

**CAMPBELL COUNTY FISCAL COURT
MINUTES**

MAY 1, 2019

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, May 1, 2019, at 7:00 p.m. at the Campbell County Courthouse located at 8352 East Main Street, Alexandria, Kentucky.

COUNTY JUDGE/EXECUTIVE
STEVE PENDERY

COUNTY COMMISSIONERS
GEOFF BESECKER
TOM LAMPE
BRIAN PAINTER

Steve Franzen
Matt Elberfeld
Paula Spicer
Colonel Craig Sorrell

County Attorney
County Administrator
Fiscal Court Clerk
Campbell County Police Department

The meeting was called to order at 7:00 p.m. by Judge Pendery. Cable Access was present to film the meeting.

Judge Pendery stated that about two weeks ago, three deputies of the Campbell County Detention Center while on their way to a movie were involved in a car accident that took the life of Lindsay Mitchell, the other two women seem to be recovering well. A memorial service for Ms. Mitchell was held today and he asked that the three women and particularly the family and memory of Lindsay Mitchell be remembered in a moment of silence. The Pledge of Allegiance followed.

Following roll call, a quorum was declared present.

Minutes from the Fiscal Court regular meeting of April 17, 2019 were presented. Motion was made by Commissioner Lampe, seconded by Commissioner Besecker to approve the minutes. All voted "AYE" and the motion passed.

Judge Pendery recognized Madison Dozier and her parents Ronnie and Melanie. Madison is a 10-year old, honor roll student at Reiley Elementary and resident of Alexandria. She submitted the winning entry in a national poster contest to commemorate "National Missing Children's Day". Judge Pendery read and presented to Madison a Citation in honor of her achievement. He congratulated Madison and her parents.

Judge Pendery then asked Don Girton, Supervisor Campbell County Conservation District to present the District's annual report. Mr. Girton announced that April 28 through May 5, 2019 is

named “Soil and Water Stewardship Week” to emphasize the importance of clean water and healthy soil. Campbell County’s Conservation District was organized in 1945. He then gave a brief history of the Conservation Districts in the United States started in the 1930’s. Mr. Girton then gave an overview of the District’s programs: St. Anne’s Woodlands and Wetlands, Hawthorne Crossing Conservation Area, a writing contest and art contest for local schools, tree planting grants awarded to the City of Alexandria, Ft. Thomas Garden Club and ReNewport, college scholarships awarded to students enrolled in conservation-related fields, and a variety of cost sharing programs including a farm dump clean-up and dead animal removal. He stated that the District received funding from the Heritage Land Conservation Fund to clear the bush honeysuckle from Hawthorne Crossing. He considers both the St. Anne’s Woodlands and Wetlands and Hawthorne Crossing as an investment in the future. Mr. Girton requested that the Fiscal Court proclaim April 28 through May 5, 2019 as “Soil and Water Stewardship Week”. He announced that the annual Backroads Farm Tour, a self-guided tour of working farms and wineries in Campbell County will take place on July 20, 2019. Commissioner Besecker thanked Mr. Girton for his presentation stating that it and the upcoming SD1 presentation have the same idea about conserving what we have for the future by looking out for the environment. He had an opportunity to attend the educational program a couple of weeks ago and he appreciates the work of the Conservation District. Commissioner Painter made a motion to proclaim April 28 through May 5, 2019 as “Soil and Water Stewardship Week” in Campbell County, seconded by Commissioner Lampe. All voted “AYE” and the motion passed.

