

THE PARK HILLS CITY COUNCIL HELD A CAUCUS MEETING ON MONDAY, FEBRUARY 22, 2021. 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, STEVE ELKINS, TONY DARIN AND KEVIN DOWNES

Call to Order

Pledge of Allegiance

Roll Call

I. Financial Oversight discussion

The Committee met on Monday, February 15<sup>th</sup>. Items to be reviewed tonight include:

1. Basic summary of financial condition. The General Fund has a cash balance of \$1,189,000 and the Reserve cash balance is \$601,000. The city had a good audit.

2. The payroll tax was first imposed in 1983 at a rate of .5%. In 1986, the rate was raised to 1.0%. In 2005, the rate was left a 1.0% but a cap of \$50,000 in earnings was added. In 2010, the rate was raised to 1.5% with the cap still in place.

Ms. Spoor stated all of the 16 cities in Kenton County have a payroll tax. Four of those cities have caps with 3 of those 4 using the FICA cap of \$142,000. Park Hills is the only city that has a lower cap of \$50,000. Ms. Spoor added she believes the city's payroll Ordinance is antiquated as the FICA cap was only at \$37,000 when the city's cap was put into effect. She would like to see the city raise the cap to the FICA amount or eliminate it completely. The committee's recommendation was to eliminate the cap completely. An exact amount of added revenue this will produce is not yet determined but thought to be about \$30,000 to \$50,000 per year. The Financial Oversight Committee advised that the city amend the city's Ordinance regarding payroll to eliminate the cap.

3. Ms. Spoor stated the city's website's Code of Ordinances, published by American Legal, pertaining to gross receipts collection was worded incorrectly. Section 110A.04 (B) (1) is not collected by the city and needs to be eliminated from the Ordinance. She would like to address the gross receipts Ordinance in more detail at the next Financial Oversight meeting.

Mr. Shields thanked Ms. Froelich, Mr. Huff and Mr. Johnson for also attending the virtual Financial Oversight meeting. The city's Capital Improvement Plan was discussed. The committee would like to see \$75,000 put into the plan next fiscal year. They would like to focus on a new public works truck and also look at increasing the Mayor's salary. Any increase would apply to the next Mayor's term. Mayor Zembrodt would also like to see an increase to the Council's pay. Mr. Shields stated that could be looked into but would like to at least increase the Mayor's salary to \$7,200 to \$10,000. Mr. Elkins believes this is a logical move and asked what comparable cities, such as Lakeside Park, pay. Mr. Shields answered that even cities with City Managers pay their Mayors more than Park Hills. Ms. Spoor stated this was brought up when Mr. Mattone was Mayor. She added being Mayor is a working job and should be compensated. The next Financial Oversight meeting is scheduled for March 29<sup>th</sup>.

## II. CARES Act Expenses

Mr. Shields would like to discuss the CARES funds of \$214,000 that the city received in further detail at the next financial meeting scheduled for March 29<sup>th</sup>. Mayor Zembrodt reminded all that the money is to be used for payroll, EMS, etc. Some can be used to give back to businesses in the city that were affected by the pandemic.

Mayor Zembrodt also stated it was brought to her attention that there is about \$12,000 of gas and electric bills in the rears from Park Hills' residents. She would like to look into using funds to help with them.

Mr. Downes believes the consensus of the committee is to help out the city's employees by giving extra pay. He suggested perhaps a quarterly pay of \$250; Mr. Shields was thinking \$500 but this could be discussed.

Mr. Elkins asked if the justification for business grants was a Kentucky standard form. Mayor Zembrodt stated it is. Mr. Shields stated they would like to set aside \$20,000 for businesses; \$18,000 for employees, \$100,000 to offset the ALS contract with Ft. Wright and use some for a possible meeting space for the city.

Mayor Zembrodt would like to discuss this at next months' Business Meeting.

Ms. Froelich believes a permanent meeting space is a good idea. Mayor Zembrodt stated she has reached out to CCH, NDA and McHale's and none of them have anything available. Mr. Downes reminded all that citizens need easy access to the space. Mr. Elkins is also supportive of a new space. Mr. Shields would like more details such as cost, upkeep, etc. Ms. Spoor added this needs to be addressed.

## III. Personnel Policy discussion

Mayor Zembrodt stated she talked with Chief Stanley regarding vacation time for the officers. In order to keep up with other cities, she is asking Council to amend the current vacation schedule. She would like to change vacation time from 3 weeks after five years to 4 weeks after five years and eliminate the 4 weeks after fifteen years. This would apply to all city employees. Mr. Shields would like to see the numbers on this and how it will affect the police overtime costs as well as shift coverage. Mayor Zembrodt replied there are seven officers and that there could be some rotation. Mr. Downes and Mr. Elkins would also like to know the cost. Ms. Spoor believes competing for employees is important and vacation may be an important key in lieu of a raise.

Mr. Downes asked about Chief Stanley's administrative time and if it is comparable to other cities; also if he would be covering some of these shifts when an officer is on vacation. Mayor Zembrodt will meet with Chief Stanley to address some of these concerns.

Discussion turned to the collection of the city's gross receipts tax. The current rate is .0035 with a \$25 minimum and a \$1,000 cap. She stated the city could look at perhaps eliminating the cap and lowering the rate. Mr. Elkins asked if the city was receiving the

correct amount. Ms. Spoor stated we are but that the information on the city's website as incorrect. Ms. Froelich would also like to explore reducing the rate to .00075 and remove the \$25 minimum. Mayor Zembrodt would like to discuss this at the next Financial Oversight meeting.

Mayor Zembrodt added she will begin meeting with department heads to discuss the city's Capital Improvement Plan and upcoming budget. This can be discussed at the next Caucus meeting. Ms. Spoor added she believes everyone on Council is mindful of the advantages of keeping taxes low, either directly or through compensating rate, and reminding all that the city has not raised its ad valorem tax in over 10 years.

7:49 Motion to adjourn Caucus Meeting was made by Mr. Downes; second by Mr. Shields

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Mayor, Kathy Zembrodt

ATTEST:

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City Clerk