

The Grant County Fiscal Court met in Special Session on Monday, January 30, 2017, at 7:00 P.M. at the Grant County Courthouse in Williamstown, Kentucky 41097, with Jacquelyn Riley, Magistrate 1<sup>st</sup> District, Present; Shawna Coldiron, Magistrate 2<sup>nd</sup> District, Present; Bobby Newman, Magistrate 3<sup>rd</sup> District, Absent; Deputy Judge Pat Conrad Joe Taylor, Grant County Attorney, and Hon. Stephen Wood, Grant County Judge/Executive. Present and Presiding.

The following guests were in attendance: Mike Zovath, Howard Chipman, Cindy Chipman, William Spaulding, James D. Clemons, Chris Hankins, C. Nantz, Troy Evans, Mike Webster, Diana Smith, Debbie Jo Wright, Tabatha Clemons, Alice Ingram, John Souder, Randy Middleton, Carl E. Simpson, Bobby Young, Alexandra Young, Jackie Young, Mark Manis, Becky Manis, Harold O'Banion, Richard Lonkard, Darla Belew, Chad Bedard, Maria Stewart, Gayle Gatewood, Kody Gatewood, Gary Brock, Judy Osborne, Paul W. Glass, Bruce Carnes, Mark Covey, Stanley Humbert, Melissa Preston, Tommy Lawson, Cory Spicer, Kim Crupper, Barry Martin, Jim Henely, Jimmy Thorne, Carol Scroggins, Troy Lawrence, Debra Fitzgerald, Brian Howard, Sheriff Chuck Dills, Eli Anderson, Kyle Knarr, Dallas Knarr Sam Perry, Charlotte Schmidt, Debbie Rogers, Jim Wells, Mayor of Dry Ridge, Amy Kenner, Dry Ridge City Clerk, Jim Conrad, Jason Hankins, James Dressman, Tom Fund, Susan Nimersheim, Missy Schweigerah, Kim Medford, Brent Threlkeld, Ben Wilson, Isaiah Wartman, Ron Ashcraft, Greg Rapp, Brent Adam, Kentucky Davis, Troy Lawrence, David Shronk with Dana Corporation, Paul Simpson, Angela McLafferty, and Buck Walter. There were several other names on the sign in sheet that were not legible.

**CALL TO ORDER:**

Judge/Executive Stephen P. Wood called the meeting to order and Judge Wood briefly described for the record the reason for this Special meeting and that it is to discuss the need to increase revenues for Grant County, Kentucky. For the record, Judge/Executive Stephen Wood stated that the newspaper had been notified of this meeting 24 hours before the meeting. Judge Wood stated that the Fiscal Court is mandated by state law to balance our budget. We have to spend money to fund the Sheriff's Department, the Road Department, Animal Shelter, Parks, Building Inspector, and Solid Waste Management. He stated that we will have a citizens address and anyone wishing to speak will have 3 minutes, and he asked that everyone speak respectfully.

**APPROVAL OF AGENDA:**

Judge Wood presented the agenda for approval. Motion of Magistrate Coldiron, seconded by Magistrate Riley to approve the agenda as presented. The roll was called whereupon all members present voted in the affirmative.

**FISCAL MATTERS:**

Magistrate Jacquelyn Riley asked her constituents from Williamstown to raise their hands and then asked those from Corinth to raise their hands. Ms. Riley stated that after speaking with many constituents, they overwhelmingly would rather have cuts in service than bear a tax increase. She offered a number of options to cut costs and save money. They are as follows: Implement a true Purchase Order process; checks and balances that all departments must follow, including the jail. Have all department heads present at a caucus meeting to review the budget in detail so that the taxpayers can see that cuts have been made. Cancel all cleaning contracts county wide; Edie Ireland and MCR Cleaning

which could lead to a savings of between \$4,000.00 to \$18,000.00 in savings. Modify the printer/copier contract we currently have in place, reducing the number of units. Her suggestion was to not get a new unit for Parks and Recreation or the Road Dept. and go to one printer within the Fiscal Court offices. Reorganize the Administrative Office, eliminating the Deputy Judge position and go to a clerical position that would process claims, Administrative Assistant/HR Representative and County Treasurer. Pull Mr. Mullins in for generating of P.O.'s. Separation of duties for auditing/legal purposes, mandated by the state. Over time, we could consider bringing payroll duties in house vs. outsourcing once the skillset is obtained for such duties that would save close to \$900.00 a month just for processing payroll. Confirm what cost, if any, it would be to have the County clerk take the Fiscal Court meeting minutes (like KRS allows.) Look into possible layoffs for a period of time within all departments.

