



May 7, 2015

City of Southgate

122 Electric Avenue
Southgate, Kentucky 41071-3166
Phone: (859) 441-0075 · Fax: (859) 441-0244
Jim Hamberg, Mayor

Mr. Jim Palm, Superintendent
Southgate Independent School
Board of Education
6 William F. Blatt Avenue
Southgate, KY 41071

Dear Mr. Palm:

Thank you again for meeting with me this past Friday over lunch. It was great seeing you and Mr. Paul.

During our lunch we agreed to the fee for collection of the School Tax to be set at 2%, reducing this rate from the current 3%.

Here are the reasons considered in maintaining the rate by the City at 2%:

- The City has never been late in mailing and collection of tax bills.
- The City mails its bills in late September with the November 30th due date. Tax collection begins earlier for the School as opposed to the School Tax bills mailed at the same time as the County Tax bill.
- The Consolidated County tax bill is staggered; 2% discount November, face amount Dec., +2% in Jan., +4% Feb., tax bills referred for sale in March.
- The City follows up on the delinquent bills after November 30 by sending reminder pay-off notices every 90 days. This continues for a period of up to three years.
- The City's collection rate on taxes is about 97% for the first year and close to 100 percent after three years – plus the penalty and interest per annum. We maintain our own outstanding delinquencies for the School and City, filing liens and foreclosures if necessary.
- The City collects 10% penalty and 12% interest per annum on all delinquent bills for both the School and the City. The 10% penalty and 12% interest is a big incentive for residents to pay their bills on time.
- The City provides customer service for residents who have questions or comments when paying tax bills. The Clerk(s) take numerous phone calls and listen to many complaints regarding the School tax rates.

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- The City provides online tax information to residents on the City website. This information is available 24/7 to the property owner or their financial institution.
- The City provides timely payment to the school for tax collection.

Based on the above, we would agree to return to the rate of 2%, from the current 3%. I believe as we discussed on Friday, that this is a reasonable and adequate compromise. With the approval by your Board of Education and Southgate City Council, all tax monies collected would remain in Southgate.

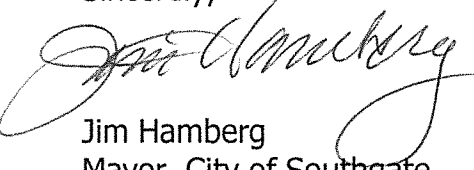
The City also provides other services unrelated to the tax collection. As you know, we share the cost of the School Crossing Guard, plus the City's contribution to the Optimist Club concerning the playground. The Optimist Playground is regularly used by students during school hours. The City's contribution to the Optimist Club is \$3,000 per year for the playground and \$1,000 (match money) for the scholarship which Southgate Independent and St. Therese students are eligible to participate. The playground is maintained by the Optimist Club and occasionally, our Public Works staff provides assistance with litter collection and trash can removal to the curb on garbage pick-up day. Students participate in our Annual Arbor Day Celebration along with St. Therese students. We provide a School Resource Officer for the School as well. The Community Center too is used by the Foundation and School for related activities as well, including the Annual Spaghetti Dinner. Hopefully, when everything above is considered, we are seen as a good neighbor to the Southgate Independent School.

Thanks again for our meeting. As we discussed, both City Council and your School Board would need to approve the reduction to 2%. City Council met on Wednesday, May 6 and approved the reduction for the reasons noted. We await the decision of the Southgate Independent Board of Education. Once approved, I would suggest having our attorney's meet to develop an Interlocal Agreement between our two parties for signature endorsing our efforts.

Please let me know if you have any questions regarding this letter. I am always happy to discuss anything relating to the School with you at anytime.

My best to you and Southgate Independent School including: students, faculty and members of the Board of Education.

Sincerely,



Jim Hamberg
Mayor, City of Southgate