

Jack Rose
Mayor



City of Murray



COUNCIL MEETING AGENDA August 24, 2017 6:30 P.M.

- 1) **Call to Order**, welcome guests, and moment of silence
- 2) **Pledge of Allegiance to the Flag** Robert Billington
- 3) **Minutes**
 1. Amended Council meeting of July 27, 2017
 2. Council meeting of August 10, 2017
- 4) **Mayors Report**
 1. CERS Separation and Stability Forum
 2. Governor's Local Issues Conference
- 5) **Public Comment** (Prior arrangement through the Mayor's Office)
- 6) **Report** Public Works Committee Chair, Danny Hudspeth
- 7) **Report** Tom Kutcher, Wastewater Treatment Plant
- 8) **Ordinance Number 2017-1743** (second reading) an ordinance creating a new Chapter 75 regarding the imposition and administration of an occupational license tax requirement of one percent (1%) on gross earnings of an employee working and rendering services to an employer or business entity for compensation within the City of Murray. This ordinance shall be effective January 1, 2018.
- 9) **Ordinance Number 2017-1744** (second reading) an ordinance repealing in its entirety Chapter 71, sections 71.01, 71.02, 71.03, 71.04, 71.05, 71.06, 71.07, 71.08, and 71.99 of the City of Murray Code of Ordinances, titled Licensing which relates to City Stickers. This ordinance shall be effective June 1, 2018.
- 10) **Resolution 2017-009** a resolution designating September 2017 as "City Government Month"
- 11) **Surplus**
- 12) **Adjournment**

PUBLIC WORKS COMMITTEE MEETING

6:15-6:30

Danny Hudspeth, Chair; Jeremy Bell, Johnny Bohannon, Dan Miller, Jane Shoemaker, Burton Young

Review Steel Gas Pipe Bid- County Line West Project

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MINUTES OF COUNCIL

July 27, 2017

6:30 P.M.

The Murray City Council met in regular session Thursday, July 27, 2017, at 6:30 p.m. in the Council Chambers of City Hall with Mayor Jack Rose presiding.

Council Members Present: Jeremy Bell, Robert Billington, Johnny Bohannon, Wesley Bolin, Linda Cherry, Danny Hudspeth, Dan Miller, Jason Pittman, John Mark Roberts, Pat Scott, Jane Shoemaker, Burton Young

Council Member Absent: None

Staff Present: Ron Allbritten, City Attorney Warren Hopkins, Tom Kutcher, Chief Jeff Liles, Bennett Moore, Cathy Morris, Jim Osborne, David Roberts, and Zachary Warren, Marilyn Downey.

After a moment of silence, Pat Scott led the Pledge of Allegiance to the Flag.

Mayor Rose welcomed Council members and guests and called the meeting to order.

The Minutes of the Council Meeting of July 13, 2017 were presented for approval. **Mr. Bohannon moved; seconded by Ms. Shoemaker.** All present voted aye.

Mayor Rose recognized Chairman Dan Miller who presented the final report of the Mayor's Committee to Review Needs, Expenditures, and Revenue Sources. Dr. Miller explained to the Council how the Committee was formed, and what the original goals were. He went on to state that his goal was to get factual information to the Council this evening.

Dr. Miller then recognized James Gallimore who reported the police department and fire department findings. Mr. Gallimore listed police retention issues, and salary deficiencies as the major problems facing the department. He reported that the Committee recommends that the City of Murray increase the budget to implement a structured pay scale plan within the police department to give officers incentives to continue employment with the City of Murray.

Mr. Gallimore then addressed the Committee findings regarding the Murray Fire Department. Mr. Gallimore reported that the Committee found that facility issues were the major problem at the fire department. He went on to state that the Committee recommends increasing the fire department budget to address renovation of these facilities.

Dr. Miller then asked if anyone had questions regarding the police and fire report. Dr. Young asked Mr. Gallimore if the pay for the Murray Fire Department was equal to surrounding communities and if the fire department was having any issues retaining personnel. Mr. Gallimore stated that pay was not a reported issue in the fire department. Dr. Young questioned why the fire department had been able to keep up with competitive pay and the police department had not. Dr. Young went on to ask Mr. Gallimore if there was a guarantee that police officers would stay in Murray if they got a pay raise. Mr. Gallimore said there are no guarantees. Dr. Young stated that he does not believe anyone is arguing that the police don't deserve a raise. Mr. Gallimore reiterated that the Committee was tasked to review the problems presented to them and police pay was the biggest. Mr. Gallimore went on to state that officers love Murray but they cannot feed their families on the wage they are being paid. Dr. Young asked Mr. Gallimore if the police cannot make it on the wage they are paid then how are others who make a lower wage making it. Mr. Hudspeth advised Dr. Young that on the bottom of the report there was a pay scale that he believes was factored in. Dr. Young agreed but reiterated that there was no guarantee. Mr. Gallimore closed the discussion by pointing out the City of Murray had used all of the tools available to them to increase revenue and this tax was the last one available.

Dr. Miller then recognized Don Elias to report the Committee findings on infrastructure within the City of Murray. Mr. Elias spoke about the Committee findings on the City of Murray needs regarding the street department, traffic alleviation and sidewalks. Mr. Elias reported that the Committee recommended budget increases in each of these areas including adding additional personnel to the street department to assist in sidewalk maintenance. The Committee also recommended a traffic alleviation fund be set up to address traffic needs within the City as well as a park enhancement fund to help with capital expenditures at the park. Mr. Elias gave several examples of increasing expenses over the past

30 years. He also pointed out that revenue had only slightly increased in that same time frame. Dr. Young asked Mr. Elias how much the City of Murray Tax Base had increased over that same time frame. Dr. Young went on to point out that he felt the tax base had increased significantly and questioned where that money went. Mr. Elias advised him that the Municipal Road Aid had only slightly increased and the City rarely put in extra money for maintenance because the money just simply wasn't available. Dr. Young stated he felt the money possibly could be available. Mr. Scott asked Mr. Elias to confirm that we had recently received a \$1,000,000 grant for sidewalks. Mr. Elias said that was correct and that was an excellent project. Mayor Rose advised Mr. Scott that the money was awarded through a TAP Grant with a 20% City of Murray match. Mr. Elias pointed out that the City has always done a good job of obtaining grants for sidewalks, but once they are built they must be maintained. Mr. Bolin remarked that there were a lot more individuals driving on City streets than there were residents in the City. He could not recall the exact number the Committee had been given but it was more than the population per day. Dr. Young pointed out that the major high traffic roads through Murray were state roads and not maintained by the City. Mr. Elias stated that the Committee report dealt only with streets that are maintained by the City of Murray. Mr. Elias closed his report by addressing the Murray Calloway County Park, code enforcement and street lights. Mr. Elias outlined a variety of future major expenses in the park system and discussed current funding. Dr. Young asked who uses the park more, City residents or County residents. Jason Lovett said he felt that County residents used the park slightly more than City residents. Dr. Young then inquired about the funding ratio between the City of Murray and Calloway County as far as dollars provided to the park system. Mayor Rose advised that the City of Murray gives more than the County does and it has been that way for the last three years. Mr. Hudspeth advised that for years the City and County were at the same funding level but the Council felt like they needed to put some more money toward the parks several years ago so it was increased.

Dr. Miller then reported the steps that the City had taken to cut expenditures. He went on to address past attempts by the City to address revenue stream issues. These included elevated property tax rates, increased city sticker costs, and the alcohol regulatory tax. Dr. Miller advised the Council as a body, that in order to address the current revenue issues, they had utilized all options available other than an occupational tax. Dr. Miller closed by reporting the Committee recommends a 1% Occupational tax and a 1% Net Profits tax be implemented in conjunction with abolishing the city sticker requirement and lowering ad valorem tax rates.

Public Comment Mayor Rose reported that he had received 4 requests for public comment but one of those had withdrawn the request.

Mayor Rose recognized Greg Taylor who presented the Council with information regarding a petition against the occupational tax. Mr. Taylor advised the Council that there were 2,854 signatures on the petition and the community did not want the tax. He closed by stating that it was his belief that other solutions were available and the tax would not be a benefit to the community.

Mayor Rose recognized Whitney Bryant. Ms. Bryant advised the Council that she was a resident of the State of Tennessee. Ms. Bryant reported to the Council that the United States Supreme Court had ruled that the occupational tax was unconstitutional. She discussed intrastate and interstate commerce and provided the Council with written information for their review.