Modify the former county barn and relocate the county barn department back to Barnes Road and sell the Dry Ridge/Hopperton Lane property. Recognizing it's a smaller blueprint, but it could be feasible. Sell the Grant County Park or Eibeck Lane property and relocate services to one location or the other. We could utilize existing land on Barnes Road/Mullins field for ballgames or soccer games as well. Consider eliminating the Parks and Recreation Department since the majority of programs leverage volunteers to run the programs, for example soccer and little league. Boone County uses this approach. Or reduce department to just the Parks and Recreation Department to the Director vs. other supporting staffing. Realizing that smaller programs would not be offered. These current employees could possibly transfer to the jail to retain employment until at such time the department is re-implemented/funded. Eliminate part-time help at

the animal shelter and leverage inmate labor as necessary. These current Part-Time positions could possibly secure employment at the Grant County Detention Center. For current positions could we implement furlough days like 2 to 3 a month, like the state has done in the past to help save payroll dollars?

Could we liquidate some of the equipment at the Jail? See if the local John Deere dealership would purchase equipment back and or advertise and allow those canteen monies to pay some of the medical expenses that would otherwise be picked up by county taxpayers. Have the jailer look at the following contracts to see if spending can be reduced immediately, i.e. Food Service Contract, Southern Health Partners with/ medical coverage for 12 hour days only, Cintas Contract, Cincinnati Bell, Williamstown Cable bill, phone services, etc.

Ensure that contracts with the current phone provider for the Fiscal Court is reviewed, Cincinnati Bell and Verizon cell phone bills as well.

The court should ask the jailer to present a check from the canteen/commissary account to pay a portion of the medical expenses that have accumulated to date. The analysis on the projected shortcomings put the state population of the Detention Center at 85. Today there are 157 state inmates and 57 county inmates for a total of 214 inmates. This difference is \$343,392.00 additional revenue if the state inmate population doesn't drop and is only increased from here as additional staffing is hired. And I pray the state inmate population continues to rise as it's a critical component to decreasing the shortfall. Based on the updated analysis collectively we would need to identify at least roughly \$500,000.000 in savings. Could a combination of any of the above ideas realize half a million in savings for the remainder of this Fiscal Year?

In the meantime there are other revenue options that should be explored immediately. A possibility is a sales tax of 1% county wide that mirrors Sevierville, Tennessee or Pulaski County where Somerset is located. Both have a sales tax.

Consider creating a Tourism Tax for restaurants, which now already includes hotels. The county currently realizes a 3% administratively, but with increases in either of these options could the administrative fee be increased to help generate additional funds? As Julie mentioned this must be agreed upon/voted by the Tourism Board. Our County Attorney did confirm that 3% is the highest administrative portion that we can withhold without going to the Tourism Board to ask for additional funds.

There was some discussion of a Restaurant Tax, but there are legal problems with that kind of tax. County Attorney Joe Taylor explained that an increase in property taxes does not generate the kind of revenue necessary to overcome our deficit. There had been some discussion regarding a tax on tickets for the Ark Encounter, but that is not allowed.

Magistrate Riley went on to ask the questions; have we fully evaluated all options and looked into every avenue that could curb spending? As a Magistrate, I've not seen any such documentation that has convinced me we have and that's what citizens want to see as well. In speaking with residents they want to see evidence that cuts have been made and that will be made to eliminate the additional spending prior to implementing any new form of taxes.

Magistrate Riley stated that she realized in August of 2016 that we were in financial trouble. The Court had chosen to, hire a new police officer, purchase new trucks for the County Road department, and hire a new county maintenance man, (to which she was opposed.)

She went on to state that the past 2 years as Magistrate hasn't been easy. It's like living a nightmare. In fact, on more occasions than one I have been bullied and have faced much resistance to ideas or suggestions I've brought forward to our current judge. There have been instances information has been withheld from us Magistrates despite our desires to be involved. The longer we're in these positions, the more we learn.

As a new mother, who has two new children, a husband, a farm and as HR manager in my day job, despite my strong desire to serve our community, the easier option would be to resign. However, as a professional, I continue to put my differences aside and work with the current players involved. I spent 12 plus hours with the Grand Jury to basically be told that the Judge and Jailer need to get along. As an HR manager, I didn't need them to tell me that. I'm not giving up to help find the best solution for our county. "I'm not the judge and I'm not the jailer." I know I've talked a lot so I'm going to shut up. Judge Wood said that he and the jailer get along ok.

