnover has been high, but seems to be consistent with the industry in such a high stress job. There are five workstations in the Center, with all the equipment duplicated throughout the County at various sites in order for it all to function. There are millions of dollars worth of equipment that go into the radio broadcast on all the frequencies that are utilized, as well as telephone communications that come into the Center. The Center dispatches to all of the police departments, fire/EMS departments, and many ancillary agencies in Campbell County. The Center takes in approximately 200,000 calls per year, both 9-1-1 and business calls. The only center busier than the Campbell County center is the City of Cincinnati and Hamilton County. It is likely that Boone County will pass the Campbell County Center next year for number of calls. From the onset, the 9-1-1 surcharge on landlines was seen as the way to fund the Center's operation, which was being done by others nationally and locally. At the time the centers were consolidated, the surcharge fee that was in place was \$2.00. At that time, everyone was told to anticipate an approximate 3.5% per year increase in the number of land lines in Campbell County. The 9-1-1 surcharge fee has actually decreased at a rate of 7.6%. This results in the Center losing about 4.1% in fees.

Mr. Edmondson stated that the CMRS (Commercial Mobile Radio Service) Board was created in the State to handle wireless communications. When this Board was put in place, cell phones did not exist. This Board collects a fee and a tax on wireless phones at the State level. 2.5% of the amount collected goes to the Board, plus an additional \$250,000 that is held off the top to use for working capital. 50% of the remaining funds are distributed to the PSAPs (Public Safety Answering Point), or the Campbell County Consolidated Dispatch Center. The remaining funds are on a workload formula, based upon the zip code that the person is billed to. This is problematic for Campbell, Boone and Kenton Counties because a large number of wireless phones in those counties are actually registered to a 513 area code, which means that the bills would go to an Ohio zip code, and the three local counties would get no funding from those wireless phones. Another problem is that when the consolidation took place, the three agencies were getting an equal share of the funds that were being distributed among the 87 dispatch centers in the State, but when the three merged, they now only get one share of the funds. Some of our legislators, particularly Rep. Jim Callahan and Sen. Katie Stine, were able through their hard work to recover some of that funding through some budgetary processes in different sessions.

Commissioner Otto inquired as to whether Campbell County was penalized for consolidating the dispatch centers, when at the same time taxpayer money was saved because the equipment to man three centers would have been well over \$4 million. Mr. Edmondson stated that that was true, and that the real money saved was not in day-to-day operational costs, but rather in the equipment that was going to have to be purchased by the Fiscal Court, the City of Newport, and the City of Ft. Thomas, on an ongoing basis in keeping up with replacement technology.

Mr. Edmondson stated that more and more people are turning off their land line phones and living off their wireless phones. The funding produced is minimal, with the Center getting \$2.00 per land line phone, and \$.32 per wireless phone for those registered in our zip codes. Commissioner Hayden inquired as to the difference between the charge for a land line phone and the charge for a wireless phone. Mr. Edmondson stated that the local governmental entities have control over the land line phones, and the State collects \$.70 on cell phones. The most the County will get back from that \$.70 is \$.32, which is an absolute controlled amount. Commissioner Hayden asked if there has been any effort to make the charges for land line phones and wireless phones the same. Mr. Edmondson stated that there has been no effort to make them the same, but to increase the amount on the wireless to \$1.00, which was not well supported and failed. He hopes to be able to get local legislators to push this increase in the next session. Commissioner Otto asked if we would still be at the mercy of the CMRS Board on how much they give us, even if they raise the amount to \$1.00 per phone, and if Mr. Edmondson had talked to the legislators about this Board. Mr. Edmondson stated he had talked to legislators about the Board and it is difficult to make them understand how that structure is set up and so far there has been no one willing to tackle this issue. Commissioner Otto inquired as to what the balance of the funds were used for by the CMRS Board. Mr. Edmondson stated that those funds are supposed to be used for infrastructure for the wireless industry. Commissioner Rehtin stated that the County has no control over the wireless industry, even if the rate were increased, and asked what revenue streams other entities have been able to tie this to. Mr. Edmondson stated that most others will dip into the general fund.

