



**Meeting 637 minutes
July 15, 2015**

Mayor Irvin T. "Butch" Callery called the July 15, 2015 City of Villa Hills Council meeting #636 to order at 6:30 p.m. at the Dennis M. Stein Municipal Building, 719 Rogers Road, Villa Hills, Kentucky. Mr. Kilburn gave the prayer. Mayor Callery led the Pledge of Allegiance.

Those in attendance:

Mayor Butch Callery
G. Bruns
G. Kilburn
M. Koenig
S. Ringo
J. Vaden
G. Waugaman

Mary Ann Stewart, City Attorney
Craig T. Bohman, City Administrator/Clerk
Chief of Police Bryan Allen
Dave Whitacre, City Engineer
Buck Yelton, Public Works Director

A quorum was present.

The first order of business was the approval of the minutes of meeting #636. Motion made by Mr. Bruns, seconded by Ms. Koenig. A voice vote was taken, all in favor.

The next item on the agenda was legislation.

Legislation:

- City Attorney Stewart gave a second reading to draft ordinance 2015-G Updating the City's Code of Ethics. Mr. Kilburn made the motion to approve, seconded by Mr. Waugaman. A roll call vote was taken as follows:

Mr. Bruns	aye	Mr. Ringo	aye
Mr. Kilburn	aye	Ms. Vaden	aye
Ms. Koenig	aye	Mr. Waugaman	aye

Motion carried 6-0. This will become Ordinance 2015-8

- Ms. Stewart gave a first reading to draft ordinance 2015-I increasing the payroll tax from 1% to 1.5% effective January 1, 2016.

- Ms. Stewart gave a first reading to draft ordinance 2015-H increasing the insurance premium tax from 7% to 9% and creating a 10% premium tax on life insurance policies. Mr. Kilburn and Mr. Ringo asked that the sections regarding the taxation of life insurance policies be removed from the draft. With no objections those sections were struck from the draft.
- The next item on the agenda was discussion only of draft ordinance 2015-J a ballot question to reduce the insurance premium tax from 9% to 5% and the payroll tax from 1.5% to 1% and approve a 7.5 cents per \$100 special road tax.
 - Mr. Bruns stated that he did not think there was going to be any increase in taxes this year. Mr. Ringo responded that was correct, that the proposed increases will all take effect next year. Mr. Bohman explained that the Insurance Premium tax can only change effective July 1st each year and those changes must be reported to the Department of Insurance by mid-March each year.
 - Mr. Kilburn noted that the last 3 city engineers have told the city it needs to spend at least \$650,000 on roads. The city has been \$300,000 below that number and this proposal brings in that amount of money. Mr. Kilburn noted that Mr. Bohman had obtained tax rate information from the NKADD for local jurisdictions and the city would be just above the mid-point in ranking if these ordinances pass. He also informed the public that a ballot question would be placed before voters to replace these increases with a special road tax. He also noted that the proposal would include the installation of ADA ramps and replacement of street signage.
 - Mr. Waugaman stated that he has spoken with people about the best way to fund the additional \$300,000 needed for roads. He pointed out that previous actions taken by the city have never come close to the required amount. Mr. Waugaman noted that Council is not trying to raise taxes for no reason but is only trying to get what it needs to get the roads fixed. The city is 50 years old and streets are hitting the end of their lifespan. He indicated that more information regarding the proposals would be made available for citizens to understand what Council trying to accomplish. Mr. Waugaman stated that the road tax is the best option because it is tax deductible.
 - Mr. Ringo noted that Mr. Bruns is correct in that nothing Council is doing would go into effect before the election this fall and citizens would have their say on if they want the taxes to be deductible or not. He pointed out that no one would pay a penny of these increases until after the vote.
 - Mr. Waugaman explained that the payroll tax would go into effect in January and the revenue would be received in March. The insurance premium tax would not take effect until July and the revenue would not come in until September. He noted that nothing would happen before the vote on a road tax. Mr. Ringo pointed out that should the ballot question pass, the new road tax would not be paid until next Fall.
 - Ms. Koenig clarified that the reason that the city is holding the readings on these now is to meet an August 11th deadline to get the ballot question to the county clerk and all of these ordinances have to passed before the ballot question can be submitted. She noted that Council is giving the public the choice of which method of taxation do they prefer.