Magistrate Coldiron stated that the Fiscal Court needs to get our own house in order.

**CITIZEN'S ADDRESS:**

Ben Wilson then addressed the court and stated that the budget issues should have been addressed months ago. The Judge/Executive is way overpaid. Why do we have a budget line item for legal fees when we have a county attorney to represent us? He also criticized the number of employees in the County Attorney's office. Mr. Taylor then explained why he has that number of employees in his office. He also stated that the legal fees are for ongoing litigation and he would not discuss that in a public forum.

Isaiah Wartman representing Kentucky Liberty Solutions, a grass roots organization then took the podium. He stated that for too long this court has played the blame game and it

is everybody's fault and nobody's fault. He sees a tax increase as a taxpayer funded bail out. He questioned why the Judge/Executive would be getting a 2.1% raise when we can't balance our budget. It was explained that the county elected officials such as the Jailer, Sheriff, County clerk and Judge/Executive get that CPI increase every year. It is mandated by Frankfort. He questioned the Judge as to whether he was required to take the increase. He stated that the court should be careful with taxpayers funds, and when you take that money out of the pockets of citizens. It is a taxpayer bailout at citizens expense. He suggested consolidating departments to save money.

Ron Ashcraft then questioned how many thousands of dollars are on the books in delinquent tax bills that have never been paid and the properties have never been foreclosed upon. Mr. Taylor stated that companies buy up those tax bills and they are paid when property sells or the company that purchases them collects the money. Mr. Ashcraft stated that he believes that there are thousands and thousands of dollars due in uncollected properties taxes.

Greg Rapp stated that he was in jail as a county inmate and had to pay to get out and it was a lot more than the state daily rate. Inmates get medical care, a bed, food, television, etc. but he was put into a room at 55 degrees without a blanket.

Rob Marshall with Dry Ridge Toyota then addressed the Court and stated that with a 2.5% payroll tax that comes to \$1,382.00 per employee per year. He would like to volunteer to help with the budget and has the ability to give input to the court.

Charlotte Schmidt with the Grant County Board of Education then stated that the school system just gave their superintendent an \$18,000.00 a year raise. She stated that she wished this many people would attend their school board meetings at tax time. She also

stated that on her tax bill the library gets 9.8 Cents per \$100.00 value on a property and the school system gets 14 cents. She challenged the fairness of that tax.

John Souder then addressed the court and stated that he can save the county a bunch of money by using a sharp pencil. He stated that a former employee came to a Tea Party meeting and that he (John Souder) had volunteered to help but he never heard back from that employee. He stated "I want to help with a sharp pencil."

Rick Skinner, Mayor of Williamstown then addressed the court and stated that he was in favor of closing the jail. He feels that the court should sell that jail and move everything to Hopperton Lane. He stated that the Jail has never been profitable.

Debbie Rogers, a member of the Grant County School board asked about outside auditors and stated that the school board is audited every year and questioned whether or not the auditors made the court aware of this impending financial shortfall. She said that the school system does have some well paid people, but not a lot of high paying jobs. She stated that Wal-Mart employees are not well paid. She went on to say that the library is a taxing district just like the school board. If taxes keep going up, what is it going to be like next year or five years from now? It should bother people. She was asked how many people attend the School Board meetings and she stated that maybe one or two.

Amy Kenner, the City Clerk of Dry Ridge then addressed the court and stated "your budget is ridiculous." The expenses for the jail are out of control. Magistrate Coldiron stated that part of the problem with the jail is that the jailer did not understand revenue and expenses. Ms. Kenner stated that the jail bond payment should have been earmarked for the payment and not spent for other things. She went on to state that collecting for business licenses and payroll taxes is hard. "It is a pain in my ass!" It is not fair to tax our



employees. What is going to happen when the city of Dry Ridge sends the county a bill for over \$540,000.00 for the EMS in Grant County. They provide ambulance service for the whole county. The 911 will be out of money in 10 months. Judge Wood then told Ms. Kenner that her 3 minutes to speak was up. Mayor Jim Wells then stated that Ms. Kenner could have his time to speak. She then mentioned the Judge/Executive being on the Channel 12 newscast. She stated that if a payroll tax is implemented, she is going to make sure she knows where the money is going. The past is past and she doesn't care about finger pointing. She explained the ambulance service and what it costs and how the city of Dry Ridge bills insurances to cover the cost of ambulance runs.

Ron Ashcraft spoke again and said he was glad Jacquelyn Riley had done her homework and came prepared.

Magistrate Coldiron then explained about going over to Frankfort to speak with Lonnie Campbell with KACo.

