

City OF NEWPORT, KY
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, October 4, 2017
MINUTES

CALL TO ORDER / ROLL CALL

The meeting was called to order by Mayor Peluso at 5:00 p.m. in the Multi-Purpose Room of the Newport Municipal Building at 998 Monmouth Street. The meeting was opened with a moment for silent invocation and the mayor led the Pledge of Allegiance.

In attendance were: Commissioner Thomas Guidugli, Commissioner Frank Peluso, Commissioner Ken Rehtin, and Mayor Jerry Peluso. Absent: Commissioner Beth Fennell. Also in attendance were: City Manager Thomas Fromme, Assistant to the City Manager Larissa Sims, City Attorney Dan Braun, Finance Director Lenny Kuntz, Fire Chief Bill Darin, Lt. Paul Kunkel, Community Liaison Bev Holiday, and City Clerk Amy Able.

PUBLIC HEARINGS

City Manager Fromme reviewed the figures in the public notice which, as required by statute, was published twice in the Campbell County Recorder (on September 21 and September 28, 2017) and posted at the entrance of the city building. Additionally the meeting notice was published on the City website beginning September 15, 2017.

NOTICE OF PUBLIC HEARING: Pursuant to KRS 132.027, the City of Newport, KY will hold a Public Hearing on Wednesday, October 4, 2017 at 5:00 p.m., local time, in the Multi-Purpose Room of the Newport City Building, 998 Monmouth Street, to hear comments from the public regarding a proposed real estate tax rate of \$2.87 per \$1,000 valuation and proposed personal property tax rate of \$2.45 per \$1,000. As required by law, this includes the following information:

| | Tax Rate Per \$1000 Assessed Valuation | Revenue |
|--|---|-------------|
| Preceding Year Tax Rate and Real Property Revenue | \$2.81 | \$1,848,430 |
| Tax Rate Proposed for 2017 and Expected Real Property Revenue | \$2.87 | \$1,928,898 |
| Compensating Tax Rate and Expected Real Property Revenue | \$2.76 | \$1,854,710 |
| Revenue Expected from New Real Property | \$2.87 | \$0 |
| Tax Rate Proposed for 2017 and Expected Personal Property Revenue | \$2.45 | \$230,790 |

All revenues in excess of the amounts generated in 2017 will be allocated to all City operating departments and divisions, including: Police, Fire/EMS, Public Works, Recreation, Code Enforcement, and General Administration. The Kentucky General Assembly has required publication of this advertisement and the information contained herein.

Mr. Fromme gave a presentation on the proposed tax rate. Mr. Kuntz was present to respond to questions. Mr. Fromme explained that the public hearing had been scheduled for September but an error was discovered in figures received from the County and this caused a delay and re-advertisement was necessary. The due date for bills will also be delayed to November 30. The presentation included a review of historic tax rates and comparison to rates of other local municipalities. Tax rates in Newport are lower than many other cities especially when considering Newport does not have an additional tax as do some with a fire district and Newport does not have a motor vehicle tax. The average home in Newport is valued at \$80,000. Only about 13% of City revenue comes from property tax, the majority is from business licenses and payroll tax.

Mayor Peluso called for any comments from the public. Upon hearing there was no one present wishing to address the Board, the Mayor closed the public hearing.

NEW BUSINESS

The city clerk gave first reading to **O-2017-015**, an ordinance levying and **assessing an ad valorem tax** for city purposes for the fiscal year 2017-2018 on all property located within the city of Newport, Kentucky, establishing a due date of November 1, 2017 with bills not paid by November 30, 2017 being delinquent, and setting rates as follows: real estate tax rate of \$2.87 per \$1,000 valuation and personal property tax rate of \$2.45 per \$1,000. Commissioner Peluso made a **motion to approve**, second to the motion was offered by Commissioner Guidugli. Upon hearing there were no comments or questions, the mayor called for a roll call vote.

Commissioner Peluso: Yes Commissioner Rehtin: Yes
Commissioner Guidugli: Yes Mayor Peluso: Yes **Motion carried 4-0.**

ADJOURNMENT

There being no further business, Commissioner Peluso made a motion to adjourn the meeting. Commissioner Guidugli offered a second to the motion. The Mayor asked for a roll call vote.

Commissioner Peluso: Yes Commissioner Rehtin: Yes
Commissioner Guidugli: Yes Mayor Peluso: Yes **Motion carried 4-0.**

The meeting adjourned at 5:15 p.m.