Another issue is voiceover internet protocol. This is basically using one's computer as a telephone, and is probably the next wave of the future. The forecast is that voice communication as we know it, in the next 10 years will be free and there will be no place to put a surcharge. While the wireless industry is a trillion dollar industry today, it will be non-existent industry 10 years from now. The SEC has already decided that only they will have the ability to put taxes on this type of service, not the State and not local governments.

Mr. Edmondson pointed out that the wireless industry also created a lot of work for the dispatch centers, in that when someone calls 9-1-1 from their cell phone, the dispatcher is not able to tell where that person is calling from, creating the need for technology to find the person calling from that cell phone. Also, more than half of 9-1-1 calls come in from wireless phones. If 50 people pass an accident on the expressway, 40 of those people will call the accident in to 9-1-1. Dispatchers have to answer every single call as if it were an emergency, because there is no way to know what the caller is calling for without answering the call.

Mr. Edmondson stated that the Center's primary source of funding is the 9-1-1 surcharge. The current budget runs around \$1.7 million. Of that, \$900,000 comes in off the surcharge. The only other hard core source that they get is from the County, and he thanked them for their funding. They also get funding from the State on wireless funds. The land line money is going down and the wireless money will never make up the difference. Judge Pendery stated that a majority of all the money that gets spent by local governments goes to the safety services and all the hundreds of people and all the millions of dollars worth of equipment cannot be brought to bear when there is a problem unless they are properly dispatched. This is a very critical service, which is true all around the country. Technology is moving so rapidly that the funding source very shortly will dramatically diminish and in the not too distant future will disappear. Mr. Edmondson stated that when everyone who started this entity was smart enough to put the \$2.00 surcharge on almost a full year before they actually went into service. This was done in order to buy equipment and other items that would be needed. The only way the Center is staying afloat is due to the money that is left over from the start-up funds collected.

Mr. Edmondson thanked the Fiscal Court for its time in allowing him to present an overview of the Dispatch Center and stated he would answer any questions. Judge Pendery stated that the Center is a critical service and is a problem that is ongoing, noting it is wise for the County to begin educating not only the Court but the public to the potentials of this dilemma. It is an area that is exposed to rapid change in technology. Commissioner Rechtin asked where we go from here and what the solution might be going forward. He suggested that the County should look into putting together some reasonable ideas about money mechanisms for the future for the Dispatch Center. Judge Pendery stated that in the short run, all the constituent cities had been acquainted with the problem through their Mayors and Administrators, and an increase in the charge on land lines appears inevitable. This increase will still bring in less money than the Dispatch Center expected to gain from that source, but it will give the Counties and Cities more time to go to the legislature and try to get cell phones included. The County does not want to get more money from the people, but rather the money needs to come from a different source, and the County currently does not have the authority to do that. Commissioner Rechtin suggested that perhaps the fiscal agents from Campbell County, Newport and Ft. Thomas should sit down together with the Board and looked at all the alternatives, to determine the current status and look at funding streams for the future. Commissioner Hayden asked if the playing field was level between wireless and land lines, could the County actually reduce how much it is charging for land lines today. Judge Pendery stated that that was a possibility, but the problem is that this would still need to go through the CMRS Board, and this Board has other interests than looking after urban areas in the State. Only a handful of the PSAPs are urban areas where all the population is and the others are rural areas. These areas desperately need money to keep their operation open. The fact is that everything is pretty heavily stacked in favor of rural areas in Frankfort. With the State being in control of this money, even if they increase the amount collected, it will not come flowing right back to the County in the proportion that it has a need. He suggested that the system needs a complete overhaul, which is not likely to happen in the short term. Commissioner Hayden stated that the bottom line is that wireless phones and land lines ought to be paying the same amount for 9-1-1 services, and he has concerns about continuing to increase the charges on land lines when wireless phones are paying so much less. Judge Pendery stated that the Court intends to aggressively pursue this and have allies all around the State who will have a similar interest.

