

**Cold Spring City Council  
Public Hearing  
October 9, 2008**

A public hearing was called to order by Mayor Mark Stoeber for the purpose of hearing comments from the public regarding the institution of proposed tax rates for the City of Cold Spring, as advertised pursuant to KRS 132.027. Roll call showed the following present – Charles Gray, Dave Guidugli, Rob Moore and Kathy Noel, excused – Lou Gerding and Stuart Oehrle.

Sandy Ross, of 210 Thornbush Court, was present. She requested a clarification of the compensating tax rate, and the proposed tax rate. She asked when the last time our property taxes were raised, and she questioned how the bottom line will be affected with the conditions of the real estate market and the valuations as they are today.

Mayor Stoeber explained that K.R.S. requirements allow the rate to be set at a calculation to guarantee the city the same amount of revenue as that which was received last year, without input from the residents. The nature of the compensating tax is to level the income, however there is no mechanism in place when the revenues level out and the expenses go up. Any form of rate increase requires a public hearing to advise residents of the intent of raising taxes and allow their input. The law says you can take up to a four percent increase of the compensating tax rate and have a public hearing, not subject to citizen vote. If you go over that four percent, with citizen signatures it can go on the next ballot and can be rescinded.

Mayor Stoeber said that the real and personal property do not have to have the same tax rate, but the city does it that way. The city has taken the four percent every year. Normally the property values go up and the tax rate stays the same or go up a minimal amount. This is the first time the tax rate has actually increased from the prior years' rate, but it is actually one third less than what it was ten years ago.

We did a long term plan because at some point we knew our new property values would level out, and in fact it has. The base values of properties in the city are the lowest in the amount of new values in the city in the last seven years. The PVA is due to assess the properties again, probably next year. Six years ago and three years ago, they raised the values, but it is believed that this time they will drop. House costs have plummeted. That is why we are going from .162 tax rate to .169 per hundred which is compensating tax rate (.163) plus four percent allowable rate. If we don't take this rate, we can never catch up.

Out of eighteen cities in this area, Cold Spring has the fourth lowest tax rate. The highest rate is .333 which is double ours. We have benefited greatly from growth but that will be slowing or stopping this year or next year.

There were no other comments from the public.

Rob Moore made a motion to adjourn the public hearing. Motion was seconded by Dave Guidugli. All were in favor. Motion carried.

**Approved:**

**City Clerk:**

**Mayor:**