Date Approved/Signed

Jerry R. Peluso, Mayor

Attest:

Amy B. Able, City Clerk

Fiscal Year 2017- 2018 Tax Rates

Special Meeting

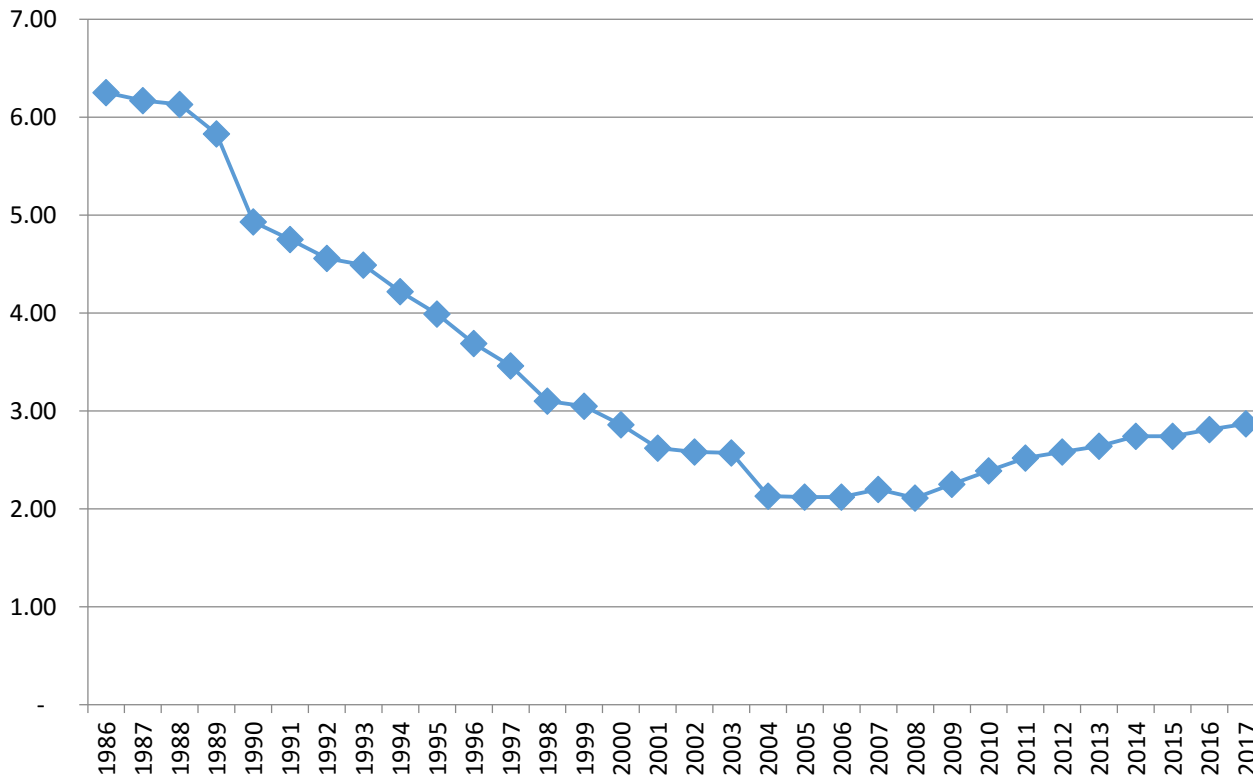
October 4, 2017



NEWPORT
KENTUCKY

Real Estate Tax History

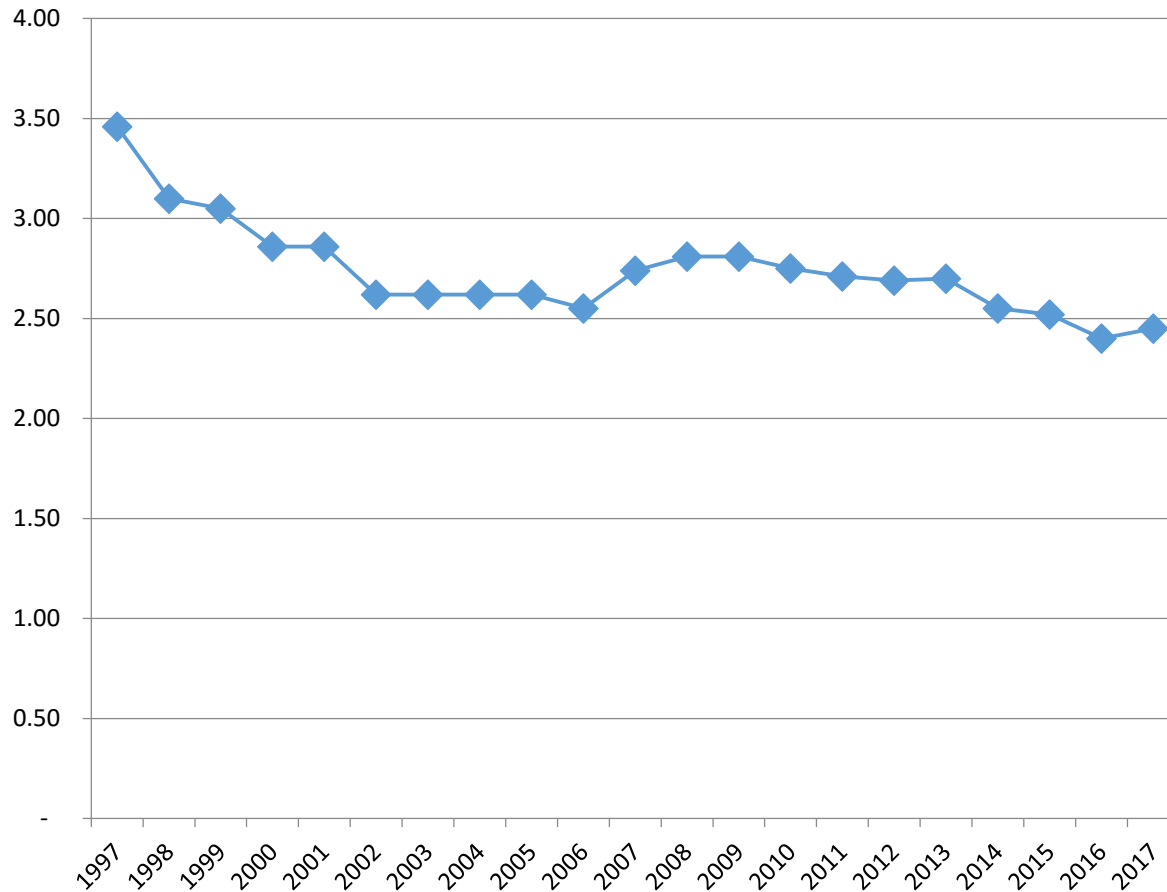
City Real Estate Tax Per \$1,000



| Tax Year | City Real Estate Tax |
|----------|----------------------|
| 2006 | 2.12 |
| 2007 | 2.20 |
| 2008 | 2.11 |
| 2009 | 2.25 |
| 2010 | 2.39 |
| 2011 | 2.52 |
| 2012 | 2.58 |
| 2013 | 2.64 |
| 2014 | 2.74 |
| 2015 | 2.74 |
| 2016 | 2.81 |
| 2017 | 2.87 |

Tangible Tax History

City Tangible Tax Per \$1,000



| Tax Year | City Tangible Tax |
|----------|-------------------|
| 2006 | 2.55 |
| 2007 | 2.74 |
| 2008 | 2.81 |
| 2009 | 2.81 |
| 2010 | 2.75 |
| 2011 | 2.71 |
| 2012 | 2.69 |
| 2013 | 2.70 |
| 2014 | 2.55 |
| 2015 | 2.52 |
| 2016 | 2.40 |
| 2017 | 2.45 |