Commissioner Rechtin asked if there had been any discussion about combining dispatch between Kenton and Campbell Counties. Mr. Edmondson stated there had not been any discussions, but that perhaps something along these lines might be considered in the next 20 years, as technology continues to improve. Judge Pendery noted that it would be a good idea for people to cooperate with the idea in mind that one of the problems with any kind of merger like that is that people are heavily invested in the assets they have and they don't have enough money, they don't want to have to go out and buy a completely new, even merged, system. It would be nice if everyone was on the same purchasing schedule so that sometime out in the future, it is not a financial hardship for everyone to change out the common equipment and merge the operation. There should be planning that goes on long before the time that this equipment becomes obsolete. Pat Lucas, a Wilder resident, asked how secure the various sites were and if they had back-up generators. Mr. Edmondson stated that the security was an important factor for all the sites and everything has to be backed up in more ways than most people could imagine, but that security is very tight. Mr. Lucas then asked if the equipment was earthquake proof. Mr. Edmondson stated he would not be able to answer that.

Judge Pendery next requested items of New Business be brought before the Court. Ms. Williams stated that the first order of New Business was a presentation from Ken Knipper, Office of Emergency Management Director, on the County's preparedness for a natural disaster. Mr. Knipper stated that Homeland Security is sending a lot of money to the States and locally and have dictated for the last couple years that counties have certain types of exercises and that they be regional. All disasters, whether manmade or natural, have certain common elements in handling them. There must be a plan, the plan must be tested, and the plan must be followed. Campbell County does all of these things on a regular basis. The County's current Emergency Operations Plan is 850 pages and is a living document that is changed on a regular basis. Each year this Plan

is sent to Frankfort and Washington for approval. An important element that fell apart in New Orleans during Hurricane Katrina was incident command. There is a new National Incident Management System and a new National Response Plan, and neither of these were followed. When officials realized and tried to get things into this course, it was days before the plans fell into place. The County has performed weather exercises in the past, most recently a mock tornado that went through Wilder, Highland Heights, Cold Spring, Crestview, Silver Grove and Melbourne. It involved churches, schools, nursing homes, etc. and this was a functional exercise that involved fire departments, police departments and public works. The County is in the process of planning another weather exercise, which will be of a different type. Not long ago Campbell County was designated as a storm ready community by the National Weather Service. The County had to meet some very rigid requirements that tell the public that the County has done everything it can to warn people of an impending disaster, respond to that disaster, and recover from it. Campbell was the 17th county in the State and 911th county in the country to get that designation, which was quite an honor. There are certain systems and programs that a county has to have that goes along with this designation. The siren system that Campbell County has developed over the last couple year is an outdoor warning system. Weather alert radios have been promoted tremendously and can be programmed for Campbell County alone. The cable override is tested on a regular basis and programming can be interrupted any time that is necessary. The County is in the process of developing Community Emergency Response Teams, which will be people trained in neighborhoods to take care of themselves and their families in an emergency and then get into their neighborhoods to help the professional responders when they arrive. A reverse 9-1-1 communicator has also been put in and was used recently when the styrene leaked from the tank in Cincinnati that drifted over into Ft. Thomas. The communicator dialed repeatedly all the homes in the affected area, with about a 60% hit. Many of the numbers were cell phones, and many said they did not hear the call. He stressed that, in the case of a disaster, everyone should be prepared to take care of themselves for 72 hours. Those people in the south who had to wait for four days for food, water, and other help could have benefited from having on hand a 72 hour kit. Campbell County has approximately 30,000 homes, 90,000 residents and 550 firefighters and EMT's. It will take a little while for these emergency workers to get to all the homes and residents considering these numbers. OEM, the Salvation Army and the Red Cross all have information in their offices on these kits.

Commissioner Otto asked where the backup system for the reverse 9-1-1 communicator would be if Mr. Knipper was not available. Mr. Knipper stated that Mr. Schneider in his office and the consolidated dispatch center would be able to initiate the communicator. Judge Pendery thanked Mr. Knipper for his update.

Ms. Williams next requested a motion to adopt a Proclamation recognizing and declaring October 9-15, 2005 as Fire Prevention Week in Campbell County. The Proclamation was requested by Matt Haywood, Forest Ranger Technician, Kentucky Division of Forestry. There being no further discussion, Commissioner Rechten made a motion and Commissioner Otto seconded to approve the motion. All voted "AYE" and the motion passed by unanimously.