Mayor Rose closed the public comment by recognizing Ray Conklin. Mr. Conklin addressed the Council and asked them to consider the concerns of the businesses and residents in the community. Mr. Conklin then reviewed a list of questions that he provided in written format to the Council.

After closing the public comment, Mayor Rose addressed the Committee recommendation. He advised the Council that the City of Murray wanted to be business friendly and he also understood that the net profits tax could prevent businesses from giving employees raises each year. Mayor Rose then recommended that the net profits tax of 1% not be included in the ordinance if drafted. Dr. Young stated that removing the net profits tax would eventually put more of a burden on the working people. Mayor Rose advised the Council that there would be time for discussion if there was a motion.

Mr. Bohannon moved; seconded by Ms. Shoemaker that an ordinance be drafted to implement a 1% occupational tax in the City of Murray. Mayor Rose opened the floor for discussion. Ms. Cherry asked for clarification that this would take the net profits tax completely off the table. Mayor Rose then confirmed that was the case. Dr. Young advised the Council that if they take off the 1% net profits tax, they are not going to be able to meet the goals of what they were recommending. Mayor Rose advised Dr. Young that he was incorrect and that projections had been given many times in

the past confirming that. Mr. Scott asked who would be excluded from paying the occupational tax. He advised that he thought pensions were excluded but later heard that once they reach a certain level they may be taxable. Mayor Rose recognized Luke Crawford who reported that any inactive income was not taxable by statute. Mr. Crawford also discussed a variety of businesses that are statutorily exempted. Dr. Young asked Mr. Crawford if rental income would be taxable. Mr. Crawford said rental income would be subject to taxation. Mr. Crawford then clarified that it was his understanding that rental income would be taxable under a net profits tax. Dr. Young stated that is exactly why he could never support this ordinance because of all the nuances and uncertainty of who had to pay and who didn't have to pay. Mr. Crawford advised the Council that there was a model policy that the City would refer to. Mr. Bolin asked Mr. Crawford to confirm that the exemptions he discussed earlier were just from the net profits tax. Mr. Crawford explained that certain businesses are exempt from a net profits tax, but that was no longer on the table with this motion. Mr. Billington stated that the business license process would remain the same so rental income would be treated no different than it currently is. Dr. Young stated that he thought it was the recommendation of the Committee to do away with the business license. Mr. Crawford clarified that under the net profits model, the business license would have been absorbed into the businesses net profits tax payment. Dr. Young then asked for clarification again that rental income would not be taxable under the occupational tax. Mr. Crawford explained that the rental business would not be taxable but any income paid to the sole proprietor would be taxable. Dr. Young replied that it appeared citizens would need to hire an accountant. Mayor Rose then stated that it was time to move on and advised the Council that these questions had been addressed many times at open Committee meetings. Dr. Young expressed frustration that the Council was trying to pass something they did not understand. At that point a member of the audience became unruly and Chief Liles escorted him from the Council Chambers. Mayor Rose then recognized Mr. Hudspeth. Mr. Hudspeth began by stating that he had a few things to discuss and pointed out that he was going to vote against the motion. Mr. Hudspeth stated that when this proposal was presented previously it was presented to be revenue neutral. He went on to state that now the Committee says the City needs an extra 2.25 million dollars. Mr. Hudspeth advised the Council that either they were badly mistaken initially or it was a smokescreen to get the tax passed. Mr. Hudspeth stated that there are probably many folks in the audience wondering exactly why that happened. Mr. Hudspeth reported that he came to many of the Committee meetings and that was why he didn't ask any questions during the report. He said he understood that they worked with what was given to them. He recalled that many times in the past during budget season the Council would receive lists of everything each department needed and the Council would approve what they could afford and deny what they could not afford. Mr. Hudspeth said he believed the Committee received the whole list and that is what they were working with. Mr. Hudspeth stated that at one of the meetings the Committee heard from the EDC, the Chamber of Commerce, the Park Board, Murray Main Street and Tourism. Mr. Hudspeth stated that if he recalled correctly, every one of those organizations said they were doing alright but the Committee asked them what they needed. Mr. Hudspeth said he felt the numbers were a little high based off what we really need. Mr. Hudspeth went on to address police salaries. He said that seemed to be the biggest issue and everyone seemed to have high emotions about it. Mr. Hudspeth said that the Council could take care of that problem anytime they want to. He went on to state that at a recent budget meeting one of the Council members of the Mayor's Committee requested that the Council look at doing something about police salaries and Mayor Rose told him not now. Mr. Hudspeth went on to point out that one of the items on the agenda this evening is adding back in payroll for one person in the amount of \$125,000.00. He then asked the Council if they thought that money would help the police and keep them happy. Mr. Hudspeth again reiterated that the Council could help the police if they wanted to by means currently in place. Mr. Hudspeth then discussed the alcohol tax. He said he felt that was not presented correctly during the report. He stated that it was presented as if the alcohol money replaced the \$190,000 property tax increase the past few years. Mr. Hudspeth said that was incorrect because the alcohol tax money was nearly a million dollars and the Council was essentially talking about two different things. He went on to state that the Council does miss that \$190,000 per year that a property tax increase would have brought but they did not increase it because they thought they were doing alright. Mr. Hudspeth stated that he felt the Council needed to get back in a situation where they were looking at these things a little closer. Mr. Hudspeth said the Mayor's Committee was told exactly what they were put there to hear, that the City had this big bucket of needs, and as a Council they need to shake that down to what we really need. Mr. Hudspeth said he felt like the Council needed to spend more time on this and there were some things on the State level that needed to be monitored. One of those, he said, was raising the police stipend across the state from \$3000 to \$4000. Mr. Hudspeth said he felt like the Council could do something for the police and as far as other areas he felt like they needed to do what they can as that is what they have always done. He told the Council that money could be moved around and there were other things that could be done as well.

Mayor Rose then asked if anyone else had comment and Mr. Hudspeth stated he had one more thing to address. Mr. Hudspeth said that the Council heard from some big players such as the EDC and Chamber in regard to their opposition to the net profits tax and the Council bowed down to it and took it out. He went on to say that the Council was not listening

to the citizens who were going to be hurt by the occupational tax. He went on to state that he was going to vote against the motion either way but wanted to point out that the Council was not listening to the people it was going to hurt the most.

Mayor Rose then asked for any other comments. Mr. Scott then commented to Luke Crawford that it had been presented that the enforcement of the city sticker was very difficult. He advised Mr. Crawford that it appeared that a payroll tax would be much more difficult to enforce. Mr. Crawford advised that the primary enforcement arm would be through the business license. Mr. Crawford said everyone conducting business in the City of Murray would continue to be subject to a business license and they would be cross referenced and sent quarterly or monthly tax remittals. Mr. Crawford said it may entail the City hiring another accountant and manager to enforce collections. After discussion Mayor Rose called for a roll call vote.

Ayes: Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Ms. Shoemaker

Nays: Mr. Bell, Ms. Cherry, Mr. Hudspeth, Mr. Roberts, Mr. Scott, Dr. Young

Mayor Rose cast a tie breaking vote in favor of the motion

Mr. Pittman moved; seconded by Mr. Bolin that an ordinance be drafted to repeal Chapter 71 of the City of Murray Code of Ordinances which addresses city sticker requirements. Mayor Rose asked if there was any discussion. Dr. Young stated that he saw no need to pass something like this now as it would not take effect until next year anyway and the Council doesn't even know if the payroll tax will pass or not. Mayor Rose advised the Council that he thought it was appropriate to let the community know that they were doing what the Committee suggested. Mr. Scott asked for clarification that if this ordinance went through then no more city stickers would be sold this year. Mayor Rose advised that it would not take effect until June 1, 2018. Mr. Bell stated that he felt that this muddies the water and he agrees with Dr. Young that they need to wait and see if it passes prior to doing this. Mr. Bell also asked if this could not be included in the payroll tax ordinance. Mr. Hopkins advised that each ordinance could only deal with one chapter and various chapters could not be combined in one ordinance. Dr. Young requested to amend the motion to direct that the proposed tax be put on a ballot referendum. Mayor Rose advised Dr. Young that was not legally possible under Kentucky law. City Attorney Warren Hopkins concurred. Dr. Young stated that he felt Mayor Rose was wrong about that issue. After discussion, Mayor Rose called for a roll call vote. During the vote Mr. Bell clarified that this was just authorizing Mr. Hopkins to draft the ordinance. He went on to state that he did not think the Council should even be talking about this but he would like to see the city sticker gone.

