

**CAMPBELL COUNTY FISCAL COURT
MINUTES**

MAY 16, 2018

A regular meeting of the Campbell County Fiscal Court was held on Wednesday, May 16, 2018, 7:00 p.m. at the Campbell County Administration Building, Fiscal Court Chambers, 1098 Monmouth Street, Newport, Kentucky.

COUNTY JUDGE/EXECUTIVE
STEVE PENDERY

COUNTY COMMISSIONERS
CHARLIE COLEMAN
TOM LAMPE
BRIAN PAINTER

Pat Walsh	Assistant County Attorney
Matt Elberfeld	County Administrator
Kim Serra	Assistant County Administrator
Marie Schenkel	Finance Director
Paula Spicer	Fiscal Court Clerk
Frank Spataro	Human Resources Director
Chief Craig Sorrell	Campbell County Police Department
Allyn Reinecke	Human Services Program Manager
Lisa Krummen	Animal Shelter Director

The meeting was called to order at 5:30 p.m. by Judge Pendery. Cable Access was present to film the meeting.

Judge Pendery asked for a moment of silence followed by the Pledge of Allegiance.

Following roll call, a quorum was declared present.

Minutes from the Fiscal Court regular meeting of May 2, 2018 were presented. Motion was made by Commissioner Painter, seconded by Commissioner Lampe to approve the minutes. Commissioner Coleman stated that he had a correction to the first paragraph on page 8 the word “efficient” should be corrected to read “official”. He was referring to what he was told was a Jolly Golf Advisory Committee. He spoke to the County Attorney about it and was told that it was not official. Then when they discussed the fact that a member of that organization had a voice in hiring a golf pro he said that it seems that it is official to him. Judge Pendery asked if Commissioners Lampe and Painter were agreeable to approving the amended minutes and they were. All voted “AYE” to approve the minutes as amended, and the motion passed.

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

Judge Pendery introduced Vera Powell who is resigning as a Volunteer In Police Service (VIP) after donating 2,034 hours of volunteer service to the Campbell County Police Department. Ms. Powell also has volunteered at the Campbell County Senior Center and the Senior Picnic for the last 10 years and served as the County's representative on the Northern Kentucky Area Development District Council on Aging since 2011. Ms. Powell stated that it has been a pleasure serving as a VIP and in other capacities; she has met many interesting people. She would like to continue volunteering but her health won't allow it. Chief Sorrell stated that a luncheon was held for Ms. Powell at the Police Department; she will be missed.

Paula Spicer presented old business with a second reading of Ordinance O-05-18. O-05-18 amends Chapter 73 "Traffic Schedules" of the Campbell County Code of Ordinances to change the maximum speed limit on Blangey Road 25mph. Commissioner Lampe made a motion to adopt O-05-18, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

New business was presented next with a first reading of Ordinance O-06-18 by title. O-06-18 relates to the annual budget and appropriations of Campbell County, Kentucky for the fiscal year 2018-2019 (FY19). Marie Schenkel stated that she has a high-level overview of the budget that will be sent to the KY Department of Local Government and will be available on the County's website tomorrow. Fiscal Year 2018 budgeted for a \$3.4 million shortfall but as of the last forecast, it may break even. She then explained variances that affected the budget on both the revenue and expenditure sides and named a few projects to be carried over to FY19. Ms. Schenkel then reviewed main sources of revenue: real property taxes and payroll taxes are two of about 90 revenue sources. Real property taxes are about 23% of revenues; this is one of the few revenue sources that the County can control. The tax rate will not be set until August. Payroll taxes are 27.5% of budget revenues; a 2% increase in receipts is budgeted. The rate stays the same at 1.25% and there is a cap on wages; any increase is due to economic growth. She then highlighted a few items in the budgets for the Road Department and the Jail. Ms. Schenkel then addressed salaries and benefits – personnel costs are the County's largest expense. Significant personnel-related issues this year are a 28.5% increase in health insurance expenses, about a \$280,000 increase in pension costs; no new positions are included in the budget. Judge Pendery pointed out that limiting the increase in pension costs now will cost more in the long-run, than if more was paid now. Ms. Schenkel then moved on to capital investments. Items listed under capital investments are items that provide a long-term benefit. She described carry-over projects, significant recurring project costs and non-recurring projects. Ms. Schenkel addressed budget appropriations. There is no inherent increase in any department or operating expenses. The budget is mostly business as usual – no new services. The County continues to feel the significant impact of substance use/abuse, which translates into increased jail costs, programs, and allocations of mental health tax funds to chemical dependency programs. One of the most significant increases to the budget is \$1.8 million increase in jail operating costs. The TANK contribution is currently budgeted at \$47,000 more than \$4.2 million paid this year – this year's contribution has yet to be approved. Ms. Schenkel then presented the proposed FY19 budget with revenues of \$39 million and expenditures of \$42.4 million. They budget very conservatively on both the revenue and expenditure sides. She displayed pie charts showing revenue sources and expenditures. She then explained the non-discretionary expenditures that the County is statutorily required to pay. Ms. Schenkel then address future financial considerations such as underfunded pension, attracting and maintaining a qualified workforce and changes in