- Mr. Waugaman noted that the ballot question needs to be submitted before the City's August Council meeting. Ms. Stewart commented that the city is having a 1st reading on the payroll tax and insurance tax ordinances in order to be able to include them in the proposed ballot question which she explained would reduce the insurance premium tax to 5% and the payroll tax to 1% to be replaced with the 7.5 cent road tax. She noted the ballot question is an either or option for voters. She described the designated nature of special ad valorem taxes. Mr. Ringo inquired about how the payroll tax and insurance premium tax could be designated. Ms. Stewart responded that those funds would have to be designated annually in the budget ordinance while the special ad valorem tax is a permanent designation.
- Mr. Waugaman noted that ad valorem tax can be lowered or zeroed out by future Councils. It is up to the average home in Villa Hills is \$225,000 and would come to roughly \$139 (with the homestead exemption). Discussion followed.
- Mr. Bruns stated he is most concerned about the residents who built this city, the elderly who are on fixed income. He inquired about the Homestead exemption. Mr. Bohman replied that the current homestead exemption removes \$36,000 of taxable value from the property, reducing senior's taxes including from the proposed road tax. He explained the requirements for the homestead exemption and that application for the exemption needed to be made to the PVA. Mr. Waugaman noted that there was also an exemption for disabled homeowners. Mr. Bruns stated that was important that those who qualified for the exemption knew about. Mr. Bruns inquired about the Insurance Premium tax estimates. Mr. Ringo replied that it would be different because one could have a \$100,000 home but six cars. It would be based on the insurance on purchased.
- Mr. Bruns inquired about the amount of money brought in by the proposed payroll tax increase. Mr. Ringo responded \$115,000. Mr. Bruns asked if Council could adjust the ballot question to leave the payroll tax in place and lower the size of the proposed property tax. Discussion followed. Mr. Ringo noted that Mr. Bruns' suggestion would drop the proposed road tax to 5 cents instead of 7.5 cents. Mr. Ringo noted that the majority of the payroll tax increase would be coming from teachers. Mr. Waugaman noted that the Payroll tax can fluctuate and cannot be guaranteed.
- Mr. Kilburn noted that Villa Hills does not tax life insurance or health premiums. He explained the breakout of the gasoline taxes and the distribution of Municipal Road Aid funding which drastically benefits counties at the expense of cities. He also noted the recent agreement with Iran will release their previously embargoed oil into the market lowering gasoline prices and the gasoline tax further. Mr. Waugaman noted that between the drops in municipal road aid and the reduction in revenue from the transition from the vehicle license fee to the insurance premium tax has reduced the amount of funding for roads by \$70,000.
- Ms. Vaden inquired about the proposed tax increase on life insurance policies in the draft. Mr. Bohman responded that it was common practice to look at neighboring communities' ordinance language when drafting

legislation and since most of Villa Hills neighbors tax health and life insurance, the life insurance component was added. He noted that Council had a strong consensus to strip that language out. Ms. Vaden asked how that impacts these numbers. Mayor Callery responded that it does not affect the numbers. Mr. Bohman clarified that since the city never collected that tax before there was no way to estimate how much revenue would be brought in by taxing life insurance policies. Mr. Ringo added removing the proposed tax on life insurance goes back to the comments made by Mr. Waugaman that the Council is not looking to take any more money than it needs to address the road issue.