Ayes: Mr. Bell, Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Mr. Scott, Ms. Shoemaker

Nays: Ms. Cherry, Mr. Hudspeth, Mr. Roberts, Dr. Young

After the vote Mr. Scott pointed out to the public that this vote did not do away with the city stickers. It simply meant an ordinance would be drafted to be voted on later.

Mr. Billington moved; Ms. Shoemaker seconded that a resolution be drafted to express the Council's intention to reduce ad valorem taxes as recommended by the Mayor's Committee to Review Needs, Expenditures and Revenue Sources. Mr. Billington clarified that this resolution would reflect the intent of the Council provided the occupational tax proposal passed. Dr. Young stated that this resolution carries no power. Mayor Rose asked if anyone else had comment or question. Mr. Roberts said he agreed with Dr. Young. After discussion, Mayor Rose called for a roll call vote. Mr. Hudspeth stated he thought a resolution was a voice vote. Mayor Rose said that based on the appearance that the Council was split he wanted to have a roll call vote. During the vote Mr. Bell stated that he felt the Council was dealing with too many issues at once and asked for clarification on exactly what they were voting on. Mr. Billington explained the motion and Mr. Bell pointed out to the public that this was just a resolution to drop the taxes. Dr. Young stated that the Council was not doing what the Committee had recommended. He went on to state that the Committee had recommended dropping the business licenses. Mayor Rose stated that was tied into a net profits tax and that was now off the table. Prior to casting his vote, Mr. Roberts stated this motion was getting the horse before the cart and it stinks.

Ayes: Mr. Bell, Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Ms. Shoemaker

Nays: Ms. Cherry, Mr. Hudspeth, Mr. Roberts, Mr. Scott, Dr. Young

Mayor Rose then declared at 8:15 p.m. that Council would recess for 10 minutes.

Mayor Rose called Council back to order at 8:25 p.m.

Mayor Rose recognized Tom Kutcher who gave a brief presentation on the progress of the Wastewater Treatment Plant and the clearwell project at the Water Plant.

Mayor Rose then recognized Personnel and Finance Committee Chairman Johnny Bohannon who reported on the Committee's approval of two bids at the new City Hall. Mr. Bohannon recognized David Roberts who reported that bids were received for construction at the new Murray City Hall for Council Chambers construction. David Roberts advised that the low bidder was W.D. Steele Construction at \$106,400.00. David Roberts also advised the Council that the City was negotiating to get that price more in line with Architect Josh Vernon's estimate. **Mr. Roberts moved; seconded by Ms. Shoemaker.** Mr. Bohannon called for a voice vote.

All present voted Aye.

David Roberts then discussed the Information Technology bid for the new City Hall. David Roberts reported that the low bidder was System Solutions of Paducah, KY with a bid of \$54,132.32. David Roberts also advised the Council that there was an addendum regarding existing wiring that could prove to be unusable. David Roberts reported to the Council that System Solutions had capped their bid at a cost of \$60,000.00 if wiring was found to be faulty. **Moved by Mr. Roberts; seconded by Ms. Shoemaker.**

All present voted Aye.

Ordinance Number 2017-1741 (second reading) an ordinance amending Ordinance Number 2016-1705, an ordinance which adopted the FY 2017 City of Murray, Kentucky annual budget by restating certain revenues and expenditures for the City of Murray Operations Budget. **Mr. Bohannon moved; seconded by Mr. Pittman.** Mayor Rose called for a roll call vote.

Ayes: Mr. Bell, Mr. Billington, Mr. Bohannon, Mr. Bolin, Ms. Cherry, Mr. Hudspeth, Dr. Miller, Mr. Pittman, Mr. Roberts, Mr. Scott, Ms. Shoemaker, Dr. Young

Nays: None

Ordinance Number 2017-1742 (second reading) an ordinance amending Ordinance Number 2017-1738, an ordinance which adopted the FY 2018 City of Murray, Kentucky annual budget by restating certain revenues and expenditures for the City of Murray Operations Budget. **Mr. Roberts moved; seconded by Mr. Bohannon.** Mayor Rose called for a roll call vote. Mr. Hudspeth stated that he was going to vote against the ordinance. He stated that he thought several numbers heard tonight were overstated and he felt the Mayor should post the position and wait for the budget audit to confirm if money was available for it. Mr. Scott asked what the plan was. Mayor Rose then stated that he was going to try to hire someone for the position.

Ayes: Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Mr. Roberts, Ms. Shoemaker

Nays: Mr. Bell, Ms. Cherry, Mr. Hudspeth, Mr. Scott, Dr. Young

Municipal Order 2017-022 an order appointing Melvin Henley to the Electric Plant Board to fill the unexpired term of Robert Etherton. Said term expires June 30, 2018. **Mr. Bell moved; seconded by Mr. Bohannon.** All voted aye.

With no other business before the Council, **Mr. Billington moved** to adjourn; **seconded by Mr. Bohannon.** All voted aye. The meeting adjourned at 8:41p.m.

Jack Rose, Mayor

ATTEST

Jim Osborne, City Clerk

MINUTES OF COUNCIL

August 10, 2017

6:30 P.M.

The Murray City Council met in regular session Thursday, August 10, 2017, at 6:30 p.m. in the Council Chambers of City Hall with Mayor Jack Rose presiding.

Council Members Present: Jeremy Bell, Robert Billington, Johnny Bohannon, Wesley Bolin, Linda Cherry, Danny Hudspeth, Dan Miller, Jason Pittman, John Mark Roberts, Jane Shoemaker, Pat Scott, Burton Young

Council Members Absent: None

Staff Present: City Attorney Warren Hopkins, Chief Jeff Liles, Cathy Morris, Jim Osborne, Bennett Moore, Zachary Warren, Kim Wyatt, Marilyn Downey

After a moment of silence, Wesley Bolin led the Pledge of Allegiance to the Flag.

Mayor Rose welcomed Council members and guests and called the meeting to order.

The Minutes of the Council Meeting of July 27, 2017 were presented for approval. **Mr. Bohannon moved; seconded by Ms. Shoemaker.** Mr. Hudspeth requested that the minutes be amended to reflect all the discussion regarding the proposed payroll tax. All present voted aye.

Mayor Rose presented the Mayor's Report as outlined below:

- a) Mayor Rose discussed a pending lawsuit against the City of Murray. Mayor Rose informed the Council that BFC Enterprises LLC had filed a lawsuit against the City. Mayor Rose informed the Council that he was served with that lawsuit on July 26, 2017 and has since worked to obtain legal counsel to file an answer. Mayor Rose advised the Council that any further discussions would have to be done in executive session.
- b) Mayor Rose reported to the Council that there will be a CERS Separation and Stability Forum on August 29th in Paducah. Mayor Rose encouraged Council members to attend and show support for separation of CERS from other Kentucky Retirement System plans.

Public Comment Mayor Rose stated there was no request for Public Comment.

Mayor Rose then addressed the Council and stated that he would like to have the ordinances introduced and then if there was a motion and second he would open the floor up for discussion.

Ordinance Number 2017-1743 (first reading) an ordinance creating a new Chapter 75 regarding the imposition and administration of an occupational license tax requirement of one percent (1%) on gross earnings of an employee working and rendering services to an employer or business entity for compensation within the City of Murray. This ordinance shall be effective January 1, 2018. **Mr. Bohannon moved; seconded by Ms. Shoemaker.**

Mr. Pittman then made a motion to amend Ordinance 2017-1743 by adding the language that this 1% occupational license tax rate should not be considered for an upwardly adjustment for a period of at least three years from the date of January 1, 2018. **Mr. Pittman moved; seconded by Mr. Bolin.** Mayor Rose opened up the floor for discussion. Mr. Pittman stated that he has heard that the State is working on a tax overhaul plan and that the City should wait. He went on to state that he does not believe that we should rely on a plan that has not been created to fix past overdue problems in our community that need addressing now. Mr. Pittman said the Council had seen the numbers, the numbers were real and it is an issue facing Murray at this time. Mr. Pittman went on to state that he believes by locking this rate in for three years it shows folks that the Council is not going to raise the rates over night. He also stated that it gives the State time to overhaul the tax code if that is even possible. Mr. Pittman advised the Council that in three years if a better opportunity is in place that the City can look at to generate revenue then the City may abolish this and take that option. Mr. Billington asked Mr. Hopkins if this would remain the first reading. Mr. Hopkins confirmed that this would still be the first reading. Mr. Hudspeth addressed Mr. Hopkins by stating that the Council can change ordinances at any time they want so this

doesn't lock in anything. Mr. Hopkins stated it may not but it does show intent and if the Council respected the ordinance it would. Mayor Rose called for a roll call vote on the amendment.

