



CITY COUNCIL MEETING
Minutes of June 7, 2018

PUBLIC HEARING: For the purpose of receiving and reviewing public comment regarding the proposed use of Municipal Road Aid Funds.

The Mayor called the Alexandria Public Hearing to order at 7:00 pm. Mr. Duncan explained the public hearing is pursuant to KRS 174.100. The city routinely receives road aid funds from the Commonwealth of Kentucky. We have been notified we will receive \$169,000 this year to be used only for road-related purposes. The public hearing was advertised in the newspaper, and the purpose is to allow any citizen to give comment, opinion or direction to the city as to what we should do with the funds.

Mayor Rachford said plans are to repair about seven roads with most being in the Brookwood subdivision. The money will be received in three phases beginning in July 2018, again in the Spring of 2019, and close to fiscal year end 2019. Mayor Rachford then opened the floor to public comment. There being no comment from the public, the hearing was officially closed at 7:03 pm.

Mayor Rachford called the Alexandria City Council Meeting to order at 7:00 p.m. followed by the invocation and the pledge to the flag. The following Council Members answering roll call:

Stacey Graus	Present	Susan Vanlandingham	Present
Bob Simon	Present	Scott Fleckinger	Absent
Sue Neltner	Present	Andy Schabell	Absent

Also: Karen Barto, City Clerk/Treas.
Mike Ward, Police Chief
Mike Duncan, City Attorney
Sam Trapp, Public Works Superintendent

APPROVAL OF MINUTES – May 17, 2018

MOTION: Stacey Graus made a motion to approve the minutes of May 17, 2018, seconded by Bob Simon. All in favor, the motion passed with a 3-0-1 vote with Susan Vanlandingham abstaining.

VISITORS & GUESTS

1. Donna Witte, 38 Ridgewood Drive – Ms. Witte first asked if the sales receipts tax was for everyone, whether or not they are an Alexandria resident. Also, if all businesses are required to have one, would this include the business that puts the advertising benches along the city roads. Mayor Rachford replied the tax was for anyone doing business in the city of Alexandria, and as far as the bench company, thought they should be included. Karen Barto will check to see if they had a license.

Ms. Witte then said the rate was just raised last year, to which Mayor Rachford explained that for thirty years or more every business in Alexandria paid a flat fee of \$75 regardless of type of business. That minimum did get raised to \$100, and in addition, .00875% gross receipts tax went into effect January 2017. There was confusion discerning between sales tax and the gross receipt tax.

2. Mike Castrucci, owner Mike Castrucci Ford Lincoln of Alexandria - He began by saying he was concerned and upset with the newly enacted formula used to calculate the occupational license tax, now based on gross receipts. As point of reference, the dealership was assessed nearly \$76,000 for gross receipt tax for the year 2017. With this new tax they are at a

competitive disadvantage with their Ford competitors in the greater Cincinnati area and in particular Northern Kentucky and Boone County Airport Ford. He was here to respectfully ask Council to consider a reduction in the percentage rate charged and an addition of a limit or cap of what his business can be taxed. Mr. Castrucci gave a background on his dealership. In response, Mr. Simon said he was a member of the Finance Committee and as such, they spent a vast amount of time researching every possible angle of a gross receipts tax. He countered with the new subdivisions and housing it increases need for more police force, more police cars, more public works, more trucks, more salt, and the city might break even. It may appear a lot more revenue coming in, but there are just as many expenses with that increase. There are limited ways cities can generate revenue and taxes are one of the few. The property taxes have not been raised in 8-10 years.

Mr. Graus explained the Gross Receipt Tax was actually on the books for many years at 0%. They had talked about raising property taxes on city residents as a means for revenue, but the Gross Receipt Tax was one option that was examined to put the least amount of burden on those living in Alexandria. He said they can always look at restructuring the percentage and revisit putting a cap amount on. He felt this first year was a learning curve as they had no idea initially how much revenue would or could be generated. They were projecting, or speculating, and now they have real numbers to compare.

3. Tim Sparks, Owner Kerry Chevrolet of Alexandria - Mr. Sparks said he would like to echo the sentiment of Mr. Castrucci as they are in very similar businesses. They too oppose the gross receipt tax and for the exact reasons stated by Mr. Castrucci. He appreciates the willingness of Council to revisit the tax and that's all they can ask. He felt the numbers now collected could be used as a benchmark to re-examine the calculation; that we are all in this together; and want an equitable solution for everyone concerned. He did add that other dealerships and franchises are looking at Alexandria to relocate or get established because of the positive growth that is happening. They are looking at the market studies and analysis, but the gross receipt tax as it exists will not make Alexandria a competitive market for the growth of their like businesses.

4. Andy Reynolds, citizen of Alexandria and owner of Alexandria Brewing Co. - He too was against the Gross Receipt Tax and agreed with all of what Castrucci had mentioned beforehand. He said he had spoken with Mayor Rachford mid-summer of 2016 and this was not on the radar to implement. He spoke with the Mayor again in August and still no mention of this tax. Then it was passed in December of 2016 to take effect January 1, 2017. He said now if he makes \$500,000 he has to pay four times the tax that he did not plan for, and questions how he can expand his business.