- Mr. Waugaman brought Council and the public attention to the fact that other cities have much larger commercial bases and most of the cities with a road tax in place have double the rate being proposed for Villa Hills. He noted that Villa Hills, even with these increases, will be at or below what other cities are charging their residents. Mr. Waugaman noted that according to the NKADD the city would be right at the mid-point when compared to other communities.
 - Mr. Kilburn noted that another reason for the proposals is that the city has already started on replacing Valley Trails and Buttermilk. Both are large projects and the city has already received a grant for work on Buttermilk that the city will have to match dollar for dollar. Mayor Callery noted that the Buttermilk project is a \$700,000 project. Mr. Waugaman responded that the city will work to get as much information out in a format that is not complicated so resident can see what needs to be done. Residents should expect a lot information over the next couple months about this.
 - Mr. Ringo informed the public that there would be several public meetings to discuss the proposal. He asked if the logistics of passing the ordinances before August 11th would require a special meeting. Mayor Callery placed Council on notice that a special meeting would be called for July 29th at 6:30 p.m. at 719 Rogers Road for the second readings on the taxes and the first reading of the ballot question. Mr. Kilburn noted that the public is welcome to attend the special meeting.
 - Mr. Bruns requested to see an alternate proposal that kept the payroll tax in place and only replaced the insurance premium tax with the proposed road tax in order to reduce the tax burden on residents.
 - Mr. Waugaman asked if adjusting the proposal at the special meeting would be an issue. Ms. Stewart responded that it would not be a problem since the ballot question had not yet received its first reading. Discussion followed.
- Ms. Stewart gave a first reading to draft ordinance 2015-K amending the pay and classification plan. Mr. Bohman explained that by law every city must have a pay and classification schedule. He noted the city had one for civil service in 2010 then adopted one for non-civil service positions in 2013. Mr. Bohman noted that the city recently received the 2015 NKCCMA salary survey results and this ordinance updates the salary ranges for the city's positions based on the new data reflecting the local labor market. Mr. Kilburn inquired if the budget contained these new ranges. Mr. Bohman responded that the budget loaded the approved raise budgeted by council and this proposal is adjusting the minimum

and maximum ranges for positions. Mr. Bohman explained that the ranges are anticipated to be career long ranges with new employees coming in at the bottom and long term employees reaching the top. He reported that a couple of employees have hit the max and would like to address that issue because the merit raise system the city is attempting to implement will fall apart once an employee hits their position maximum salary. He noted that there are several potential retirements in the next two years and the proposal includes several new positions that will be left unfilled to be used when a position becomes vacant in the future the funding can be redirected to fund them.

The next item on the agenda was committee reports.

Committee Report:

Police:

- Chief Allen provided the monthly police report. He noted that the change in case numbers page reflects using the UCR format instead of our own format. Chief Allen reviewed the calls for service and reports. He noted the increase in calls due to ID theft.
- Mr. Ringo asked what the city does in regards to ID theft. Chief Allen noted that the PD fills out packets to turn into the bank or federal agencies, but since most ID thefts occur outside our jurisdiction, the PD is unable to pursue them further.
- Chief Allen reported that citizens are calling more often about suspicious activity.
- Mr. Kilburn inquired about the body camera grants. Chief Allen reported that the city did not receive the grant from Firehouse subs and would apply for Federal grants. He noted that grants are very competitive. He noted that regulations are under review regarding the retention and open records redaction of the videos.
- Mr. Kilburn reiterated that people who make false accusations against officers should be prosecuted and officers who violate the rules should also be disciplined.
- Ms. Vaden asked about the Safety Fair. Chief Allen reminded the public that Safety night is August 4th from 6 p.m. – 9 p.m.

Safety:

- Mr. Bruns gave the safety committee report. He reported that the committee discussed the preparations for safety night. Ms. Koenig noted that Safety night would also include the annual bike rodeo.
- Mr. Bruns stated that body cameras were not discussed for the first time this year. He said the committee would support the Chief regarding the timing of the camera purchase.

City Engineer:

- City Engineer David Whitacre reported that month long rain had delayed all road work, that the Buttermilk project should have been completed a month ago. He expects the concrete work to be poured Monday or Tuesday next week even though there are chances for rain each day.
- Mr. Whitacre noted that he is hesitant to produce a schedule of needed repairs because it is always changing. He noted that the city discussed an asphalt overlay on Windgate last year, but now the street must be fully rebuilt. Mr. Bruns inquired about the age of the street. Ms. Koenig estimated Windgate is about 20

years old. Discussion about the condition of Windgate and the use of underdrains followed.

- Mr. Whitacre discussed the need to increase the estimate of the annual amount needed for roads from \$650,000 to \$800,000 due to new roads and the transfer of county roads to the city a few years ago. He noted that the city has fallen \$3million
- Mr. Kilburn inquired about the \$66,000 invoice received for work on Buttermilk between Rogers and Niewahner. Mr. Kilburn asked if all work meets standards and if the work listed on the invoice is complete. Mr. Whitacre reported yes. Motion made by Mr. Kilburn, seconded by Mr. Bruns to pay the invoice for the Buttermilk road project. Motion carried by voice vote all in favor.

Events and Beautification:

- Ms. Koenig reported that the committee discussed holding a movie night and the design of the relocated traffic island on Niewahner. Mr. Bruns thanked the Garden Club for all their work.