Ayes: Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Ms. Shoemaker

Nays: Mr. Bell, Ms. Cherry, Mr. Hudspeth, Mr. Roberts, Mr. Scott, Dr. Young

Mayor Rose cast a tie breaking vote in favor of the amendment.

Mayor Rose then called for a roll call vote on amended Ordinance 2017-1743.

Mr. Roberts asked for clarification on what the Council was voting on. Mayor Rose advised it would be Ordinance 2017-1743 as amended. Mr. Hudspeth asked if Mayor Rose had called for questions. Mayor Rose gave Mr. Hudspeth the floor for comments. Mr. Hudspeth stated that he had the Mayor's report and tonight he had intended to go through it and refute some of the numbers that he believes are quite overstated based off of 20 plus years of experience on the Council. Mr. Hudspeth went on to state that he is not going to do that because it is recognized that there are 6 votes each way and Mayor Rose is going to break that tie so they have won, they have defeated the city sticker tax and now will put into place a new revenue source. Mr. Hudspeth stated there was no problem with that if that is the way we have to go, but he does not believe the Council knows for sure how much revenue this is going to raise. Mr. Hudspeth advised the Council that all these expenditures were still going to have to be looked at by the budget committee as they meet in mid-January to approve, disapprove or allocate the funds. Mr. Hudspeth reiterated that he did not believe the Council really knew how much revenue they would receive because everyone was doing their own math. He stated that there were three groups of people, people that were going to save some money, people that it was going to cost more money, and people who are sort of indifferent. Mr. Hudspeth stated the bottom line was that we are trying to help some people. He pointed out that Mayor Rose had stated he was trying to help the elderly. Mr. Hudspeth then pointed out that the elderly already get a homestead exemption that this year could mean \$37,000 off their property taxes and he is concerned about people on the bottom end of the spectrum who aren't getting a break. Mr. Hudspeth expressed his hope that the 6 Council members who vote for this would be open for compromise since they do not know what it will bring or how they plan to spend it. Mr. Hudspeth went on to state that they had listened to the business people, they should listen to the people's voices as well by allowing them a little flexibility on this rate if it is going to pass. Mr. Hudspeth then reiterated that the 6 have already won and tonight the Council would vote to repeal the city sticker and the pay rate would be in place and it will be over in 2 weeks. He also stated that in January of 2019 a new council will have the opportunity to adjust the rate if necessary. He went on to state that they have the payroll tax in place and he thinks they should consider reducing the rate to ½ % and giving a break on the first \$10,000 earned to help some of these people who are struggling. Mr. Hudspeth used the example that if an individual was making \$20,000 and you forgave the first \$10,000 then charged ½% they would end up paying \$50 which is what they are paying for a sticker now. Mr. Hudspeth went on to state that he felt like that would still bring enough money to do what needed to be done and the City needed to begin to budget like a business rather than spending money however they want to. Mr. Hudspeth closed by stating that he knew the numbers presented were overstated and he feels like the City can do better for the citizens.

Mayor Rose recognized Mr. Bohannon who stated that he resented that Mr. Hudspeth stated that we have won. He went on to state that the City of Murray is going to win. Mr. Hudspeth stated that it will always be a question of we and thee, whether it is personal or not. He went on to state that there are 6 votes versus 6 votes and if he offended Mr. Bohannon he apologized but however you look at it there are 6 votes versus 6 votes every time they vote. Mr. Hudspeth stated that it can be looked at as us versus they, or conservatives versus democrats, or however, but it's always 6 to 6 and the vote was what he was talking about. He then stated he did not mean to personally offend Mr. Bohannon and he thought the City should look at how they are going to compensate some of these citizens that are going to be affected. With no more discussion Mayor Rose called again for a roll call vote.

During the vote Mr. Roberts stated that he agreed with Mr. Hudspeth's comments from the July 26, 2017 meeting wholeheartedly and the statement that he made tonight. He stated that he was concerned with the lack of openness and transparency in this whole process. He went on to state that he is further concerned about the person living paycheck to paycheck who cannot absorb the 1% tax. He closed by stating that he is keeping his word and voting no on this ordinance. Mr. Scott also stated that he could talk a long time but it had already been said on both sides.

Ayes: Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Ms. Shoemaker

Nays: Mr. Bell, Ms. Cherry, Mr. Hudspeth, Mr. Roberts, Mr. Scott, Dr. Young

Mayor Rose cast a tie breaking vote in favor of the motion.

Ordinance Number 2017-1744 (first reading) an ordinance repealing in its entirety Chapter 71, sections 71.01, 71.02, 71.03, 71.04, 71.05, 71.06, 71.07, 71.08, and 71.99 of the City of Murray Code of Ordinances, titled Licensing which relates to City Stickers. This ordinance shall be effective June 1, 2018. **Mr. Pittman moved; seconded by Dr. Miller.**

Mayor Rose recognized Dr. Miller who stated that he had waited 52 years to be able to repeal city stickers and this is a great day for the City of Murray. Mayor Rose then called for a roll call vote.

During the vote Mr. Roberts stated that he had a statement to make. Mayor Rose reminded Mr. Roberts that he had already asked for comments prior to the vote but he would allow him to go ahead. Mr. Roberts stated that they are getting the cart in front of the horse, Ordinance 2017-1744 hasn't even passed yet and the body is assuming that it will and is passing this on the assumption that the occupational license tax has already passed. He stated therefore he votes no.

Ayes: Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Ms. Shoemaker

Nays: Mr. Bell, Ms. Cherry, Mr. Hudspeth, Mr. Roberts, Mr. Scott, Dr. Young

Mayor Rose cast a tie breaking vote in favor of the motion.

Resolution 2017-008 a resolution authorizing the City of Murray to review and execute any and all necessary documents to reduce the ad valorem tax rate on real property, watercraft, motor vehicles and insurance. **Mr. Billington moved; seconded by Ms. Shoemaker**

Mayor Rose recognized Mr. Bolin who stated there has been a lot of debate about the specific amount of money this ordinance would bring in. He went on to state that the number projected by the Committee was 4.5 million dollars based off of projections over several months. Mayor Rose pointed out that figure included the net profits tax and Mr. Bolin agreed. Mr. Bolin stated that in the event this tax brings in more money than projected there are a variety of ways it could be used. He went on to state that he was not going to make this in the form of an amendment but he would like to see any extra monies set aside to be used in the form of an exemption for lower class wage earners. Mr. Bolin stated he did not know what would eventually happen but he did agree with Mr. Hudspeth that there is a specific group of people in this community that needs help. Mayor Rose clarified that Mr. Bolin was stating a position and not making a motion. Mr. Bolin said he just wanted it to be a discussion. Mr. Bolin closed his comments by saying that if more money came in he felt like people on the lower end of the wage scale should benefit from it.

Mayor Rose recognized Ms. Shoemaker who asked exactly how the Council would do what Mr. Bolin is suggesting. Mr. Bolin stated there were a few ways it could be done including a lower rate for the first \$20,000 to \$30,000 dollars such as ½%. He also mentioned that you could put in a floor of \$15,000.

Mayor Rose recognized Dr. Miller who stated that the Committee did look at what Mr. Bolin was speaking about. He went on to state that there are legal barriers and the Council can't treat different classes of people differently. He went on to say that is why people who reside in the County pay the same city sticker rate as those in the City. He also questioned how you would monitor if someone moves into town in June and moves out in November and they are making \$100,000 a year and you have set this limit. He went on to state that if you assume a static workforce in terms of salaries and people moving in and out of the City this becomes very problematic and that may be the reason other cities have not done this. Dr. Miller stated that he did think it was something worthwhile to continue to explore. He also stated that Murray is unique in the fact that they are about the only city that does not have a payroll tax and if it would be possible to do what Mr. Bolin was suggesting legally he would be interested in investigating. He stated that thus far the Committee had not been able to come up with anything.

Mr. Roberts stated we are already doing it different than other cities and we are doing just fine.