federal and state funding. Ms. Schenkel thanked her entire department for their assistance in preparing the budget and the other County Departments for their fiscal responsibility. The budget will be available on the website tomorrow for public review as required by the State and will be sent to the Kentucky Department for Local Government for review. Judge Pendery stated that this is a first reading and the second reading will take place at the June 20 meeting. Commissioner Coleman asked how much money is in reserve funds. Ms. Schenkel explained that the cash balance is projected to be about \$13.4 million at the end of next year. They do not necessarily have a reserve fund; there is cash. A responsible reserve would be about 3 months of expenditures. Judge Pendery stated that he considered paying some of the pension obligation up front, because it would save money, assuming it is calculated properly and credit was given. Linda Nesbitt asked for an explanation on the \$38,000+ wage cap on payroll taxes and why it is capped at that number. Judge Pendery explained that there were court cases about this issue and the result was that the legislature froze both the rate and cap for a tax that was voted on by the public at up to 1% with no cap. The legislature restricted it. This was problematic because that is the County's largest source of revenue. Someday property tax will be the biggest source of revenue due to that. Almost all sources of revenue are legally capped or practically so. Most other states have eliminated insurance premium taxes. Kentucky is different from other states in that most finances are dealt with in Frankfort. Ms. Nesbitt asked if it would not be worthwhile to get the wage cap changed. Judge Pendery agreed that it would be and may take decades. It is one of the reasons why Kentucky went from being one of the leading economies in the southeastern United States 50-60 years ago to one of the trailing economies. He stated that 43 states have higher property taxes than Kentucky. Campbell County's in total is below the average in Kentucky counties.

New business continued with Resolution R-42-18 by title. R-42-18 allocates Mental Health/Intellectual Disability Tax Funds for FY 2019. Commissioner Lampe made a motion, seconded by Commissioner Painter. Commissioner Coleman asked for more detail on the four allocations totaling \$291,500: Detention Center Chemical Dependency Program (he had previously asked for a progress report on this program), Court Ordered Indigent Guardianship Evaluations, Human Services Program Administration and Youth Services Officer. Mr. Elberfeld stated that he is working on a report on the Detention Center Chemical Dependency Program. He explained that the Local Board of Health has funded that Program in the past, but they will not meet until May 21 this year. The Fiscal Court requested that the Health Department fund the program this year, if they do fund it, the Fiscal Court will not need to use MH/ID funds. The RC Durr Foundation also funds the Program. The hope is that MH/ID funds will not have to be used. Allyn Reinecke explained the Court Ordered Indigent Guardianship Evaluations adding that the Fiscal Court is obligated by law to provide this funding. Mr. Elberfeld stated that the Human Services Program Administration funds are traditionally used to pay for Ms. Reinecke's salary/benefits and costs associated to administer the MH/ID funds. Because there was a little more money this year, more of the MH/ID funds were contributed to administration rather than using the general fund; Ms. Reinecke is not getting an increase. Commissioner Coleman stated that the taxpayers are paying either way; they are not getting charged any more. Mr. Elberfeld then explained that the Youth Services Officer funds a detective position at the Police Department that primarily investigates child sex crimes. MH/ID funds are used rather than the general fund. Other police departments utilize this position also so he feels that it is appropriate to pay for it from the countywide MH/ID tax allocation. Commissioner Coleman summarized

that this is not an extra \$300,000, it is just from a different fund. All voted “AYE” and the motion passed.