Ms. Williams next requested a motion to abolish the 2004 Patrol Officer Eligibility List and request the Campbell County Merit Board to begin the process to establish a new Eligibility List for both new police officer recruits and lateral entry candidates. There being no further discussion, Judge Pendery made a motion and Commissioner Hayden seconded, to approve the motion. All voted "AYE" and the motion passed unanimously.

Ms. Williams then requested a motion to appoint Charles Parker to the Campbell County Fire District Board #6 (Melbourne). Mr. Parker will fill the unexpired term of Linus Neltner, who has resigned. This appointment will be effective immediately and expire on June 30, 2008. 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, presented for consideration Resolution R-132-05, which he read by title and provided a summary. He stated that this Resolution authorizes the County Judge/Executive to execute Change Order No. 11-1 to the Contract with Bluegrass Electrical Consultants, Inc. for construction of the kitchen/laundry addition to the Campbell County Detention Center. The Change Order is in the amount of \$317.61 and provides for the installation of one fire alarm strobe in a restroom. This strobe is required by Code and was not included on the original plans. There being no further discussion, Commissioner Otto made a motion and Commissioner Rehtin seconded, to approve Resolution R-132-05. All voted "AYE" and the motion passed unanimously.

Mr. Horine then stated that the construction on the facility is well underway and on target for a completion date in December.

County Attorney Verst stated that he had nothing further to report at this meeting.

Commissioner Otto reported that the Senior Picnic went very well and wanted to thank the inmates from the Campbell County jail who helped the day before the picnic, the day of, and the day after the picnic, in setting things up and cleaning up. This is a real benefit to the County. He also stated that the dog training program is in operation at the jail. This is the first program of its kind in any jail in the State of Kentucky. Animals from the Animal Shelter are placed with inmates of the jail who are interested in training the animals. There is no cost to the County for this program. Circle Tails, a dog training company, has trained the inmates at the jail on how to train the animals. Circle Tails provides the cages, food, doggie treats, leashes, collars and more. The County's goal is to make the Animal Shelter a no-kill shelter, and only euthanize an animal if it is aged or ill beyond hope. Another goal is to eventually train these animals for adoption by handicapped people. The training normally takes about 6 weeks for the animals. He noted that Jailer Greg Buckler has been at the forefront of this project and has been very open to every aspect of this project.

Commissioner Rehtin reported that he echoed Judge Pendery's comments on the Senior Picnic and asked Mr. Wice to carry back his sentiments to the remainder of the Committee who set the picnic up.

Commissioner Hayden reported that the Campbell County Conservation District recently completed a comprehensive study of farming in Campbell County. He has carefully reviewed this study and attended a presentation from the Conservation District. The study concluded that Campbell County farmers are generating and producing about \$6 million per year in farm products. The study also concluded that the County is losing a lot of farms at alarming rates. The County is experiencing rapid residential and commercial growth, and he believes the farmers are getting squeezed between rising land values and declining agricultural prices. Campbell County has been blessed with beautiful farmland and is a unique place to live due to its blend of urban and rural life. In his view, the County should do what it can to conserve those farms in the County and he does not think that it would be good for Campbell County to become one big subdivision. He has been looking at and thinking about ways to try to encourage the conservation of farmland. He is concerned that if the County does not take some action, it will lose its farms. He believes farming shouldn't just be part of our past, but part of our future also. He is working on an idea to provide a tax incentive program to encourage retention of farmland and to discourage the further subdivision of farms and reward the family farmers. His idea is to eliminate County taxes on all farms that are 10 acres or greater in size, and generate at least \$1,000 per year in annual revenue. He believes this is an idea that is worth looking into. He has been informed by staff that if the County eliminates all 10 acre or greater tracts, both farming and non-farming, the total revenue loss to the County would be approximately \$160,000. He believes this amount would actually be less, because his idea would only include land that is being farmed. He is going to try to gather support for this idea and will look further into what laws need to be changed to support this idea. He does not have a proposal for the Fiscal Court at this meeting, but will be looking into the idea and determine what laws may need to be changed in order to further pursue the idea. If this idea doesn't work, he will

continue to look into other ideas that will create incentives for farmers to hold onto their property without imposing upon them government regulations.