Mr. Hudspeth stated that what they are talking about is what he just suggested earlier, reducing the rate and put a \$10,000 ceiling on it. He went on to state that the Council does not know what is going to come in and they have to budget based off what comes in and in 2019 when a new council comes on they can raise it or lower it or do whatever they want to do. Mr. Hudspeth reiterated that what they are talking about is what he just suggested and now it seems some people are ok with it. He encouraged those members to stand up and make an amendment next time it came up in two weeks because that's how you protect them. Mr. Hudspeth stated that the City is going to have enough money. The Council will budget

for what they have that first year and if it's not enough the new Council, if they see fit, can raise it and if it is too much they can lower it and that is the solution to all this discussion.

Mayor Rose then called for a roll call vote.

Ayes: Mr. Billington, Mr. Bohannon, Mr. Bolin, Dr. Miller, Mr. Pittman, Ms. Shoemaker

Nays: Mr. Bell, Ms. Cherry, Mr. Hudspeth, Mr. Roberts, Mr. Scott, Dr. Young

Mayor Rose cast a tie breaking vote in favor of the motion.

Municipal Order 2017-023 an order reappointing Joy Waldrop to the Murray Electric Plant Board for a four (4) year term. Said term expires August 10, 2021. **Mr. Bohannon moved; seconded by Mr. Pittman.** All present voted Aye.

With no other business before the Council, **Mr. Billington moved to adjourn; seconded by Mr. Bohannon.** All voted Aye. The meeting adjourned at 6:54 p.m.

Jack Rose, Mayor

ATTEST:

Jim Osborne, City Clerk

ORDINANCE 2017-1743

AN ORDINANCE CREATING A NEW CHAPTER 75 REGARDING THE IMPOSITION AND ADMINISTRATION OF AN OCCUPATIONAL LICENSE TAX REQUIREMENT OF ONE PERCENT (1%) ON GROSS EARNINGS OF AN EMPLOYEE WORKING AND RENDERING SERVICES TO AN EMPLOYER OR BUSINESS ENTITY FOR COMPENSATION WITHIN THE CITY OF MURRAY. THIS ORDINANCE SHALL BE EFFECTIVE JANUARY 1, 2018.

WHEREAS, the City of Murray desires to impose an occupational license requirement and payment of an occupational license tax of one percent (1%) on gross earnings of employees rendering services to an employer or business entity for compensation within the city;

WHEREAS, the Murray City Council has reviewed and discussed the imposition of an occupational license requirement and the payment of an occupational license tax of one percent (1%) on gross earnings and believe that the imposition of such license requirement and tax is reasonable and necessary.

BE IT ORDAINED by the City Council of the City of Murray, that Chapter 75 Occupational License Tax is created as follows:

CHAPTER 75: OCCUPATIONAL LICENSE TAX.

§75.01 DEFINITIONS.

For the purposes of this Chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

- (A) **APPLICANT.** An Employer or Business Entity required to file an Occupational License Tax Return.
- (B) **BUSINESS ENTITY.** Each separate corporation, limited liability company, business development corporation, partnership, limited partnership, sole proprietorship, association, joint stock company, receivership, trust, professional service organization or other legal entity through which business is conducted.
- (C) **CITY.** The City of Murray, Kentucky.
- (D) **COMPENSATION.** Wages, salaries, commissions, or any other form of remuneration paid or payable by an employer for services performed by an employee, which are required to be reported for federal income tax purposes and adjusted to include the following:
 - (1) Any amounts contributed by an employee to any retirement, profit sharing, or deferred compensation plan, which are deferred for federal income tax purposes under a salary reduction agreement or similar arrangement, including but not limited to salary reduction arrangements under sections 401(a), 401(k), 402(e), 403(a), 403(b), 408, 414(h), or 457 of the Internal Revenue Code; and
 - (2) Any amounts contributed by an employee to any welfare benefit, fringe benefit, or other benefit plan made by salary reduction or other payment method which permits employees to elect to reduce federal taxable compensation under the Internal Revenue Code, including, but not limited to, sections 125 and 132 of the Internal Revenue Code.
- (E) **EMPLOYEE.** Any person who renders services to an employer or any business entity for compensation, including, but not limited to, an officer of a corporation and any officer, employee, or elected official of the United States, a state, or any political subdivision of a state, or any agency of instrumentality of any one (1) or more of the above. A person classified as an independent contractor under the Internal Revenue Code shall not be considered an employee.
- (F) **EMPLOYER.** The person or business entity for whom an individual performs or performed any service, of whatever nature, as the employee of such person or business entity, except that:
 - (1) If the person or business entity for whom the individual performs or performed the services does not have control of the payment of the wages for such services, the term employer means the person or business entity having control of the payment of such wages, and
 - (2) In the case of a person or business entity paying wages on behalf of a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, the term employer means such person or business entity.

- (G) FINANCE DEPARTMENT. The City of Murray Finance Department.
- (H) FISCAL YEAR. An accounting period of twelve (12) months ending on the last day of any month other than December.
- (I) INTERNAL REVENUE CODE. The Internal Revenue Code in effect on December 31, 2008, as amended exclusive of any amendments made subsequent to that date, other than amendments that extend provisions in effect on December 31, 2017, that would otherwise terminate.
- (J) GROSS EARNINGS. The amount of wages earned prior to the application of any tax deductions or adjustments.
- (K) PERSON. Person means every natural person, whether a resident or non-resident of the city. Whenever the word "person" is used in a clause prescribing and imposing a penalty in the nature of a fine or imprisonment, the word, as applied to a partnership or other form of unincorporated enterprise, shall mean the partners or members thereof, and as applied to corporations, shall mean the officers and directors thereof.
- (L) REAL PROPERTY. All types of real estate including commercial property, residential property and farm property.
- (M) RETURN OR REPORT. Any properly completed and, if required, signed form, statement, certification, declaration, or any other document permitted or required to be submitted or filed with the city.
- (N) TAX DISTRICT. Any city of the home rule class, county, urban county, charter county, consolidated local government, school district, special taxing district, or any other statutorily created entity with the authority to levy net profits, gross receipts or occupational license taxes.
- (O) TAXABLE YEAR. The calendar year or fiscal year ending during the calendar year, upon the basis of which net profit is computed.

§75.02 OCCUPATIONAL LICENSE TAX APPLICATION AND CERTIFICATE REQUIRED.

- (A) Every employer with employees engaged in working and rendering services to another person or business entity for compensation shall be required to file a return under this ordinance and further shall be required to complete and execute the application prescribed by the Finance Department. The applicant shall complete and execute the City of Murray's Application for Occupational License Tax and remit a one-time payment of twenty-five dollars (\$25.00) to cover administrative costs associated herewith unless exempt under §75.04. Upon acceptance of the application, the city will issue to the licensee an Occupational License Certificate, which shall contain an identifying number for tax reporting purposes. Licensees are required to notify the city of any changes in address, the cessation of employment of an employee, or any other changes that render the information supplied to the city in the license application inaccurate.
- (B) Each year, the city shall issue an occupational license certificate to each Employer licensed under this chapter. The certificate shall show the year, for which it is issued, the name of the Employer to which it is issued, and the address or location of the Employer being licensed. Each Employer shall maintain the license certificate at its principal place of employment in the city, if located in the city.

§75.03 OCCUPATIONAL LICENSE TAX PAYMENT REQUIRED.

- (A) Except as provided in §75.04, every person (employee) working and rendering services to an employer or business entity and any person that makes a filing with the Internal Revenue Service or the Kentucky Revenue Cabinet shall be required to file and pay to the city an annual occupational license tax for the privilege of engaging in such activities within the city.
 - (1) The occupational license tax shall be measured by one percent (1%) of all gross earnings paid or payable in the city for work done or services performed or rendered in the city by every resident and nonresident who is an employee.
- (B) If any Employer dissolves, ceases to operate, or withdraws from the city during any taxable year, the dissolution, cessation of business, withdrawal, or loss or surrender of charter shall not defeat the filing of returns and the assessment and collection of any occupational license tax for the period of that taxable year during which the Employer was required to withhold such tax.

§75.04 EXEMPTED ACTIVITIES.