Resolution R-43-18 was read by title. R-43-18 allocates Senior Citizens Tax Funds for FY 2019. Commissioner Painter made a motion to adopt R-43-18, seconded by Commissioner Lampe. Commissioner Coleman had the same question about the two separate allocations in this resolution. Mr. Elberfeld explained that there are less agency allocations from the Senior Citizens Tax Fund. Historically, Senior Citizens Tax Funds have been used to fund the Senior Center. The Center also receives some funding from the Northern Kentucky Area Development District, memberships and donations. The funds are taken from the Senior Citizens Tax Funds instead of the General Fund. All voted “AYE” and the motion passed.

Resolution R-44-18 was read by title. R-44-18 adopts and approves the execution of a County Road Aid Coop Program Contract with the Commonwealth of Kentucky, Transportation Cabinet, Department of Rural and Municipal Aid for the fiscal year beginning July 1, 2018, as provided in the Kentucky Revised Statutes and accepting all roads and streets referred to therein as being a part of the County Road System. Commissioner Painter made a motion to adopt R-44-18, seconded by Commissioner Lampe. All voted “AYE” and the motion passed.

Resolution R-45-18 was read by title. R-45-18 adopts and approves a Municipal Aid Coop Program Contract on behalf of the Unincorporated Urban Place with the Commonwealth of Kentucky, Transportation Cabinet, Department of Rural and Municipal Aid for the fiscal year beginning July 1, 2018 as provided in the Kentucky Revised Statutes and accepting all of the roads referred to therein as being urban roads which are a part of the Unincorporated Urban Place. Commissioner Painter made a motion to adopt R-45-18, seconded by Commissioner Lampe. All voted “AYE” and the motion passed.

Resolution R-46-18 was read by title. R-46-18 authorizes an on-call Professional Services Agreement with CT Consultants Inc. Commissioner Lampe made a motion to adopt R-46-18, seconded by Commissioner Painter. Commissioner Coleman asked how the cost of this contract compares with last year. Mr. Elberfeld stated that this is a new contract. The rates are similar to those charged by Cardinal Engineering or Viox. This contract will not increase the total amount spent on engineering, it just gives the Planning and Zoning Department another option. All voted “AYE” and the motion passed.

Resolution R-49-18 was read by title. R-49-18 approves Fedders Construction for the Property Assessment and Reassessment Moratorium Program. Commissioner Lampe made a motion to adopt R-49-18, seconded by Judge Pendery. Commissioner Coleman stated that this is the location of the old Greenline garage. Judge Pendery commented that the owners plan to invest \$650,000 in the building that was built in 1906. All voted “AYE” and the motion passed.

Resolution R-50-18 was read by title. R-50-18 authorizes a revision to the Interlocal Agreement between the Campbell County Fiscal Court and the City of Bellevue, Kentucky. Mr. Elberfeld explained that the Fiscal Court currently provides some building inspection services to the City of Bellevue. The City previously employed a staff planner, but no longer do and have decided to use the County’s services. The City will still maintain its own planning commission. Bellevue

will pay the County \$28,000 annually and the County will keep all of the planning fees. Commissioner Lampe made a motion to adopt R-50-18, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

Ms. Spicer announced that the next item on the agenda, Resolution R-53-18 was pulled from the agenda while the County Attorney's office continues to review the lease agreement. Commissioner Coleman asked why this item needs a Resolution. Mr. Elberfeld explained that Amazon wants to prepay campsites for workers and they requested a contract which requires a resolution. The County Attorney's office is still working on the terms of the agreement. He expects that it will be back on the June 6 meeting agenda.