Mayor Jim Wells of Dry Ridge then stated that people in this meeting are trying to come up with solutions. There are lots of good business people who understand revenue streams. They are willing to set down with the court.

Buck Walter of Piles Chevrolet came to the podium and stated "you are not just in business, you are a government agency. If a business is too costly, people go somewhere else. You have got to cut expenses. A 2.5% payroll tax is too much for our employees. I have brought a copy of a magazine called the Lane Report showing projected growth for Grant County. Boone County and Scott County are on fire with their growth. My Father-in-law told the former Judge/Executive exactly what would happen in the future when they built the new jail. And he was correct. You also raise the risk of going into a

recession if you raise taxes. You run the risk of losing the Dana Company if you raise the payroll tax. People work for us for what they can take home in their paycheck.

Paul Samples then addressed the court and stated that he is willing to volunteer to work and he feels that a lot of people would also be willing to volunteer. Deputy Judge Pat Conrad said that is a great idea, but there is a liability issue when people volunteer to work for the county and if someone got hurt using county equipment on county property and they were not an employee it is a serious issue.

Brent Adam then asked what the current deficit is and how long would a payroll tax be in effect. He said the inmates at the detention center need to be taught how to grow their own food while incarcerated.

Tony Hopper then addressed the court and stated that he worked as a Deputy Jailer in Oklahoma and inmates did grow their own food and they cooked their own food. They were used to maintain the parks.

David Shronk, Human Resources director with Dana came to the podium and stated that obviously we have a problem. He is distressed with the lack of knowledge of the court. He went on to state that a 2.5% payroll tax for Dana alone would be \$840,000.00 since they have 515 employees. This payroll tax would cause long term problems with recruiting employees. He asked the court to consider all the business acumen in the room and asked the court to take us up on our offer to help you handle the problem.

Troy Lawrence a Dana employee for 15 years then spoke. Troy stated that Dana has property in Louisville and Danville, Kentucky and Toledo, Ohio and that in 6 months or less they could be gone to one of those locations.

Jim Conrad then addressed the court and stated that he was a senior project

engineer for CG&E and then Duke Energy and worked on large projects. He was part of a budget team on one large project and the financial guys came to him and told him he needed to cut his budget. He did! He was also the Treasurer for his church and put together a budget. He had to determine how much revenue they would have and then how much their expenses could be. Budgets have to be done. Revenues were one half of our budget. When the Certificates of Deposit were being cashed in to meet expenses that was a red flag. Rob Marshall had a good idea. He also stated that he doesn't see hotels and restaurants coming in. Why is that he asked? Reports show that in the past the jail had been in the black but now it's in the red. Why is that?

Kentucky Davis, an employee of Dry Ridge Toyota then addressed the court and asked if anyone knew what the population of Grant County was in 2000. No one answered and then he asked did anyone know what the population of Grant County was in 2014. Judge Wood stated that it was around 24,000. Mr. Davis stated that from 2000 until 2014 the county only has 2,500 new residents. In 2014, in Gallatin County they put together a deal with Gallatin Steel worth \$500,000.00. He said that the court should listen to Mr. Marshall and other business people. He asked the court if they would sit down with these business people and allow them to help you.

The Magistrates stated that they would be willing to meet with the business people at a caucus meeting following the Regular meeting of the Fiscal Court on Monday, February 6<sup>th</sup>, 2017.

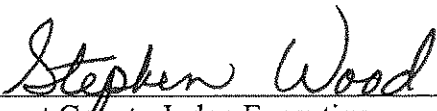
Brent Threlkeld, a local attorney then addressed the court and questioned the budgets of the animal shelter, parks and recreation, fire and police and the County Judge/Executive. He said the Building Inspector actually brings in money. He reminded the court of the

definition of insanity and said doing the same thing over and over and expecting different results is insanity. He went on to say that from 1998 to the present time there has been borrowed money for the jail. Last year 1.5 million was borrowed. He stated that he got the budget off the internet so it must be correct. This is not a lynch mob and maybe the court thinks they can go to the artesian well of the taxpayers. When I'm on the train tracks, I can hear the train coming. Fix this problem, but don't raise taxes.

**ADJOURNMENT:**

Judge/Executive Stephen P. Wood then asked for a motion to adjourn until the next Regular meeting of the Grant County Fiscal Court which will be held in the Grant County Courthouse on Monday, February 6, 2017.

Magistrate Coldiron made the motion and Magistrate Riley seconded the motion to adjourn. All members present voted to adjourn.

  
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Grant County Judge Executive  
Stephen P. Wood