- (A) The occupational license tax requirement shall not apply to the following persons:

- (1) Persons whose sole wages, salaries, commissions, or other wages and other compensations earned in the city are derived from service as members of the Kentucky National Guard for active duty training, unit training assemblies, and annual field training.
- (2) Compensation received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections.
- (3) Periodical payments, commonly recognized as old-age or retirement pensions, including Social Security payments, made to persons retired from service after reaching a specified age or after a stated period of employment, are not subject to the license tax.
- (4) Interest and dividend payments are not subject to the license tax.
- (5) Payments made to employees under a disability, sickness or accident plan are not subject to the license tax. Unemployment compensation payments by the state or other agency are not subject to the license tax. This provision does not include federally taxed sick leave paid to employees.
- (6) Amounts received by employees under the Workers' Compensation Act as compensation for a disability sustained during the course of employment, together with any amount of damages received by suit or settlement on account of such disability, are not subject to the occupational license tax.
- (7) No occupational license tax shall be required of domestic servants engaged as independent contractors in private homes. However, business and occupational license fees shall be required for businesses conducting cleaning services and for employees of such cleaning services.
- (8) Any profits, earnings, or distributions of an investment fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any profits, earnings or distributions would not be taxable to an individual investor.

§75.05 APPORTIONMENT.

This section applies only to persons receiving compensation both inside and outside the city. Because the Occupational License Tax is due only for gross wages earned inside the city limits, this section provides the formulas to calculate what fraction of a person's gross wages are subject to the Occupational License Tax.

The payroll factor is a fraction, the numerator of which is the total amount paid or payable in the city during the tax period by the employer or business entity for compensation, and the denominator of which is the total compensation paid or payable by the employer or business entity everywhere during the tax period. Compensation is paid or payable in the city based on the time the employee performs work or renders services within the city.

When compensation is paid or payable for work done or services performed or rendered by an employee, both within and without the city, the license tax shall be measured by that part of the compensation paid or payable as a result of work done or service performed or rendered within the city. The license tax shall be computed by obtaining the percentage which the compensation for work performed or services rendered within the city bears to the total wages and compensation paid or payable. In order for the city to verify the accuracy of a taxpayer's reported percentages under this subsection, the taxpayer shall maintain adequate records.

§75.06 EMPLOYERS TO WITHHOLD.

- (A) Every employer making payment of compensation to an employee shall deduct and withhold from the compensation, an occupational license tax calculated herein under §75.03 and §75.05, whichever is applicable. Amounts withheld shall be paid to the city in accordance with this section.
- (B) Each employer shall deduct from the pay due any employee the amount of the license fee measured by the compensation due each employee. The amounts so deducted shall be paid by the employer to the department of finance of the city as follows:
 1. Every employer, whose total occupational license fee withholding is less than five hundred dollars (\$500.00) per quarter, shall remit such fees to the department of finance of the city (on a quarterly basis) for the periods ending March 31, June 30, September 30, and December 31, on or before the last day of the month next following said period.
 2. Every employer, whose total occupational license fee withholding is greater than five hundred dollars (\$500.00) per quarter, shall remit such fees to the department of finance of the city (on a monthly basis) for the month ending January 31 and for each month thereafter, on or before the 15th day of the month following the close of the prior month.
- (C) Every employer who fails to withhold or pay to the city any sums required to be withheld by this ordinance shall be personally and individually liable to the city for any sum or sums withheld or required to be withheld in accordance with the provisions of this section.

- (D) The city shall have a lien upon all the property of any employer who fails to withhold or pay over to the city sums required to be withheld under this section. If the employer withholds, but fails to pay the amounts withheld to the city, the lien shall commence as of the date the amounts withheld were required to be paid to the city. If the employer fails to withhold these sums, the lien shall commence at the time the liability of the employer is assessed by the city.
- (E) Every employer required to deduct and withhold tax under this section shall annually, on or before February 28 of each year, complete and file on a form furnished or approved by the city a reconciliation of the occupational license tax withheld where compensation is paid or payable to employees. Either copies of federal forms W-2 and W-3, transmittal of wage and tax statements, or a detailed employee listing with the required equivalent information, as determined by the city, shall be submitted.
- (F) Every professional employer organization ('PEO') and every employer with an employee leasing arrangement shall include a separate annual report of earnings for each client or co-employer listing the client's or co-employer's name, address, and telephone number.
- (G) Every employer shall furnish each employee a statement, on or before January 31 of each year, showing the amount of compensation and occupational license tax deducted by the employer from the compensation paid to the employee for payment to the city during the preceding calendar year.
- (H) An employer shall be liable for the payment of the tax required to be deducted and withheld under this section.
- (I) The president, vice president, secretary, treasurer, or other person holding an equivalent corporate office of any business entity subject to this section shall be personally and individually liable, both jointly and severally, for any tax required to be withheld from compensation paid or payable to one (1) or more employees of the business entity, and neither the corporate dissolution or withdrawal of the business entity from the city, nor the cessation of holding any corporate office, shall discharge that liability; provided that the personal and individual liability shall apply to each and every person holding the corporate office at the time the tax becomes or became obligated. No person shall be personally and individually liable under this subsection unless such person had authority to collect, truthfully account for, or pay over the tax imposed by this ordinance at the time that the taxes imposed by this ordinance become or became due.
- (J) Notwithstanding anything to the contrary herein, every employee receiving compensation in the city subject to the tax imposed herein under §75.03 and §75.05, whichever is applicable, shall be personally liable for any amount due. In all cases where the employer does not withhold the tax levied under this ordinance from the employee, such employee shall be responsible for filing with the city each quarter in the same manner as if they were the employer.

§75.07 RETURNS REQUIRED.

- (A) All employer or employee returns for the preceding taxable year shall be made by April 15 of each year, except returns made on the basis of a fiscal year, which shall be made by the fifteenth day of the fourth month following the close of the fiscal year. Blank forms for returns shall be supplied by the city.
- (B) Whenever, in the opinion of the city, it is necessary to examine the federal tax return of any employer or employee in order to audit the return, the city may compel the employer or employee to produce for inspection, a copy of the tax return, along with any statements and schedules in support thereof. The city may also require copies of reports of adjustments made by the federal government.
- (C) Every employer or employee subject to an occupational license tax governed by the provisions of this ordinance shall keep records, render under oath statements, make returns, and comply with rules as the city from time to time may prescribe. Whenever the city deems it necessary, the city may require an employer or employee, by notice served to the employer or employee, to make a return, render statements under oath, or keep records, as the city deems sufficient to determine the tax liability of the employer or employee.
- (D) The city may require additional information, for the purpose of ascertaining the correctness of any return or for the purposes of making an estimate of the taxable income from any person having knowledge of the return.
- (E) The full amount of the unpaid tax payable by any employer or employee, as appears from the face of the return, shall be paid to the city at the time prescribed for filing the occupational license tax return, determined without regard to any extension of time for filing the return.
- (F) When a return in form and substance satisfactory to the city finance department is not filed by an employer or employee and/or the license taxes are not paid to the city by such employer or employee, the employee for whom no return has been filed and/or no payment has been made shall file a request for refund of earnings tax or additional payment due with the city finance department on or before January 31, annually, showing in the return his or her compensation subject to the license tax during the preceding calendar year. The employee submitting the form shall provide the

original copy of the statement furnished him or her by his or her employer. This statement must show all of the compensation earned by him or her, wherever employed, during the period for which such return is made. In addition to the compensation earned by him or her, such return shall show such other pertinent information as may be required by the city finance department. Each person making a return required by this section shall at the time of filing the appropriate form pay the city the amount of license tax due under this subchapter; provided, that any portion of the license tax deducted by the employer shall be credited on the return and only the balance, if any, shall be due and payable at the time of filing said return. The amount of any license taxes that were due in each year, as provided in this subchapter, shall bear interest from the date the same became due at the rate of one percent (1%) per month, or fraction thereof for partial months, until paid, and the employer failing to pay the same when due shall also pay the penalty imposed under §75.99.

- (G) Every employer making payments of six hundred dollars (\$600.00) or more to persons other than employees for services performed within the city are responsible for maintaining the records of those payments and for completing Form 1099 SF, Statement of Non-Employee Compensation, on or before February 28 of the year following the close of the calendar year in which such compensation was paid. Persons or Employers not required to remit a Form 1099 remain liable to the city to remit equivalent information for any compensation made to persons that are not employees. Form 1099 SF, or equivalent information, shall be filed with the city on or before February 28 of each year.

§75.08 EXTENSIONS.

- (A) The city may grant an employer or employee an extension of not more than six (6) months, unless a longer extension has been granted by the Internal Revenue Service or is agreed to by the city and the employer or employee for filing its return, if the employer or employee, on or before the date prescribed for payment of the occupational license tax, requests the extension and pays the amount properly estimated as its tax. The employer or employee must submit to the city a copy of the extension with evidence showing that the IRS has accepted and approved the requested extension.
- (B) If the time for filing a return is extended, the employer or employee shall pay, as part of the tax, an amount equal to twelve percent (12%) per annum simple interest on the tax shown due on the return, but not been previously paid, from the time the tax was due until the return is actually filed and the tax paid to the city. A fraction of a month is counted as an entire month.