Resolution R-54-18 was read by title. R-54-18 amends the Volunteer Handbook used at the Campbell County Animal Shelter. Commissioner Lampe made a motion to adopt R-54-18, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

A motion was then requested to appoint Peter Shilling to the part-time position of Golf Starter effective May 17, 2018 at an hourly rate of \$11.10. Ms. Spicer advised that the name of Samuel Burris has been removed from this appointment because he was unable to complete the pre-employment testing and paperwork in time for the meeting. Judge Pendery stated that there are two vacant Golf Starter positions; Mr. Burris will fill one vacancy. Mr. Elberfeld stated that he expects that Mr. Burris's appointment will be ready for the next meeting. Motion was made by Judge Pendery, seconded by Commissioner Lampe. All voted "AYE" and the motion passed.

A motion was requested to appoint Jessica Shields to the part-time position of Clubhouse Concession Worker effective May 17, 2018 at an hourly rate of \$9.75. Ms. Spicer then advised that the same situation applies to John Venable who was removed from appointment as a Clubhouse Concession Worker. Motion was made by Judge Pendery, seconded by Commissioner Lampe. All voted "AYE" and the motion passed.

A motion was requested to reappoint Brian Ellerman to the Transit Authority of Northern Kentucky (TANK) Board of Directors for a four-year term effective July 1, 2018 through June 30, 2022. Motion was made by Judge Pendery, seconded by Commissioner Lampe. All voted "AYE" and the motion passed.

Commissioner Coleman asked if the motion regarding the appointment of John Venable was skipped. Mr. Elberfeld explained that Mr. Venable did not complete his preemployment testing and paperwork in time and he will likely be on the next agenda.

Judge Pendery made a motion to reappoint Jon Trapp to the Southern Campbell County Fire District Board of Directors for a three-year term effective July 1, 2018 and expiring June 30, 2021. Commissioner Lampe seconded the motion. All voted "AYE" and the motion passed.

Matt Elberfeld presented Resolution R-47-18 by title. R-47-18 petitions the Judge/Executive to rename Golf Course Drive and authorizes the Judge/Executive to issue an order to rename it in accordance with KRS 179.330. He explained that Golf Course Drive is a private drive running from US 27 to the parking lot at the golf course. It is not a County maintained road. He received

a request to rename the road from a Commissioner in recognition of Terry Jolly's 45 years of service to the County and his upcoming retirement. Mr. Elberfeld explained the two methods to rename a road. The County owns nearly all of the property around the road. The County Attorney advised that a petition be prepared to rename it via this resolution. Commissioner Painter made a motion to adopt R-47-18, seconded by Judge Pendery. Commissioner Coleman asked which Commissioner made the request. Mr. Elberfeld replied that it was Commissioner Painter. Commissioners Lampe and Painter and Judge Pendery voted "AYE", Commissioner Coleman voted "NAY" and the motion passed.

Commissioner Coleman asked Mr. Elberfeld to provide him with the total expenditures related to the Ethics Commission lawsuit.

Commissioner Painter stated that at the last meeting he talked about road slips and asked staff to get repairs done as quickly as possible. He wanted to commend staff on how quickly they got the information together. He stated that Luke Mantle's memo on this issue is very good and concise.

Judge Pendery announced that the County Fest Music Festival will take place at AJ Jolly Park on Saturday June 9 from 2pm to 10pm. The cost is \$5 per person, parking is free. This is a family friendly event.

Judge Pendery announced that in collaboration with the Campbell County Library, Jolly Thursdays will begin on Thursday, June 7 at 10 AM and run each Thursday through July 26. Jolly Thursdays are free and fun for the whole family. New guests this year include Chris Clark Bicycle Stunt Show and Phenomenal Physics with the Cincinnati Museum Center. More information including the weekly line up is available at www.ajjollypark.com.