5. Nicki Taylor, owner of Yoga Studio on Washington St. - Her business is nothing compared to Castrucci or Kerry and she in no way makes near the money they make. However, she grew up in Alexandria and considers this her home. She decided to invest in Alexandria but has to be conscientious of every penny she spends because she doesn't make that much. She would like to respectfully ask Council to reconsider the tax.

6. Janet Bezold, Bezold Tax Service - She opposes the gross receipt tax not having a cap. She appreciates all the information presented by Castrucci and feels as a business owner it is part of the process and you are expected to pay taxes. She has no problem doing her part but does feel there should be a cap to the amount. She also felt the lack of notification except via letter about implementing the tax was not adequate.

Bob Simon then said Council had looked at this issue for 2-1/2 years and did extensive research. It was acknowledged that not everyone reads a newspaper or does social media. Campbell County collects the tax for the city and they were the ones that sent notification. He admitted they don't have this down to a science as it is new to Alexandria, but it is not new to

surrounding cities. It is a starting point to move forward and remain open to make changes accordingly. We do that by listening to the concerns of business owners and residents.

Ms. Bezold then thanked Council for listening to their concerns and hearing them. She did ask that whatever is discussed and/or decided the business owners be sent a letter informing them of such and do a better job of communicating to the business owners the decisions that affect them. She also added the city's payroll tax is ½ of a percent higher than everyone else.

7. Mike Cottingham, resident of Edgewood - He asked if Fischer Homes and Drees Homes paid this tax? Bob Simon replied when they or any other contractor do work in Alexandria they pay the tax. He added with them having subdivisions in multiple areas, they have accountants that track what is paid to various cities. Mr. Cottingham then asked how this tax would affect an already vacant Village Green. Mayor Rachford said he had been in contact with the new owners and there may be some new tenants coming into the shopping center very soon. Karen Barto explained every business that works within the city limits is to have an occupational license which is collected by Campbell County. Anyone on this list would have gotten a letter from Campbell County notifying them of the Gross Receipts Tax.

8. Donna Witte – She urged Council to keep in mind some of these larger businesses might be leaving Alexandria if things stay the same. There should be a cap. To her, it feels like the city is persecuting the residents with all the taxes.

After hearing all of this information, Mr. Graus said the city always knew they would need to revisit this issue to see what kind of revenue it would generate, how it would work and who it affected. Based on the numbers council had, they made educated guesses. Now there are real numbers and they will be reviewing the gross receipts.

Ms. Witte asked if there is any possibility the city could notify the business owners as soon as the city makes a decision so they could adjust. In reply, Ms. Barto explained the City Clerk's office is small, and this would mean several mailings which would also be costly. Ms. Witte thought if the city was charging her with this tax, then the city should have the money to send out letters.

ORDINANCES & RESOLUTIONS

Mr. Duncan read the following:

RES #2018-04: Municipal Road Aid Funding: Adopting and approving the execution of a Municipal Aid Co-op Program Contract between the Incorporated City and the Commonwealth of Kentucky, Department of Rural and Municipal Aid for the fiscal year beginning July 1, 2018, as provided in the Kentucky Revised Statutes and accepting all streets referred to therein as being streets which are a part of the Incorporated City.

MOTION: Stacey Graus made a motion adopt Resolution #2018-04, seconded by Bob Simon. All in favor, the motion passed 4-0-0.

*Mr. Duncan read the following:
Second Readings*

ORD #2018-02: Amending of the City's Code of Ordinances by creating a new Chapter 99 therein and adopting the Uniform Residential Landlord and Tenant act (URLTA), as codified in KRS 383.500 to 383.715.

MOTION: Susan Vanlandingham made motion to accept Ordinance #2018-02; seconded by Bob Simon. All in favor, the motion passed 4-0-0.

ORD #2018-03: Adopting the annual budget for the Fiscal Year July 1, 2018 through June 30, 2019, by estimating revenues and resources, and appropriating funds for the operation of city government.

MOTION: Stacey Graus made a motion to adopt Ordinance #2018-03, seconded by Bob Simon. All in favor, the motion passed 4-0-0.

ORD #2018-04: Approving a recommendation of the Alexandria Planning Commission to approve a zoning map amendment to rezone the KAR Properties LLC, owner real estate located at 7528 Alexandria Pike from its current zoning of R-RE (Rural Residential Estate & Agriculture) to HC (Highway Commercial), subject to the submitted site development plan, in order to build a parking lot.

MOTION: Bob Simon made a motion to adopt Ordinance #2018-04, seconded by Sue Neltner. All in favor, motion passed 4-0-0.

DEPARTMENT REPORTS

Police Chief - Mike Ward: Tara Ruschell resigned this week and is taking a position with the City of Florence. We now have two vacancies and will be looking at getting another open slot at the academy so that we might send two people. Lateral entries are just not available.

KET wants to do an in-depth story on the Angel Program and Police Social Worker position as a model with the state. A conditional offer of employment was made to a young lady for the additional social worker position to begin after July. She is going through the testing phase right now and he expects she should be present for introduction by next Council meeting.