Judge Pendery called on Adam Chaney, Executive Director, Sanitation District No. 1, to begin his report. Mr. Chaney introduced SD1 staff Chris Cole and Brian Ellerman, and Board Chair Robert Horine. He stated that SD1 has been working on Residential Rate Realignment and Keys to Long-Term Rate Affordability and Stabilization for about 18 months. At this time, SD1 is waiting for a final Judge’s approval to extend the consent decree from 2025 to 2040. He advised that SD1 has been reducing its operations and maintenance and capital costs. The purpose of the rate restructure is to align the fees with the cost of actual service and address consumption decline. Mr. Chaney explained the difference between rate structure and rate increase. SD1’s rates are based on consumption, meaning variable billing, while 97% of SD1’s costs are fixed. Mr. Chaney stated that water consumption has declined about 1.06% over the past 5 years and continues to decline. New account growth is insufficient to make up the difference. Historically if they take a 5% rate increase, SD1 is only realizing 4% in additional revenue. The proposed base-rate structure will reduce the need to continuously raise rates to offset consumption declines. The cause of consumption decline is high efficiency fixtures and appliances. Mr. Chaney explained the cost of providing sanitary service. He stated that the transition over a four-year period to a base-rate charge is fairer to all customers – higher volume users’ bills will decrease while lower volume users will increase. Mr. Chaney stated that most utilities in SD1’s peer group use a base rate structure. He then explained the reasons that the new rate structure is proposed at this time. In an effort to limit lower-volume customer impact, the plan calls for incremental adjustments over the next four years. SD1 is also partnering with Brighton Center to help low-income and fixed-income customers make the adjustment to the base rate structure. Mr. Chaney then addressed future rate increases giving an example of year one flat rate method estimates. SD1 must bring any rate adjustments over 5% before the Fiscal Courts for approval pursuant to Kentucky Revised Statutes. He explained that commercial/nonresidential accounts are billed differently than residential accounts. No structural changes are recommended for

nonresidential customers at this time; however, any rate increases will be applied at the same rate to both residential and nonresidential customers. Mr. Chaney stated that in addition to the meetings already held, in an effort to be transparent, SD1 will hold a public hearing at its offices on Thursday, May 9. He expects to get a lot of public input at that meeting.

Commissioner Lampe thanked Mr. Chaney for keeping the Fiscal Court informed throughout this process. This is a big undertaking that will affect the public tremendously and they have done a lot of hard work to minimize the effect. This had to be addressed, and he thanked them for tackling it. Commissioner Painter stated that in 2015 the Fiscal Court requested that SD1 look at storm water charges to some rural customers. As a result, about 720 homes came out of the storm water service fee area, and the ones who were still paying for storm water did not pay any more. He thanked Mr. Chaney and Robert Horine, Board Chair for addressing those concerns. He added that SD1 is doing an impressive job on the consent decree and addressing the rate structure. This is a complex issue and Mr. Chaney has summarized it clearly. Mr. Chaney clarified that at this time they are proposing a rate restructure, which is a step in the right direction, it will not preclude a rate increase. Commissioner Painter applauded their concern about people who cannot afford new rates and their partnership with Brighton Center. Mr. Chaney stated that bills for larger households will decrease no matter their income; low income families and fixed-income households will be helped. Commissioner Besecker stated that he has discussed this issue with Mr. Chaney a few times. He asked if the commercial rate excludes all residents? Mr. Chaney clarified that residential means single-family homes and duplexes that are metered separately, but apartments, churches, strip centers and processing plants are nonresidential. For this purpose he is talking primarily about single-family residential customers. Commissioner Besecker said that it was mentioned that no person or family would have greater than a \$5 increase over the course of every month for four years. Mr. Chaney stated that the greatest increase would be \$5 per month for a 12-month period or \$60 maximum per year. Commissioner Besecker summarized that it would be a total \$240 increase over four years. Mr. Chaney agreed that would be the maximum. Commissioner Besecker stated that this change is due not only to reduced water usage but also an outdated system that needs help, and the consent decree that SD1 has worked hard to mitigate and move forward and claim as one of the best in the nation. Mr. Chaney stated that he is anxious to show Commissioner Besecker all of the strides that they have made in their financials. The increase part is directly correlated to the fact that they are under a federal consent decree and overflow mitigation. Overflow issues need to be addressed and the federal government is mandating it. Commissioner Besecker stated that both the SD1 issue and Conservation District are very much tied together. There is a reason that Northern Kentucky is a place where people want to be. He hopes that the public watches the presentation on cable media and attends the hearing at SD1 on May 9 at 5:30 where they will have a chance to ask questions. He then asked about the timeline for the Fiscal Court. Hopefully they will have an opportunity to discuss this in a couple of weeks and get feedback from the public hearing. Mr. Chaney stated that he would update the Fiscal Courts after the public hearing. He stated that the SD1 Board approved the resolution unanimously. Boone County will be the first to vote - perhaps at their May 14 meeting. If Boone County does not approve this, SD1 will have to consider whether to move forward. He appreciates the opportunity to speak tonight. Commissioner Besecker stated that this is a thankless job for the SD1 Board of Directors. He thanked the Board and Robert Horine for attending. Judge Pendery stated that he is happy with what he has heard. The original consent decree was hailed nationally as one of the

least expensive, best ones in the nation. He thinks that once the new consent decree is signed and sealed it will receive similar acclaim. He thanked Mr. Chaney for his presentation. Mr. Chaney added that the new consent decree would not have been possible without the hard work of the folks before him; the groundwork was laid before he became involved.