§75.09 REFUNDS.

- (A) Where there has been an overpayment of tax under §75.03 or §75.05, a refund or credit shall be made to the employer to the extent of overpayment only if a written application for refund or credit is received by the city from the employer within two (2) years from the date the overpayment was made.
- (B) An employee who has compensation attributable to activities performed outside the city, based on time spent outside the city, and whose employer has withheld and remitted to this city the occupational license tax on the compensation attributable to activities performed outside the city, may file for a refund within two (2) years of the date prescribed by law for the filing of a return. The employee shall provide a schedule and computations sufficient to verify the refund claim and the city may confirm with the employer the percentage of time spent outside the city and the amount of compensation attributable to activities performed outside the city prior to approval of the refund.

§75.10 FEDERAL AUDIT PROVISIONS.

- (A) As soon as practicable after each return is received, the city may examine and audit the return. If the amount of tax computed by the city is greater than the amount returned by the Employer or Person, the additional tax shall be assessed and a notice of assessment mailed to the Employer or Person by the city within five (5) years from the date the return was filed, except as otherwise provided in this subsection.
 - (1) In the case of a failure to file a return or of a fraudulent return, the additional tax may be assessed at any time.
 - (2) In the case of a return where an employer or employee understates gross earnings, or omits an amount properly includable in gross earnings, which understatement or omission, or both, is in excess of twenty-five percent (25%) of the amount of gross earnings stated in the return, the additional tax may be assessed at any time within six (6) years after the return was filed.
 - (3) In the case of an assessment of additional tax relating directly to adjustments resulting from a final determination of a federal audit, the additional tax may be assessed before the expiration of the times provided in this subsection, or six (6) months from the date the city receives the final determination of the federal audit from the employer or employee, whichever is later.
 - (4) The times provided in this subsection may be extended by agreement between the employer or employee and the city. For the purposes of this subsection, a return filed before the last day prescribed by law for filing the return shall be considered as filed on the last day. Any extension

granted for filing the return shall also be considered as extending the last day prescribed by law for filing the return.

- (B) Every employer or employee shall submit a copy of the final determination of the federal audit within thirty (30) days of the conclusion of the federal audit.
- (C) The city may initiate a civil action for the collection of any additional tax within the times prescribed in subsection (A) of this Section.

§75.11 ADMINISTRATIVE PROVISIONS.

- (A) No suit shall be maintained in any court to restrain or delay the collection or payment of the tax levied by this ordinance.
- (B) Any tax collected pursuant to the provisions of this ordinance may be refunded or credited within two (2) years of the date prescribed by law for the filing of a return or the date the money was paid to the city, whichever is the later, except that:
 - (1) In any case where the assessment period contained in §75.06 of this ordinance has been extended by an agreement between an employer or employee and the city, the limitation contained in this subsection shall be extended accordingly.
 - (2) If the claim for refund or credit relates directly to adjustments resulting from a federal audit, the employer or employee shall file a claim for refund or credit within the time provided for in this subsection or six (6) months from the conclusion of the federal audit, whichever is later. For the purposes of this subsection and subsection (b)(1), a return filed before the last day prescribed by law for filing the return shall be considered as filed on the last day.
- (C) The authority to refund or credit overpayments of taxes collected pursuant to this Chapter 75 is vested exclusively in the city.

§75.12 REGULATIONS.

The finance department is charged with the enforcement of the provisions of this Chapter 75 and is empowered to prescribe, adopt, promulgate, and enforce rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions of this Chapter 75, including, but not limited to, provisions for the reexamination and correction of returns as to which an overpayment or underpayment is claimed or found to have been made, and the rules and regulations promulgated by it shall be binding on all licensees and employers affected.

§75.13 BOARD OF APPEALS.

The mayor, with the approval of the city council, shall appoint a board of occupational license appeals, comprised of three (3) members as follows: One (1) city council member, and two (2) citizen members who are residents of the city. The term of one (1) citizen member shall be three (3) years, and the term of one (1) citizen member shall be four (4) years. There shall also be an alternate citizen member appointed by the mayor, with the approval of the city council, who shall serve in the transaction of the board's business whenever a regular board member as named above is absent or unable to serve for whatever reason. The alternate member shall be a resident of the city and appointed for a term of three (3) years and shall possess the full authority of a regular board member when he or she is serving in the absence of a regular member. Whenever a vacancy occurs, an appointment shall be made for the remainder of the unexpired term. The board of occupational license appeals shall be empowered to hear appeals from licensees or supposed licensees and shall decide each appeal on evidence provided by the licensee and the city. The board may, based upon such evidence, render decisions on questions of interpretation of this article, on questions of allocation of gross earnings, on proceedings of delinquent tax collections, and on the waiver of penalties assessed. The decisions of the board of occupational license appeals shall be final.

§75.14 INFORMATION TO REMAIN CONFIDENTIAL.

- (a) No present or former employee of the city shall intentionally and without authorization inspect or divulge any information acquired by him or her of the affairs of any employer or employee, or information regarding the tax schedules, returns, or reports required to be filed with the city or other proper officer, or any information produced by a hearing or investigation, insofar as the information may have to do with the affairs of the employer or employee. This prohibition does not extend to information required in prosecutions for making false reports or returns for taxation, or any other infraction of the tax laws, or in any way made a matter of public record, nor does it preclude furnishing any taxpayer or the taxpayer's properly authorized agent with information respecting his or her own return. Further, this prohibition does not preclude any employee of the city from testifying in any court or from introducing evidence in any court, or from introducing as evidence, returns or reports filed with the city, in an action for violation of a tax law of the city or other tax district or in any action challenging the city's tax laws or in any action in which the income of an employer or employee is a relevant issue at trial.

- (b) The city reserves the right to disclose to the Commissioner of Revenue of the Commonwealth of Kentucky or his or her duly authorized agent all such information and rights to inspect any of the books and records of the city if the Commissioner of Revenue of the Commonwealth of Kentucky grants to the city the reciprocal right to obtain information from the files and records of the Kentucky Department of Revenue and maintains the privileged character of the information so furnished. Provided, further that the city may publish statistics based on such information in such a manner as not to reveal any identifying data regarding a specific employer or employee's gross earnings.
- (c) In addition, the city is empowered to execute similar reciprocity agreements as described in subsection (b) of this section with any other taxing entity should there be a need for exchange of information to effect diligent enforcement of this ordinance.

§75.15 USE OF OCCUPATIONAL LICENSE TAX.

All money derived from the license tax under the provisions of this Chapter 75 shall be paid to the city and placed to the credit of the city's general revenue fund.

§75.16 SEVERABILITY.

Each section and each provision of each section of this ordinance is severable, and if any provision, section, paragraph, sentence or part thereof, or the application thereof to any person licensee, class or group, is held by a court of law to be unconstitutional or invalid for any reason, such holding shall not affect or impair the remainder of this ordinance, it being the legislative intent to ordain and enact provision, section, paragraph, sentence and part thereof, separately and independently of the rest.

§75.17 BEGINNING DATE.

The provisions of this Chapter 75 shall be effective on January 1, 2018. The one percent (1%) occupational license tax imposed by this Chapter 75 shall remain one percent (1%) and shall not be increased for a minimum time period of three (3) years from the date imposed.

§75.99 PENALTIES.