Commissioner Hayden also inquired of Chief Keith Hill regarding the fatal accident on the AA Highway near Grandview Road. Chief Hill stated that his department is still in the very early stages of investigating the accident. What is known is that the vehicle was in the left hand lane, at the stop light at Grandview Road and was struck in the rear by a tractor-trailer. The reconstruction team is reformulating the accident and are in the process of getting a subpoena from the Court to get the black box from the tractor-trailer in order to obtain information from the box. They will determine if this was a complete accident or if it could have been avoided. They have also stationed a police officer at that intersection to monitor it and write traffic citations. There were three citations written in a period of two hours to people who ran this same stop sign. Commissioner Hayden asked if Chief Hill would be looking into whether or not the intersection can be changed in any way to improve safety there. Chief Hill stated that this will be looked into, noting that at the present time there are flashing yellow lights 1,000 from the actual stop light, and the flashing yellow light can be seen from 1,000 feet prior to that. Once the investigation is complete, they will need everything they need to know about how the accident occurred. At that time, plans can be formulated on how to stop future accidents. When the accident reconstruction team was at the intersection investigating the accident, they counted six cars that ran the same red light.

Judge Pendery then asked if there were any comments on Mr. Hayden's report. Mr. Lloyd Rogers, a resident of Alexandria, requested to address the Court. Mr. Rogers stated that when he was Judge/Executive, they could not do what Commissioner Hayden says he wants to do. You could not take one person and say you don't want to give them taxes and not somebody else. He does not know how Commissioner Hayden is going to do this unless he changes the State Constitution. He stated it is a pretty good ploy, though, with the election next year. He stated he has a problem because Commissioner Hayden said that when he got the job he was looking forward to managing the growth in the south of the county. He asked Commissioner Hayden what he meant by that, noting that when the Governor appointed him, that is what he said in the paper. Commissioner Hayden stated that one of the issues he is currently looking at is what laws need to be changed in order to create this incentive package. He believes it is important for the County to incentivize the farmers to hold onto their farmland and not further subdivide it. Mr. Rogers asked if Commissioner Hayden knew any of these farmers, to which Commissioner Hayden replied that he did. Mr. Rogers asked if Commissioner Hayden knew where Hissem Road was, to which Commissioner Hayden replied that he is not here to answer Mr. Rogers' questions. Mr. Rogers stated that Commissioner Hayden says he wants equality on the phones and he should want equality on the reduction of taxes. Commissioner Hayden stated he is trying to create an incentive package for the County to hold onto its farmland. Mr. Rogers stated that when Commissioner Hayden was appointed by his friend, the Governor, he thinks he should have asked him if something like this was possible. Mr. Rogers then asked Judge Pendery when the words, "In God We Trust" were taken down off the back wall, to which Judge Pendery replied that he did not know that it was taken down. Mr. Rogers said the words were up there the whole time he was Judge/Executive and he wonders why it was taken down, and asked if Judge Pendery didn't want someone looking over his shoulder. Judge Pendery thanked Mr. Rogers for his comments.

Mr. Ken Paul, a resident of Ft. Thomas requested to address the Court. Mr. Paul stated that he can remember when he was a young man sitting in this Courtroom and the Commissioners would take on very similar issues, and there was more expense than there was income, which unfortunately is the nature of county government. In listening to Mr. Edmondson talk about technology, when he gets the final answer, there are major corporations that would like to know where technology is going. Mr. Paul commended the Court for its part in the dispatch consolidation. He noted that as Ken Knipper stated, when there are 550 emergency personnel and someone is having a heart attack, a minute or two makes a huge difference. He is very happy to see Ken Knipper with the DES because there is no one better, and you can put your head on the pillow at night, because he just lives and breathes the DES. Mr. Paul then stated that he is not here tonight to debate taxes, but