Finance:

- Mr. Waugaman presented the Finance Committee report. He reported that the Finance Committee's questions had been answered by City Administrator/Clerk Bohman.
- Mr. Waugaman informed the Mayor and Council that banking bids would go out by the end of the week and any transition must be complete by September in order to be ready for tax payments.
- Mr. Waugaman noted that all departments finished the fiscal year under budget.
- Mr. Waugaman reported that the committee recommends approval of monthly Finances without redaction and be placed on the website.
- A motion was made by Mr. Kilburn, seconded by Mr. Bruns to approve the monthly financial report. Motion carried by voice vote, all in favor.

Recreation:

- Mr. Ringo reported that the Recreation Committee meeting had been canceled due to lack of quorum.
- Mr. Ringo announced that the Villa Hills Civic Club is donating \$8,000 to cover half of the replacement of the netting protecting the street from the fields at Villa. Installation starts this Friday.
- The next meeting is August 13th at 6:30.

Administration:

- Ms. Vaden reported that the monthly Administration committee meeting had been canceled due to the 4th of July holiday.
- The next Administration committee meeting is August 5th at 6:30 p.m. at 720 Rogers Road.

Fire Authority:

- Mr. Ringo reported that the Fire Authority will not meet until this coming Monday.

Public Works:

- Mr. Kilburn gave the Public Works Committee report.
- Mr. Kilburn pointed out that the \$215,000 available has been committed.
- The next meeting is 1:00 p.m. on August 12th at 720 Rogers.
- Public Works Director Buck Yelton reported that the asphalt work on Wesley and Dalewood was almost complete. He informed the Mayor and Council that work on the drainage issue on Bluebird/Meadowview would start next week.
- Mr. Yelton reported that work on the road study had begun.

City Attorney:

- City Attorney Mary Ann Stewart had nothing to report.

City Administrator Clerk:

- City Administrator/Clerk Bohman reported that the annual financial audit started today and would continue for the rest of the week.

Mayor's Report:

- Mayor Callery reminded Council about the service line program discussed earlier in the year. He reported he had received a report from the company detailing that it partners with 250 cities serving 5,074,000 households, it entered into 40 new service agreements in 2014 and saved 100,000 homeowners \$64 million last year. Mayor Callery noted that he has received many calls about the letters from residents worried that it was a scam but it is not. He said it was a good program.

Old Business/New Business

- Mr. Bohman reported that the status of the encroachment ordinance and the update to the traffic codes was unchanged from last month. He had a discussed the encroachment ordinance with the City Engineer and will have that ordinance presented as soon as the drawings for the street sections are complete. Mr. Bohman noted that the traffic regulations would need more time but expected to be ready by the end of summer.

There being no further old or new business, the meeting proceeded to general announcements.

General Announcements

- Mr. Bruns said he looked forward to the upcoming City Safety night and hoped to see a lot of people there.
- Mr. Ringo inquired about the building project on Highwater. Mr. Bohman responded that two parcels were subdivided into five parcels and the plan is to build five new single family home with a single shared driveway.
- Mr. Waugaman reported that the SD1 had reestablished the sewer lateral project when they passed their budget. He thanked the department heads staying under budget, all three did a great job. Mayor Callery commented that SD1 is putting aside \$600,000 with no increase in the sewer rates.
- Mayor Callery inquired of City Attorney Stewart if an executive session was needed. Ms. Stewart reported that nothing had changed in regards to legal matters and could answer any questions from the Mayor or Council in executive session if needed.

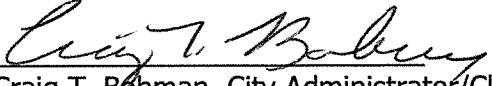
- Seth Thompson from Deerfield addressed the Mayor and Council regarding the proposed special road tax. He supported the need to create a dedicated road fund. He asked that it be listed as a separate line on the tax bill and inquired if \$650,000 was enough? He wanted to be sure that Council brings in enough money to meet the city's need.

There was no executive session.

With there being no further discussion, Ms. Koenig made a motion to adjourn, seconded by Mr. Bruns. Motion carried by voice vote, all in favor.

Time of adjournment was 8:01 p.m.

Respectfully submitted,


Craig T. Bohman, City Administrator/Clerk


Irvin T. "Butch" Callery, Mayor