Judge Pendery announced that River Sweep 2018 will be held at Pendery Park on Saturday, June 16 from 10 AM to Noon. The Campbell County Extension Service is seeking volunteers to help with the annual riverbank clean-up. Interested persons should call Campbell County Extension Service at 859-572-2600.

Marie Schenkel requested a motion to authorize staff to solicit bids for the following materials for use by the Campbell County Road Department during fiscal year 2019: stone, culvert pipe and hot/cold mix asphalt. Motion was made by Commissioner Painter, seconded by Commissioner Lampe. All voted "AYE" and the motion passed.

A motion was requested to authorize staff to solicit bids for the following pier wall/drilled shaft wall installation projects: 1800 block of Poplar Ridge Road, 300 block of Visalia Road and 1800 block of Grandview Road. The total estimated cost of all three projects is \$178,000. Motion was made by Commissioner Painter, seconded by Commissioner Lampe. Judge Pendery stated that there was a lot of talk on social media about this issue. He stated that potholes are one thing but a slip is different. There is a list of roads that have slipped in the past, are in the process of slipping or are feared to slip. The amount of money to fix them all is beyond what the County can afford in a year. The process for fixing slips requires geotechnical work to determine how extensive the unstable conditions are and what kind of fix is needed. The reports say that these

three slips are too steep for the usual repair. The pier wall/drilled shaft is the most appropriate fix and it is expensive. With Commissioner Painter's prodding this work has been moved into this year's budget. He cautioned that if we get advice from engineers that the most appropriate time for the work is later in the year when the ground has dried out, they will have to heed that advice. The Road Department will try to stay on top of the slips and fill in as needed.

Commissioner Lampe asked for clarification on the amount of \$178,000. Ms. Schenkel replied that \$178,000 is an estimate for all three projects; once the bids are received, they will have a firm cost. Commissioner Lampe stated that they should be prepared for a significant cost to repair some of these slips. All voted "AYE" and the motion passed.

A motion was requested to accept the proposal of American Sound and Electronics Inc. to upgrade the audio-visual system in the Fiscal Court Chambers in the amount of \$27,242.75. Ms. Schenkel explained that the system has not been upgraded since the building was built. It is at its end of useful life and maintenance is difficult. She named other groups and meetings that take place in the room other than the Fiscal Court. Some users have devices that are not compatible with the current equipment. This project has been on the radar for a few years and Steve Penrod, IT Director recommends that it be done at this time. Motion was made by Judge Pendery, seconded by Commissioner Painter. Commissioner Coleman questioned the wording "staff met with several audio-video vendors and determined that American Sound and Electronics' proposal was the most attractive". Mr. Elberfeld stated that it is a combination of price, service and experience. When seeking proposals, staff did not want to send out a list of equipment that they thought they wanted low bid style. They wanted to meet with vendors to let them advise about best practices and future technology. Vendors submitted proposals based on what they would do. The IT Department then determined what was best. This is an upgrade not a replacement. He explained how the current system is outdated. It does not make sense to spend close to the same amount of money to replace existing equipment with the same equipment. Commissioner Lampe thanked Mr. Penrod for meeting him in advance of the meeting, as he was skeptical of a \$27,000 expenditure. Mr. Penrod explained the need and benefit of the new equipment. This room is utilized for many important meetings besides the once a month Fiscal Court meeting. Mr. Penrod gave a good explanation and it is in the budget. It is tough to spend that amount of money but it sounds like it is necessary. An audience member stated that it sounds like they consulted to get recommendations and selected what was the best fit giving them a defined parameter for what they want to purchase, so why not take the standard and put it out for bids to get the best price. Mr. Elberfeld stated that the requested proposals are treated as professional services. He does not think that these vendors would be interested in bidding because they may feel that staff got them in for a free consult, and would then use their work product and to get other bids. The price also includes installation and programming not just a list of hardware. The gentleman suggested that in the future they pay a consulting fee to define what they want. Commissioner Coleman asked if this is what they did a year ago when looking at privatizing the golf course. He was told that staff took the suggestions and said that they could do it themselves. Mr. Elberfeld stated that those suggestions were more of a general nature and suggestions that were obtained by the other two counties for their golf course were also used. The gentleman stated that if the consultant got paid to do work and the County pirated that information, it is a little ethically questionable. All voted "AYE" and the motion passed.