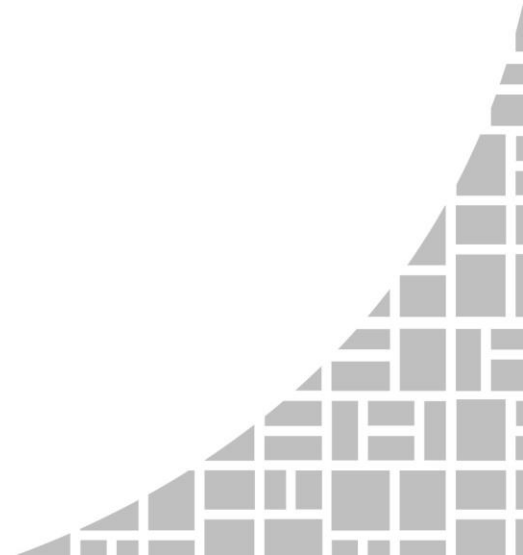
City Rate Comparison

| | 2012 Real Estate | 2013 Real Estate | 2014 Real Estate | 2015 Real Estate | 2016 Real Estate | 2016 Fire District | 2016 Total Prop Tax |
|------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------|---------------------------|
| Southgate | 4.87 | 5.11 | 5.45 | 5.62 | 5.62 | 0.539 | 6.16 |
| Melbourne | 3.60 | 3.72 | 3.78 | 3.9 | 3.97 | 1.75 | 5.72 |
| Dayton | 4.73 | 4.95 | 4.45 | 4.95 | 4.95 | - | 4.95 |
| Crestview | 2.16 | 2.34 | 2.52 | 2.61 | 2.71 | 1.66 | 4.37 |
| Silver Grove | 2.22 | 2.23 | 2.07 | 2.09 | 2.11 | 2.00 | 4.11 |
| Ft. Thomas | 3.57 | 3.79 | 3.87 | 3.96 | 4.02 | - | 4.02 |
| Campbell Co | 1.64 | 1.65 | 1.65 | 1.65 | 1.67 | 1.8 | 3.47 |
| Florence | 2.46 | 2.46 | 2.46 | 2.46 | 2.46 | 1.00 | 3.46 |
| Alexandria | 1.81 | 1.79 | 1.79 | 1.75 | 1.73 | 1.66 | 3.39 |
| Highland Heights | 1.64 | 1.64 | 1.64 | 1.64 | 1.66 | 1.66 | 3.32 |
| Cold Spring | 1.43 | 1.5 | 1.54 | 1.62 | 1.64 | 1.66 | 3.30 |
| Bellevue | 2.73 | 2.9 | 3.01 | 3.18 | 3.13 | - | 3.13 |
| Covington | 2.99 | 3.05 | 3.05 | 3.13 | 3.13 | - | 3.13 |
| Newport | 2.58 | 2.64 | 2.74 | 2.74 | 2.81 | - | 2.81 |
| Woodlawn | 2.00 | 2.00 | 2.00 | 2.00 | 2.02 | - | 2.02 |
| Wilder | 1.90 | 1.90 | 1.90 | 1.95 | 2.00 | - | 2.00 |

Fiscal Year 2016 -2017

Current Rates per \$1,000

| | |
|--------------------------|---------------------|
| Real Property Tax | \$ 2.81 |
| Revenue | \$ 1,848,430 |
| Tangible Tax | \$ 2.40 |
| Revenue | \$ 221,045 |

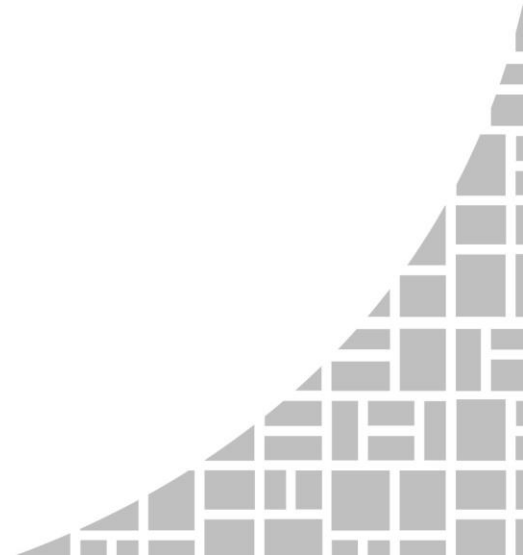


Fiscal Year 2017 -2018

Recommended Rates per \$1,000

| | |
|-----------------------------|---------------------|
| Real Property Tax | \$ 2.87 |
| Expected Revenue | \$ 1,928,898 |
| Expected New Revenue | \$ 74,188 |

| | |
|----------------------------|-------------------|
| Tangible Tax | \$ 2.45 |
| Expected Revenue | \$ 230,791 |
| Expected Difference | \$ 8,877 |



Example

For a property valued at \$100,000

Current Rate = $\$100,000 / \$1000 \times 2.81\% =$ \$281

Proposed Rate = $\$100,000 / \$1000 \times 2.87\% =$ \$287

Difference = \$6 / year or \$.50 / month

Refuse Rate Preview

Rates will be dropped 5%