

LUDLOW SPECIAL COUNCIL MEETING
MINUTES

March 20, 2019

Mayor Josh Boone called the meeting to order at 7:00 p.m. followed by the Pledge of Allegiance. Laurie Sparks called the roll, which showed the following council members present: Steve Chapman, Tiffany Grider, Chris Wright, Tom Amann, and Julie Terry Navarre. (Bill Whiteley was absent.)

ALSO ATTENDING: City Attorney Kyle Winslow, Interim City Administrative Officer/Police Chief Scott Smith, City Clerk Laurie Sparks

NEW BUSINESS

Discussion and First Reading of Ordinance 2019-3

Motion by Mr. Amann, second by Ms. Grider, to introduce Ordinance 2019-3 *An Ordinance of the City of Ludlow, Kentucky, Amending Chapter 115 of the Code of Ordinances to Increase the License Fee Imposed on Companies Issuing Life Insurance and Policies Other Than Life Insurance for a first reading.* Mr. Amann discussed the proposed increase in the insurance premium tax that would raise the tax from 10% to 12%. The insurance premium tax has been in effect since 1984. Discussion on the need to increase revenues. The attorney recently sent to property owners who have delinquent property taxes advising that they must pay the taxes by April 15, 2019, to avoid further penalties and fees. Mr. Amann advised that he and Mr. Chapman don't like to raise taxes but believe it is something the City must do. Kentucky Revised Statutes allow cities to collect up to 15% in insurance premium taxes, but the City is only raising the tax to 12%. Discussion on rates charged by other local cities.

Nancy Mullins, 461 Elm Street, inquired about the City's projected deficit. Chief Smith advised that the deficit is \$200,000.00 plus the \$350,000.00 owed on the Tax Anticipation Note (TAN) that is due in July 2019. Approximately \$116,000.00 in revenue will be generated by the increase in the insurance premium tax. Discussion on the type of delinquencies on properties, which include taxes, garbage fees, and code enforcement liens. Discussion on the attorney fees to collect the delinquent taxes/fees. Discussion on the rising costs of employee pensions and health insurance and a series of missteps over the past ten or twelve years, such as losing the Bromley police contract, that led to the City's financial situation. Chief Smith advised that the City will work to bring economic development and businesses to the city. Discussion on the proposed development for the lot across from the Ludlow Plaza that Council voted down last year. Ms. Mullins advised that she is opposed to the increase in the insurance premium tax.

Ken Ellis, 633 Elm Street, inquired about whose job it is to inform Council of the delinquent property taxes. Mayor Boone advised that ideally the city administrative officer should have told Council of the delinquencies during the budgeting process.

Lefty Pegg, 468 Elm Street, inquired about what percentage the delinquent property taxes/fees owed is from rental property. Chief Smith advised that he did not have the information at that time, but he would let Mr. Pegg know the amount. Mr. Pegg advised that he hopes to have a license ready by April that will put a stop to the abandoned property. Discussion on the status

of the development of the property across from the Ludlow Plaza. Mr. Amann clarified that the insurance premium tax is collected each year on home and auto insurance policies but only collected on the first year of a life insurance policy. Mr. Pegg advised that he would like the City to go back to issuing city stickers. Mr. Amann advised that the City is looking into making sure that every resident of Ludlow has a Kentucky license plate. Discussion on the Finance Committee's role in examining and reviewing each check that is issued by the City.

Bill Mullins, 461 Elm Street, inquired about how long the City knew there was a deficit looming. Discussion on why Council chose not to take the compensating tax rate plus the 4% increase last year. Discussion on the Finance Committee's role regarding the budget. Chief Smith advised that the departments are staying within their budget but explained mistakes within the budget that need to be rectified. Discussion on how the City will operate until it receives the funds from the insurance premium tax increase in October. Mr. Mullins inquired whether the City would go back to the developer regarding the lot across from Ludlow Plaza. Mr. Amann advised that Council would like to have a meeting to get citizens' input on what they would like to see constructed on the lot. Mr. Amann advised that Council was kept in the dark about the project until two weeks before they were required to vote on it and didn't see the renderings for the development until the citizens did.

Kelly Manning Williamson, 216 Ludford Street, advised that she is a certified Kentucky paralegal and offered to donate her time to help with code enforcement. Chief Smith thanked Ms. Williamson for her offer to help.

Mr. Winslow completed the first reading of Ordinance 2019-3. The second reading of Ordinance 2019-3 will be held at a special council meeting on March 21, 2019 at 7:00 p.m.

Motion by Ms. Terry Navarre, second by Mr. Chapman, to adjourn the meeting at 7:53 p.m. Following a voice vote, motion carried: all ayes.

Respectfully submitted,

Laurie Sparks, City Clerk

Attest: _____
Joshua A. Boone, Mayor