- (A) Every employer who fails to withhold or pay to the city any sums of tax required by this subchapter to be withheld and paid shall be personally and individually liable to the city for all sums required to be withheld.
- (B) The city shall have a lien upon all the property of any employer who fails to withhold or pay over to the city sums required to be withheld under this subchapter. If the employer withholds but fails to pay the city the amount withheld, the lien shall commence as of the date the amounts withheld were required to be paid to the city. If the employer fails to withhold, the lien shall commence at the time the liability of the employer is assessed by the city.
- (C) Every tax imposed by this Chapter 75, and all increases, interest, and penalties thereon, shall become, from the time the tax is due and payable, a personal debt of the taxpayer to the city.
- (D) The city may enforce the collection of the occupational tax due, under this ordinance and any fees, penalties, and interest, as provided herein, by civil action in a court of appropriate jurisdiction. To the extent authorized by law, the city shall be entitled to recover all court costs and reasonable attorney fees incurred by it in enforcing any provision of this Chapter 75.
- (E) In addition to the penalties prescribed in this section, any employer or employee who willfully fails to make a return or willfully makes a false return, or who willfully fails to pay taxes owing or collected, with the intent to evade payment of the tax or amount collected, or any part thereof, shall be guilty of a Class A Misdemeanor.
- (F) Any person who willfully aids or assists in, or procures, counsels, or advises in the preparation or presentation of a return, affidavit, claim, or other document required under or submitted in connection with this Chapter 75, which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, shall be guilty of a Class A Misdemeanor.
- (G) A return, for the purpose of this section, shall mean and include any return, declaration, or form prescribed by the city and required to be filed with the city by the provisions of this Chapter 75 or by the rules of the city or by written request for information to the Employer or Person by the city.
- (H) Any person who violates the provisions of this Chapter 75 by intentionally inspecting confidential taxpayer information without authorization shall be fined not more than five hundred (\$500.00) or imprisoned for not longer than six (6) months, or both.
- (I) Any person who violates the provisions of this Chapter 75 by divulging confidential taxpayer information shall be fined not more than one thousand dollars (\$1,000) or imprisoned for not more than one (1) year, or both.

Nothing in this Ordinance hereby adopted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in this Ordinance, nor shall any just or legal right or remedy of any character be lost impaired or affected by this Ordinance.

All other sections and provisions of the Ordinances for the City of Murray, not specifically amended herein, shall remain in full force and effect and shall not be considered amended and shall be incorporated by reference as if fully stated herein.

JACK D. ROSE, MAYOR

ATTEST:

JAMES OSBORNE, CITY CLERK

Introduced by the City Council on _____, 2017.

Adopted by the City Council on _____, 2017.

Published in the Murray Ledger and Times on _____, 2017.

ORDINANCE 2017-1744

AN ORDINANCE REPEALING IN ITS ENTIRETY CHAPTER 71, SECTIONS 71.01, 71.02, 71.03, 71.04, 71.05, 71.06, 71.07, 71.08 AND 71.99 OF THE CITY OF MURRAY CODE OF ORDINANCES, TITLED LICENSING WHICH RELATES TO CITY STICKERS. THIS ORDINANCE SHALL BE EFFECTIVE JUNE 1, 2018.

WHEREAS, the City wishes to eliminate its requirement for persons living and/or working within the city limits to purchase a License a/k/a a City Sticker each year.

WHEREAS, the City wishes to repeal Chapter 71 and shall replace same with an Occupational License Requirement for Employees working and rendering services to Employers and/or Business Entities for compensation in the City of Murray.

NOW THEREFORE, Be it Ordained by the Murray City Council that, effective June 1, 2018, Chapter 71, Sections 71.01, 71.02, 71.03, 71.04, 71.05, 71.06, 71.07, 71.08 and 71.99 of the City of Murray Code of Ordinances is hereby repealed.

Nothing in this Ordinance shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed; nor shall any just or legal right or remedy of any character be lost impaired or affected by this Ordinance.

JACK D. ROSE, MAYOR

ATTEST:

JAMES OSBORNE, CITY CLERK

Introduced by the City Council on _____, 2017.

Adopted by the City Council on _____, 2017.

Published in the Murray Ledger and Times on _____, 2017.

RESOLUTION 2017-009

A RESOLUTION DESIGNATING SEPTEMBER 2017 AS "CITY GOVERNMENT MONTH" IN MURRAY, KENTUCKY.

WHEREAS, civics education is vitally important to healthy democracies;

WHEREAS, elementary education tends to focus on federal and state governments instead of local governments;

WHEREAS, the Kentucky League of Cities (KLC) has developed "City Government Month," a civics awareness campaign to educate elementary school students about city services;

WHEREAS, KLC created City Government Month lesson plans, a coloring/activity book, and an implementation guide; developed a kid-friendly website for use in the classroom; and created promotional materials for city officials, students, and teachers;

WHEREAS, the KLC Board of Directors has declared September 2017 as City Government Month in Kentucky; and

WHEREAS, the KLC Board of Directors encourages city officials and employees to collaborate with local elementary schools to educate students about their city government and to engage them in city services during City Government Month;

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Murray, KY designates September 2017 as "City Government Month" in the City.

BE IT FURTHER RESOLVED, That city officials and employees are encouraged to collaborate with local elementary schools to educate students about their city government and to engage them in city services during City Government Month.

Approved by the City Council of the City of Murray, KY on August 24, 2017.

CITY OF MURRAY, KENTUCKY

JACK D. ROSE, Mayor

ATTEST:

JAMES OSBORNE, City Clerk

SURPLUS FOR COUNCIL APPROVAL



August 15, 2017

Central Garage

Matt Turner, Chief Mechanic

- Central Garage Surplus

This list consists of spare parts for Sanitation trucks that we no longer have in our fleet. They will not fit any vehicles or equipment that we currently own therefore need to be declared surplus and sold.

- Leach Parts

3 compactor rollers	2 Seal Kit 103102101
1 lift bar cyl kit	1 seal kit DA-A3138
1 wench cyl kit	2 Seal Kit 65336-1110
1 lift cyl kit	1 Seal Kit 65336-2473
1 Grad cyl kit	2 PMCK S588
1 compactor kit	2 Filter 1674
3 Hydraulic hoses	1 U joint 10-4-93
3 2R21/4A kits	6 37-263
3 seal kits 0024824-A	3 Quick Cup 104822
1 Seal kit 012615101	2 joint 1940
4 rings 18265102	4 Quick Cup 102653

SURPLUS FOR COUNCIL APPROVAL

- 3 spring 16107
- 2 spring 16106
- 2 Speed Up 18963
- 1 Air Valve 35M30692
- 4 Rod Ends 16210
- 2 Seal Kit BDO7001
- 6 Seal Kit 102168
- 1 Seal Kit TO-1567
- 1 Seal Kit DF3024
- 4 Washer SR942402
- 2 Seal Kit 1240574
- 2 Seal Kit 644187
- 1 Seal Kit 1023064
- 4 Roller 1230635
- 1 Seal Kit 113965
- 2 Valve 120845
- 1 Block 69104
- 1 Seal Kit 1567101
- 2 Seal Kit 6016751
- 4 Seal Kit 102614
- 1 Seal Kit 102565-02
- 1 Seal Kit A126
- 3 Seal
- 4 Nut F3975
- 24 Bolt F5925-02
- 2 DF2003
- 1 Flipper Hook
- 3 Flipper Hook 82577
- 16 springs
- 8 Spring DF41F4
- 3 Spring D72109
- 2 Seal 1145669
- 4 O ring 100726101
- McNeilus Parts
 - 1 spring 1108668
 - 1 spring 0643529
 - 2 spring 643532-A
 - 1 compactor rod
 - 1 filter 1108130
 - 1 FFB102FDO
 - 2 Filter 9630-604
 - 4 KRE 210
 - 1 valve head 0614081
 - 6 Roller 0643527
 - 6 Roller Spacer
 - 2 MAC switch
 - 3 1168117
 - 2 Switch Solenoid
 - 2 Proc Switch
 - 1 Complete joystick
 - 3 switch BZE6-2RN
 - 9 Lock Rings
 - 9 Lock Ring 0082206
 - 5 seal kit MTM0630804
 - 4 Air Cyl 391180355
 - 1 Mack LE613 Radiator

SURPLUS FOR COUNCIL APPROVAL

2 Mack Wheels and Tires

1 International wheel

- Equipment for Surplus

Lincoln stick welder/ Not Operational Replaced

Wire Welder / Not operational Replaced

Drill Press/ Not Operational Replaced

Bench Grinder/ Not Operational Replaced

Line trimmers/ Not operational Replaced

Push Mower/ Not Operational

- Water Treatment Plant Surplus

515 Gallon, Fiber, Aluminum Sulfate Day Tank. Manufacture date:
12-1991

4700 Gallon, Fiber, Aluminum Sulfate Bulk Tank. Manufacture
date: 12-1991

4700 Gallon, Fiber, Aluminum Sulfate Bulk Tank. Manufacture
date: 12-1991

In January of 2008 Murray Public Works switched from alum to a polymer as the primary coagulant. Having no need for tanks of this size, they have been taken out of service. The tanks were in use from January of 1992 to January of 2008. When taken out of service, the tanks had no leaks or damage.