Resolution R-52-18 was read by title. R-52-18 authorizes the Judge/Executive to execute a Professional Services Agreement with eGov Strategies LLC for design, development, maintenance, hosting and software licensing for the Campbell County website. Ms. Schenkel stated that the costs are \$23,475 for the initial design and setup of the website and \$3,125 annually for continued support. Motion was made by Commissioner Lampe, seconded by Commissioner Painter. Commissioner Coleman asked why the IT Department doesn't design the website. Mr. Elberfeld explained that the County's IT Department background is more in network and systems administration, server, VM ware, phone system and hardware support. Web design is a different skillset. Some of the other counties have web designers on staff but he does not think that makes sense for Campbell County. He thinks that we are better off paying \$24,000 with a private company that specializes in government websites every 5 years or so. This is a professional service for design and development so solicitations were sent out to companies that specialize in government websites and some that don't. Based on the price, body of work and examples of websites, the IT Department recommends eGov Strategies. Commissioner Lampe thanked Steve Penrod for the time that he spent explaining this to him earlier. All voted "AYE" and the motion passed.

A motion was requested to adopt the Fiscal Year 2019 Annual Standing Order to preapprove certain recurring expenses such as personnel services, employee benefits, utilities and water and sewer bills. Motion was made by Commissioner Painter, seconded by Judge Pendery. All voted "AYE" and the motion passed.

Resolution R-51-18 was read by title. R-51-18 requests the Kentucky Transportation Cabinet to reimburse the Fiscal Court for transportation of non-public school students for the 2017-2018 school year. Ms. Schenkel stated that the request is based on the County's expenditures of \$329,144.88. Judge Pendery made a motion to adopt R-51-18, seconded by Commissioner Painter. Commissioner Coleman asked that the minutes reflect that Campbell County Schools do not pick up all of the parochial school students. This was discussed a few months ago. Campbell County Schools refuse to pick up some students that live on the east side of the AA Highway and they got \$80,000 more from the Fiscal Court this year. All voted "AYE" and the motion passed.

Commissioner Painter asked if it was OK for him to make the motion on the standing order. He was told that it was appropriate.

Assistant County Attorney Pat Walsh stated that County Attorney Steve Franzen has reviewed the claims and determined that they all appear appropriate. Commissioner Lampe made a motion to approve the claims and supplemental claims as presented for May 16, 2018, seconded by Commissioner Painter. All voted "AYE" and the motion passed.

Marie Schenkel then requested a motion to approve budget transfers as presented for May 16, 2018. She explained that the transfers do not increase the overall budget they only reallocate certain funds. 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 Lampe. All voted “AYE” and the meeting adjourned at 7:12 pm

Attachments:

Ordinance O-05-18 Amend Traffic Schedules – Speed Limits
Ordinance O-06-18 FY2019 Budget
Resolution R-42-18 Mental Health/Intellectual Disability Tax Fund Allocations
Resolution R-43-18 Senior Citizens Tax Fund Allocations
Resolution R-44-18 Agreement for County Road Aid
Resolution R-45-18 Agreement for Municipal Road Aid
Resolution R-46-18 Professional Services Agreement – CT Consultants
Resolution R-49-18 Property Assessment and Reassessment Moratorium
Resolution R-50-18 Interlocal Agreement with City of Bellevue
Resolution R-53-18 Rental Agreement for Use of Campsites at AJ Jolly Park
Resolution R-54-18 Amend Animal Shelter Volunteer Handbook
Resolution R-47-18 Rename Golf Course Drive
Resolution R-52-18 Professional Services Agreement for Website Design
Resolution R-51-18 Request for Reimbursement of School Transportation Costs
Claims Dated May 16, 2018
Budget Transfers Dated May 16, 2018

Approved:

STEVE PENDERY
Judge/Executive

Attest:

Paula K. Spicer, Fiscal Court Clerk