he is concerned about Commissioner Hayden's tax incentive for farmers. He stated it is commendable for Commissioner Hayden to talk about farms, and it is a shame to see farming disappearing, but as you talk to younger people trying to get into the farming business, if they can afford the property and all the equipment to farm, they can invest and never worry about the weather and make much more money. It is commendable to try to keep as much green belt as the County can. He does not believe, however, that this Court can take a selected group of taxpayers and eliminate their tax. He noted that he lives in the City and pays county tax, city tax, and school tax. If he lived in the county, he would pay county tax and school tax. The whole county government taxation needs to be totally reviewed, not just one component. He wants to make it fair for everyone. He is a senior citizen who will be on a fixed income one day, and does not like his tax bill and would like to be treated fairly when it comes to the taxes he is required to pay. He asked the Court to consider everyone taxes and think of senior citizens, the young families, the price of gas, the farmers, and every other area. He believes the County needs to work with the State to change the whole taxation for county and city governments, because it is unbalanced and unfair.

Mr. Paul then stated that he realizes that the County is struggling with jail issues, and stated that he knows Northern Kentucky is getting shorted by the State on money that the State owes it for housing of prisoners. He offered that if the State owes us \$500,000 for the jail, this is taxpayer money, and this money is being taken out of the treasury that could be used for roads, parks, and other public safety equipment, and he is happy to volunteer to work with the Court to encourage the State to pay us what it owes. Commissioner Rechten stated that in the last General Assembly there was legislation created and a committee that will look at county/city school taxation issues and the overlap of taxes and funneling of single revenue streams that the county and cities dip into. Mr. Paul stated that he would like to get a copy of this information, because unfortunately for the three metro areas, we are still under a Constitution that goes back to the 1800's.

Mr. Don Girton, a resident of Southern Campbell County requested to address the Court. Mr. Girton stated that as a tree farmer, he commended Commissioner Hayden on opening the dialogue on this proposal. He believes it is a complex issue, with no single magic bullet that will solve preservation of the farmland issue. He believes taxes is one issue and has spent quite a bit of time working on timberland taxes and the current method of assessment for forest land is unfair. He stated that the Kentucky statute indicates that agricultural land will be assessed according to its income producing capacity, and there are some areas of agriculture, particularly forest land, that is over-assessed and does not meet the statutory criteria. The farmers have a great responsibility in helping solve this problem as far as farmland issues, and how it revolves around innovation, diversification and marketing. With those components, along with some dialogue on the tax issue, the farming community would welcome the opportunity to work with the Court and find ways of addressing this issue.

Commissioner Otto then requested Dan Braun, PVA Administrator, to come forward and explain to everyone the process for valuation and taxes on farms. Mr. Braun stated that on forestry and agricultural land such as groves and vineyards, it is 5 acres and above, and on the other form of agricultural such as livestock, hay, chickens, cows, it is 10 acres or more. When the Campbell County PVA values farmland in the County, the statute requires them first to assess it as if it were any other piece of property. A house on the farm would be assessed as if it were any other home, and the other acreage is based on the agricultural use of the land. The PVA has to look at what the land is being used for, otherwise the "highest and best use," as in the statutes. The State puts out a formula of numbers every two years based on soil classifications and the area of the county that the properties are in. Northern Kentucky is in one of the lowest ranked areas. It is considered mostly an urban area, therefore, if land is unfarmable land and used basically for only grazing purposes, it is usually assessed at \$150-\$200 per acre. If the land is prime farmland, which Campbell County currently has none, this land can be assessed at \$700 per acre. The most Campbell County PVA assesses any piece of property which is considered agricultural is about \$300 per acre. A 100 acre farm would be land valued at \$30,000 versus \$1,000,000 if it was a residential piece of property. The PVA has trouble with the income producing part of valuation due to the fact that the farmers have to provide the numbers. When PVA goes out to assess values, they do not have any idea of the income for that farm. When the tax rates are billed, they will

be assessed on a 100 acre farm at 99 acres farmland, and 1 acre for the home. If there is a home on the property, the owner has to have 11 acres of total farmland, which is required by the State. Pole barns and horse barns are assessed by scale based on condition and age. The tree farmer has actually been hurt over the years by people who own farmland and claim to farm trees, but do not actually do so. Ten years ago Hickory Sticks Golf Course was considered an agricultural piece of property because they sold Christmas trees and the PVA at that time determined that they were agricultural, and this million dollar golf course was paying taxes on about \$50,000 valuation. This was unfair to people who were actually farming. There are parts of the State in the southeastern area where they value each acre of land individually based on what type of soil the land is and what is actually farmed on that soil. In the northern part of the State, this is not done, but rather valued on what type of land it is.

