

LUDLOW SPECIAL COUNCIL MEETING
MINUTES

September 7, 2023

Mayor Chris Wright 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, Ari Knight, Samantha Frank, Julie Terry Navarre, and Abigail Miller. Lori Davenport was absent.

ALSO ATTENDING: City Attorney Todd McMurtry, City Administrative Officer/Police Chief Scott Smith, City Clerk Laurie Sparks

Mayor Wright reminded everyone that this was a special meeting and only items on the agenda can be discussed.

NEW BUSINESS

First Reading of Ordinance 2023-10

Mr. McMurtry completed the first reading of Ordinance 2023-10 *An Ordinance of the City of Ludlow, Kenton County, Kentucky, Fixing the Tax Rate for the Fiscal Year Beginning July 1, 2023, and Ending June 30, 2024, Upon Real Estate, Personal, and Mixed Property in the City of Ludlow, Kentucky, and Fixing the Time for Payment and Penalty for Non-Payment of Same.* The proposed tax rate is the compensating + 4% rate of \$.499 per \$100.00 assessed value on real property and \$1.667 per \$100.00 assessed value on personal and mixed property. Smaller cities like Southgate, Ludlow, and Dayton generally have higher property tax rates because most of the revenue comes from residents due to a lack of businesses in the cities. Mr. Chapman recommended taking the compensating + 4% tax rate, which would still be lower than the 2021 tax rate of \$.520 per \$100.00 assessed value, in order to build up the contingency fund. The goal is to have six months of expenses in reserve. Chief Smith advised that the average monthly operating cost for the City is \$400,000.00. The City also needs to plan for expenses down the road, such as replacing the fire truck. Mayor Wright advised the rate that is set has an exponential effect on future rates because that rate will be used as the basis to calculate next year's tax rates. Discussion on when construction on the Fischer development will begin and when the City will receive payroll and property taxes from the development.

First Reading of Ordinance 2023-11

Mr. McMurtry completed the first reading of Ordinance 2023-11 *An Ordinance of the City of Ludlow, Kenton County, Kentucky, Fixing the Tax Rate for the Fiscal Year Beginning July 1, 2023, and Ending June 30, 2024, Upon Real Estate, Personal, and Mixed Property in the City of Ludlow, Kentucky, for the Fire Protection and Emergency Medical Services Special Ad Valorem Tax, and Fixing the Time for Payment and Penalty for Non-Payment of Same.* Mayor Wright advised that the tax rate has not changed in the last twenty years; however, costs have increased. Chief Smith advised that this year, \$280,000.00 must be transferred from the General Fund to the Fire Fund to cover costs. Discussion on fire tax rates in other local cities. Mayor Wright advised that the City needs to think about proposing an increase of the ad valorem fire tax to the maximum allowed amount of \$.200 per \$100.00 assessed value to help with the costs. An increase would need to be placed on the ballot and voted on by the residents. Ms. Miller discussed the possibility of the City leasing properties and investing in purchasing and flipping houses. Mayor Wright advised

that Bellevue has had some success in buying buildings in their business district and it may be something worth looking into in the future.

CITIZENS WISHING TO ADDRESS MAYOR AND COUNCIL

Cindy Jones, 143 Highway Avenue, inquired why the City would raise taxes if there is a surplus of revenue, according to the budget. Chief Smith advised that the budget is an estimate that was made in June before they knew the assessed value of property in the city, the increase in the homestead exemption, the loss of the business on Sandbank Road, and any other unforeseen expenses. The budget is reconciled at the end of the fiscal year to reflect the actual amount of revenue and expenses. Mayor Wright advised that in last year's budget, the actual expenses were more than what was originally budgeted because there are always unexpected expenses. Discussion on General Government expenses in the budget and the increase in the garbage collection rate. Ms. Jones asked what the taxes would do for her. Chief Smith advised that if the City did not receive money from property taxes, it would result in smaller police and fire departments because the money would not be there to fund them. Discussion on the Ludlow Plaza and Train Viewing Platform that was approved by a previous Council and administration. Ms. Jones advised that she feels like the Mayor and Council do not listen to the residents. Mayor Wright told Ms. Jones that he is truly sorry if she doesn't feel heard and advised that they can disagree on an issue, but it doesn't mean that her input isn't valued or taken into consideration. Mayor Wright applauded Ms. Jones for attending council meetings and encouraged her to keep attending meetings. Discussion on the homestead exemption, which the state increases every two years. In 2023, the homestead exemption rate will increase from \$40,500.00 to \$46,350.00. Ms. Jones stated that she understands the need for the Fire & EMS tax but doesn't understand why the other taxes are so high. Mayor Wright advised that the property tax rates are higher in small towns that have a lack of businesses. Chief Smith advised that the City needs to encourage big businesses that employ a lot of people to move into the city in order to generate enough revenue that would allow a reduction in property taxes. Ms. Jones advised that she received a letter about overgrown grass even though her grass was not overgrown. Ms. Miller advised that she is Ms. Jones' neighbor and agreed the Ms. Jones' grass was not over eight inches tall. Discussion about the possibility of the letter being sent in error. Ms. Jones and Ms. Miller discussed the amount of postage that was spent on sending out the code violation letters and wondered if there was a better way to send notifications to save money on postage.

Motion by Ms. Terry Navarre, second by Ms. Frank, to adjourn the meeting at 8:04 p.m. Following a voice vote, motion carried: all ayes.

Respectfully submitted,

Laurie Sparks, City Clerk

Attest: _____
Chris Wright, Mayor