Finding that nobody had signed up to address the Fiscal Court, Judge Pendery proceeded with the agenda.

There being no old business, Paula Spicer presented new business with Resolution R-43-19. R-43-19 authorizes the Judge/Executive to enter into a Special Event Agreement with Ira Kilburn for use of Stapleton Pavilion and for services rendered during the 2019 Festival on the Lake at A J Jolly Park. Commissioner Besecker made a motion to adopt R-43-19, seconded by Commissioner Painter. Mr. Elberfeld explained that Mr. Kilburn is a music promoter and wants to pay the \$10,000 fee to the band Steel Woods (a band with a good sized following) to be the headliner at Festival on the lake. In exchange for payment of the fee, Mr. Kilburn has the opportunity to sell up to 500 presale VIP tickets at \$15 each. The most that Mr. Kilburn could recoup from his \$10,000 investment would be \$7,500 from the presale tickets. Mr. Elberfeld stated that the Fiscal Court has no obligation. Mr. Kilburn represents another artist in the lineup and he feels it is worth the difference to get exposure for the artist that he represents. Mr. Elberfeld stated that the County Attorney has reviewed the agreement. Staff is willing to try this for a year. The arrangement will get a name band for the Festival that the County otherwise would not be able to afford; it gets people to the park and frees up the talent budget to get other performers. He recommends giving this arrangement a chance. Commissioner Besecker stated that this arrangement and the clubhouse update coming in under budget reflects well on the Fiscal Court and its efforts to be conservative. This is another opportunity to outsource that piece to save money and provide an opportunity for residents to go to the park and have fun. Mr. Elberfeld recognized Larry Harrod, Parks and Recreation Director, in the audience stating that he has done a great job in negotiating this, saving money and getting a band that the County would not have been able to afford. All voted "AYE" and the motion passed.

A motion was requested to reappoint Bernard Henke to the Southern Campbell County Fire District Board of Directors for a three-year term effective July 1, 2019 through June 30, 2022. Motion was made by Judge Pendery, seconded by Commissioner Lampe. All voted "AYE" and the motion passed.

Commissioner Besecker stated that last night he attended a celebration in education across Northern Kentucky of not only students, but educators, businesses and others that have contributed tremendous resources in terms of time, talent and treasure to the community over the last year. He recognized the Campbell County Jazz Ensemble for providing entertainment, a Highlands High School student for singing, and academic all-stars from Campbell County High School. He named the recipients of Golden Apple awards, the Allbright Award for Administrator of the Year, Business Engagement Award, Spirit of the Region Award and Champion of Education Award. Certainly, our future is in good hands.

Judge Pendery announced that the Campbell County Spring Clean-Up event will be held on May 17 and 18 from 8am to 5pm at three locations: Campbell County Police Department, Pendery Park and the Campbell County Transportation Center.

Judge Pendery followed up on comments about the Excellence in Education Awards stating that Northern Kentucky has many of the strongest school systems in Kentucky. The Ignite Institute a STEM education opportunity for everybody, will open soon in Northern Kentucky. He estimated that Campbell County was over represented in the award of honors to students as well as teachers.

Mr. Elberfeld then requested a motion to approve the claims and interfund transfers as presented for May 1, 2019. Mr. Franzen stated that he has reviewed the claims and determined that they all appear appropriate. Motion was made by Commissioner Lampe, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

There being no further business to come before the Fiscal Court, Commissioner Painter made a motion to adjourn, seconded by Commissioner Besecker All voted "AYE" and the meeting adjourned at 8:20 p.m.

Attachments:

Resolution R-43-19 Special Event Agreement
Claims and Interfund Transfers May 1, 2019

Approved:

STEVE PENDERY
Judge/Executive

Attest:

Paula K. Spicer, Fiscal Court Clerk