Commissioner Otto asked if the PVA has an average price per acre when a farm does sell. Mr. Braun stated that he has worked in Campbell and Boone Counties, and his experience is that the average price is \$10,000-\$20,000 per acre, if a developer is paying for it. If a farmer is buying it from another farmer, which is becoming more and more rare, the price is usually \$1,000-\$2,000 per acre. There were instances when he worked in Boone County where a farm might sell to a developer who would pay \$10,000-\$30,000 per acre, and a 100 acre farm might net \$2-\$3 million dollars. They would then be taxed at the \$2-3 million value.

Commissioner Otto asked if this was a State formula for valuation. Mr. Braun stated it was. Commissioner Otto asked if it was correct that the farmers are already receiving a tax incentive. Mr. Braun stated that they were as far as the assessment on the value of their land goes. Commissioner Otto stated that he believes the whole county's taxes needs to be looked at and not just one industry over the other. He noted that Campbell County has the largest county park in the State of Kentucky, which is a huge benefit to the citizens. Most areas of Campbell County will not be developed because of the hills and the valleys, and there is no real threat of suburban taking over the County. He believes that the County needs to look at the whole picture, including the little old woman who owns a home in Newport and paying full taxes on the valuation of that home, and unfortunately the younger generation is not interested in taking up farming, so when a farm changes hands, you go from a tax valuation of \$200-\$300 per acre, it then becomes \$5,000 or more per acre.

Commissioner Hayden asked if, when talking about the reduction in the valuation of the farmland itself, the PVA separates that from the dwelling, the barns and the outbuildings, if those are located all on 1 acre. Mr. Braun stated that the dwellings and outbuildings are assessed at full market value, just like any other house would be done. These are valued completely independently of the land. The buildings and barns do not have to physically sit on the one acre. They take an acre of the land out and value it at full value. Barns are valued based on their age, many of which in Campbell County are several years old. They are valued based on the structural cost of what it would cost to build them new, depreciated by age and condition.

Mr. Braun pointed out that if a homebuilder buys a 200 acre farm, on January 1, which is the evaluation date for the State of Kentucky, if the homebuilder still has hay on the farm and has not touched the land to begin developing, the homebuilder can claim an agricultural exemption for that year. The minute any piece of building equipment is put on the property, it is then valued as commercial land. Commissioner Rehtin asked if farm land changes hands from father to son, even if it sold for \$1,000 per acre, the son can still keep the agricultural exemption. Mr. Braun stated that that is true. When someone buys farmland, as long as the required questionnaire is filled out and returned, the PVA will continue to grant the agricultural exemption. There are also some grandfather laws that exist, such as if someone owns 20 acres of farmland and splits the tract into two or three tracts, as long as those tracts are continued to be farmed, it can go below ten acres if it was originally above ten acres of farming, which is very rare. Commissioner Rehtin commended Commissioner Hayden for bringing the tax issue into discussion, noting that he himself needs to learn a lot more about the tax impact. He stated that he attended to the same farmland meeting that Commissioner Hayden did, and he did not hear an outcry that any farms were losing status because of the taxation issue. He heard that they need diversity and marketing. But he is interested to talk about the tax impact on the family

farmers in Campbell County. He is also interested in knowing what impact the \$160,000 loss of revenue would have on the County's budget and where the County would be able to take down \$160,000 worth of services, in order to balance this out.

