

Caucus Meeting / Public Hearing

September 9, 2020

Mayor Heather Jansen called the September 9, 2020 Caucus meeting of City of Villa Hills Council to order at 6:30 p.m. City Clerk Jennifer Lipson verified the roll. Those in attendance were:

**Mayor Jansen
R. Baehner
J. Cahill
S. Ringo
C. Stover
S. Thompson
S. Wadsworth**

**Craig T. Bohman, City Administrator
Jennifer Lipson, City Clerk
Bryan Allen, Police Chief
Bryce Rhoades, City Attorney**

A quorum was present.

Ms. Wadsworth arrived after the Public Hearing, but prior to the start of the Caucus meeting.

First item on the agenda was a public hearing on the 2020 Tax Rate.

Public Hearing on proposed 2020 Tax Rate:

Mr. Bohman first wished to thank the Kenton County Property Valuation office and the State Revenue Cabinet for the expediency in getting the certifications out to the cities. The public was informed that tax bills will go out on time this year.

Mr. Bohman gave a presentation on the proposed tax rate for 2020/2021. He stated that the Real Property tax rate for last year was 23 cents per \$100 of valuation, and the Personal Property rate was 7.3 cents per \$100 valuation. The calculated compensating rate was 20.4 cents per \$100 of valuation. The proposed rate is the compensating rate plus 4%, which would make the Real Property tax rate 21.2 cents per \$100 of valuation with anticipated revenue of \$1,726,000, and Personal Property tax rate at 7.7 cents per \$100 of valuation.

The re-assessments came in with 12% increased value, over last year. The city has \$9 million in new property value sales, approximately \$6.5 million is due to the sale of the Sanctuary property. It was noted that 70% of Real Property taxes generated from the Sanctuary property will go into the TIF fund, with the remaining 30% going into the General Operating budget. Each January 1st, the city will see the values increase due to the work being done on the Sanctuary property.

The floor was opened for public comments by Mayor Jansen. There were no public comments.

Legislation:

2nd Reading and approval of Ord 2020-I: An Ordinance of The City of Villa Hills, in Kenton County, Kentucky Levying an ad valorem real estate tax of 21.2 cents per each one hundred dollars in real estate valuation within the City and providing for interest and penalty charges for late payment; and levying a personal property tax of 7.7 cents per each one hundred dollars in valuation of personal property within the City.

Mr. Rhoades gave the 2nd reading of Ord 2020-I. Mr. Baehner made a motion to approve, seconded by Ms. Stover. A roll call vote was taken as follows:

Mr. Baehner	Yes	Ms. Stover	Yes
Mr. Cahill	Yes	Mr. Thompson	Yes
Mr. Ringo	Yes	Ms. Wadsworth	Yes

Passed 6-0. This will become Ordinance 2020-14.

The next item on the agenda was discussion of the Electric and Natural Gas Franchise fee

Mr. Bohman has been working with Duke to set up the Franchise Fee. A chart of estimates was provided by Duke based on March 2020 usage. The Franchise Fee is being looked at as a funding mechanism for replacement of the firehouse. The firehouse is being evaluated for replacement, as the current building is 60 years old. If the cost for the new firehouse is \$4 million, the Villa Hills portion of loan payments would equate to \$160,000 per year to the City of Villa Hills for their portion of the annual payment. The total cost could be closer to \$6 million, making the yearly payment for the city's portion to be closer to \$239,586. The allowed Franchise Fee rate can be up to 3%. With the 3%, the city is estimated to receive \$204,495 to apply towards the yearly payments.

Council discussion that by doing the franchise fee, the fire department would catch the property owners who have not contributed to support of fire authority in the past due to exemptions. Council would like to possibly have a vote on the franchise fee in either September or October, but would like to make the public aware before the final vote.

The process for getting the rate established and money collected will be that Council will first need to decide a rate and vote to pass that at a meeting. An advertisement will need to be generated for Duke, then Duke would need to file with the Public Service Commission (PSC) with the rate set by Council. Duke would need approximately 10-12 weeks after Council approval to get approved by PSC, set up billing, and start collecting. If Council voted to approve a rate next week or in October, the money would start coming to the city around the 2nd Quarter of 2021.

There was discussion in regards to how/where Crescent Springs stands on funding their portion of the firehouse. Council would like to talk to Crescent Springs to see if they have a funding mechanism set up.

There was a question raised about freezing the process: If Council sets a rate and votes to approve that rate, can Duke move forward with their process and potentially receive approval from PSC, but wait on actually implementing the rate. Mr. Bohman will talk to Duke's

attorney, but said that may take more than 1 week to get a response. Mr. Bohman will try to get a reply in time to place the matter on regular Council meeting on September 16th.

Mr. Rhoades was asked about maximum time that a franchise fee can be in place, Mr. Rhoades advised the maximum allowable is 20 years, and that the proceeds will need to be restricted.

There was some discussion on how a loan can be applied for. If it is for \$5 million, the Fire Authority isn't sure it can get approved. Each City may need to apply for their portion of the final amount. That will be checked, to see how it can occur.

General Discussion

Mayor Jansen advised that she had the signed copy of the easement with the Villa Hills Civic Club for the drainage for the Lakeshore project. The easement still needs to be signed by SD1.

Chief Allen advised that K-9 Onexx and Officer Dooley have completed and passed the K-9 National Accreditation. Onexx was also supposed to be on Top Dog in California, however the dates were changed numerous times and ended up being at the same time as the accreditation, so they didn't make it. Onexx will be in a calendar that will come out next year.

November election information was shared with Council. The City will put the information out in the newsletter, on the website, on Facebook and send out by email. Villa Hills will still vote at River Ridge Elementary, but it will be set up differently to allow for social distancing.

Villa Hills Civic Club will have their antique car show on Saturday, September 12th.

Mr. Bohman received an email from KLC, who has offered to lock rates for 3 years, for City to sign an agreement to commit to staying with them for the next 3 years. The City's broker is checking with other insurance carriers, but feels the rates that KLC is offering are very good.

Buttermilk Pike project is nearing the final stage. Duke should be finished by next week. Riegler has been working on restorations, the intersection at Sunglow and replacing sidewalks, while they wait for Duke to finish. Riegler needs approximately 3-4 weeks, weather dependent, to complete the work on Buttermilk Pike, including the final layer of asphalt on the entire project.

Mayor Jansen announced that Mr. Yelton had knee surgery and is recovering well. Mr. Schalk has been doing a great job filling in for him. The new Public Works Employee is working out well.

Mr. Baehner made a motion to go into Executive Session, pursuant to KRS 61.810 (f) discussion related to the appointment, discipline, or dismissal of an employee. Mr. Baehner asked for Mr. Bohman and Chief Allen to join the Executive Session, and Mayor Jansen added City Clerk Jennifer Lipson to the session as well. Second by Mr. Cahill. All were in favor.

Council adjourned to Executive Session at 7:15 pm.

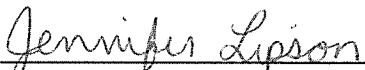
Council returned from Executive Session at 7:30 pm.

There was no further business.


At 7:31 p.m. a motion was made by Mr. Ringo, seconded by Ms. Stover to adjourn. All were in favor.

Time of adjournment was 7:31 p.m.

Respectfully submitted,



Jennifer Lipson, City Clerk



Heather H. Jansen, Mayor