

THE PARK HILLS CITY COUNCIL HELD A CAUCUS MEETING ON MONDAY, OCTOBER 26, 2020. DUE TO COVID-19, THE CITY HELD A VIRTUAL MEETING WHICH STREAMED LIVE THROUGH TBNK WITH MAYOR, KATHY ZEMBRODT PRESIDING. COUNCILMEMBERS PRESENT: PAMELA SPOOR, SARAH FROELICH, JOE SHIELDS, KEVIN THEISSEN AND STEVE ELKINS
ABSENT: WESLEY DETERS
ALSO PRESENT WAS CITY ATTORNEY, DANIEL BRAUN

Call to Order

Pledge of Allegiance

Roll Call

I. Discussion of occupational business and payroll tax caps

Mayor Zembrodt asked to discuss the payroll tax first. The city's current payroll tax Ordinance has the rate at 1.5% with a \$50,000 cap. She stated by going to the FICA cap, the city could see up to \$28,000 in additional revenue. The FICA cap is currently at \$137,700. The cap of \$50,000 was instated in 2005 and has remained there. Attorney Braun stated he has seen floors on occupational taxes, but usually not on payroll.

Newport, he stated, has no payroll floor and uses the FICA cap.

Mayor Zembrodt would like Council to think about increasing the payroll cap. Attorney Braun stated he could get a draft Ordinance together for Council to look over. He suggested not passing any legislation until the next fiscal year.

Mayor Zembrodt stated that many of the smaller businesses in Park Hills pay the minimum business tax of \$25. Businesses that make over \$300,000 pay \$1,000. Since \$1,000 is the cap, businesses making millions still only pay the \$1,000. The current rate for the business tax is .0035%. Discussion took place comparing other cities' rates and number of businesses. The city clerk will email the spreadsheet from the county showing what businesses made and what they paid in taxes. Council can look it over for future discussion before the next budget.

Mayor Zembrodt asked Council to think about the following for future discussion:

- Understand comparable cities
- Flat tax or more progressive
- Impact of COVID-19
- The number of small businesses
- Floors and ceilings on tax

Attorney Braun will also let Council know of any other information that wasn't discussed at the meeting.

7:45 Motion to adjourn Caucus Meeting was made by Mr. Shields; second by Mr. Elkins

Mayor, Kathy Zembrodt

ATTEST:

City Clerk