Commissioner Otto stated that he knows of some people who have retired from their jobs, gotten a good benefit package, and have moved to Melbourne where they have purchased a home on 5 or more acres with the intent of farming. Their idea of farming is putting five Christmas trees on the property. These people are getting an agricultural exemption for this form of farming. This is where the equity issue comes in. Mr. Braun stated that when the statutes were written in the 1800's, 99% of the State was farmland. While it is a good thing to give farmers tax breaks, there will always be those who abuse it. Unfortunately, the State tends to side with the individual, so the hands of the PVA are tied.

Commissioner Hayden stated that he has a concern with farmers who subdivide into one acre lots outside of the comprehensive plan area. He does not want to eliminate the rights of these people to own their property, but he believes the County has to begin to think of ways to incentivize them to hold on to their farmland. He is not talking about farmland that is in an area where it makes a lot of sense to have a subdivision, but rather farmland where it is getting divided into one acre lots and then there are no services provided to those lots.

Mr. Paul stated that he believes the structure needs to be changed across all of Kentucky, and it is not just a Campbell County issue. He stated that there are a lot of investors who know that the southern part of Campbell County is going to be the growth area, and an investment better than the stock market. The real farmer who really wants to farm needs to be protected.

Judge Pendery then reported that there was a First Responder Awards Reception designed to recognize and thank medical teams from Northern Kentucky hospitals and other agencies, who worked on Hurricane Rita and Hurricane Katrina relief efforts. He offered the Court's thanks and congratulations to those who participated in these efforts.

Judge Pendery next congratulated everyone who had a role in the success of the recent Campbell County Senior Picnic, which was a big success with approximately 1,100 people attending. This can be a very long day, and a lot of hard work, but there were smiles all around. He then thanked the following sponsors, who helped to alleviate the cost to the County for the picnic: Northern Kentucky Independent Health District, AARP Kentucky, Anthem Blue Cross & Blue Shield, Avenue Pharmacy, Burlington Health Care, The Highlands and Barrington Retirement Communities, Care Tenders Home Health, Charter Bus Service, Cinergy, Union Light Heat & Power, Fares Radel Funeral Homes, Fischer Homes, Fifth Third Bank, Gateway Rehab Hospital, Health South Rehab Hospital, Heritage Bank, Key Bank, Newport Drug Center, Patient Aids, Personal Touch, Pfizer, St. Luke Hospitals, Bank of Kentucky, Walmart Pharmacy of Alexandria, Sara Lee Hilshire Farms, Kroger's of Alexandria, Northern Kentucky Water District, Lost Heritage Vineyards, Stonebrook Winery, Arc Electric, Carthage Auto Sales, Champion Ford, and Citizens Bank. The contributions of these sponsors were substantial and the County is very grateful.

Judge Pendery next reminded everyone that the Campbell County Fall Clean-Up dates are October 21, 22 and 23, 2005.

Judge Pendery then asked for a report from the Fiscal Director. Mr. Seibert requested a motion to accept a bid for salt for the Campbell County Road Department from Morton Salt at a rate of \$50.81 per ton. There being no further discussion, Commissioner Rehtin made a motion that the bid be accepted. Commissioner Otto seconded the motion. All voted "AYE" and the motion passed unanimously.

Mr. Seibert next requested a motion to authorize staff to solicit bids for laundry equipment for the Campbell County Detention facility. There being no further discussion, Commissioner Otto made a motion, seconded by Judge Pendery, that the motion be approved. All voted "AYE" and the motion passed unanimously.

Mr. Seibert next requested approval of the Claims being presented at this meeting. County Attorney Verst stated that he 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 Rehtin 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 Commissioner Rehtin, seconded by Commissioner Otto, that the meeting be adjourned. All voted "AYE" and the meeting was adjourned at 8:55 p.m.

Attachments:

Ordinance O-11-05:	Approval of Supplement to Code of Ordinances
Resolution R-132-05:	Change Order for Detention Center Project
Proclamation:	Proclaims October 9-15, 2005 as "Fire Prevention Week" in Campbell County
Claims:	October 5, 2005 October 5, 2005 (Supplemental)

Approved:

/s/ Steve Pendery
STEVE PENDERY
Campbell County Judge/Executive

Attest:

/s/ Sandra L. Mulligan
Sandra L. Mulligan
Fiscal Court Clerk