DOCJT would like to do a story on the VIPS and VIPS in Schools program.

Bill Rachford then read an email he received from a resident praising Kelly Pompillio and the manner in which she conducted herself with a situation. Mayor Rachford said this is the second or third such communication he has received praising the work done by Kelly. The Chief and Mayor would like a Letter of Commendation on her behalf to be made public and part of her record.

Community Center: Mayor Rachford read a summary submitted by Kim Wagner, Recreation Director on the Kids to Park Day held on May 17th - a great time by several young people.

Sue Neltner reported someone drove a car down the walking trail around the lake. Mike Ward expressed his frustration as an employee that someone sees something, they should pick up the phone and call immediately so it can be fixed. He also urged council to call him, Sam, or Karen at the city office right away if someone notifies them. Sam said the cable might have been down the day so the Ky. Fish & Wildlife could deliver fish to the lake. Otherwise, the cable is normally up. He will check on it.

Fishing Derby was held and 133 kids signed in to fish. Of that number, 69 lived in Alexandria proper. 64 were from 18 surrounding cities, 4 different counties, and 2 different states. It was extremely well attended.

Public Works Report: Mayor Rachford said Public Works had been using the street sweeper and just along US 27 they had picked up 6 ton of debris or 12,000 pounds.

COUNCIL COMMITTEES

Public Works – Bob Simon: They met tonight to discussing road program for this year. Bids will go out in July. Meeting for July 5th is canceled.

NEW BUSINESS

Notice of Retirement: In the Council packets was a notice of retirement from Mrs. Barto. She has submitted her intent to retire as of September 28. A letter was read by Mayor Rachford. In lieu of her retirement there would need to be municipal orders to appoint her replacement staff from within.

MUN ORD #2018-13: Appointing and approving Jan Johanneman to the office of City Clerk pursuant to Section 31.35(B) of the Alexandria Code of Ordinances effective September 28, 2018.

MUN ORD #2018-14: Appointing and approving Joann Hackworth to the office of City Treasurer pursuant to Section 31.37(B) of the Alexandria Code of Ordinances effective September 28, 2018.

MUN ORD #2018-15: Appointing and approving Ramona Williams to the office of Assistant City Clerk pursuant to Section 31.36(B) of the Alexandria Code of Ordinances effective September 28, 2018.

MOTION: Stacey Graus made a motion to approve MUN ORDS #2018-13, 14, and 15, seconded by Bob Simon. All in favor, the motion passed 4-0-0.

OLD BUSINESS - None

COMMUNICATIONS

- June 14th: 2:00-4:30 St Elizabeth Mammography van will be at Community Center

Susan Vanlandingham said this was her one-year anniversary of being on council member and has enjoyed it immensely. She asked how the public is made aware of ordinances or actions pending by Council as things seem to be reactive. Mike Duncan stated that legal requirement is to have two readings and publication of ordinances with the exception of those items requiring public hearings for ordinances. As to how the public is notified, all agendas including committee meetings are posted on the City website, they are put on Facebook for those that use social media, and they are posted at City Building.

Chief Ward thinks only when an issue affects a resident, will they come to a city council meeting. The Alexandria Community Business Association is where the city should go, and does, to inform businesses. Residents have a responsibility to be informed of what goes on in the city government.

After much discussion, Mr. Graus said there is a certain obligation by the public to check to see what is going on in the city. What we are doing to notify residents does go above and beyond the legal requirements necessary.

Mr. Simon pointed out it would be very difficult to communicate with everyone who is affected by a gross receipts tax because it's not just the business owners in Alexandria, but anyone who does business in Alexandria.


Original

Marc Barone-Woodmen Life and ACBA – Council has a tough job and he is sad about the treatment received at tonight's meeting. The ACBA has reached out to Alexandria businesses, had discussions at their meetings about gross receipts tax, how to network, and doing something positive for the community. He doesn't like paying taxes either, but he knows he has to and everyone should know why they are paying taxes. Education is a big part of it. He has been door to door visiting many of the Alexandria businesses asking them to come to ACBA meetings. They have morning, afternoon and evening events that are poorly attended. He just felt bad to witness the barrage of comments tonight.

Don Hilker-Southern Lanes - Unless something affects people personally, they think government does nothing for them. He echoed the sentiments of others present in that he realized we have to pay taxes, but the businesses are overwhelmed with yet another tax. He would like council to reconsider the gross receipt tax percentage and a cap, and feels that what council has said repeatedly, they will do. He is appreciative of that effort.

ADJOURNMENT

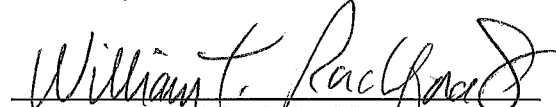
MOTION: Bob Simon made a motion to adjourn, seconded by Susan Vanlandingham. All in favor, the motion passed 4-0-0. The meeting adjourned at 8:49 p.m.



Karen M. Barto, City Clerk Treasurer

Date: June 22, 2018

Approved: *June 21, 2018*



William T. Rachford, Jr., Mayor

Date: 6/22/18