



CITY OF AUDUBON PARK
3340 ROBIN ROAD
AUDUBON PARK, KENTUCKY 40213

THE MAYOR

10 May 2018

MEMORANDUM FOR: Members of the City Council

SUBJECT: Fiscal Year 2019 Budget Proposal and Message

This budget proposal and message are presented as required by KRS 83A.130 (Mayor-Council form of government in cities) and KRS 91A.030 (Annual Budget). This message also includes required information on interlocal, state and Federal programs in which the City is participating.

This year's proposed budget shows virtually no change in estimated net revenue, exclusive of any carryover balance to be determined later. This includes a 1% increase in expected *ad valorem* tax income to the City, based on increased valuation of properties sold within the past year, offset by a small proposed reduction in the tax rate. This change should produce a marginally lower tax bill for most homeowners. We continue to explore new grant opportunities and other innovative funding ideas that could support specific future community needs. The first priority, day to day, is still fiscal discipline in administration, operations and maintenance.

The City has no outstanding debt, and measures are in place to make any relapse very difficult. Barring some unexpected catastrophe, we can continue to devote added resources to our most important deferred needs. These include (1) physical security and storage facilities for City records; (2) reforestation; (3) modest wage increases for public works and maintenance staff; (4) continuing renewal of City infrastructure; (5) building our contingency reserve fund; and (6) supplementing the road fund. This proposal aims to press ahead with as much of this program as our limited resources allow.

Some specific lines of the attached General Fund proposal that deserve your scrutiny include:

· *Public Admin:*

- "supplies and equipment" at routine levels, with a small reserve for safe and secure files storage and building security.
- "repairs and maintenance" reduced to sustaining costs, after restoration work funded over the past two years.

· *Public Works:*

- "public facilities" funds apportioned in the FY 2018 budget can be carried over if designated projects remain to be completed, so no new funds are proposed.
- "forest management" aims to sustain existing program efforts, and reinforce incentives for voluntary replanting to restore canopy.
- "road fund replenishment" will further supplement declining state gas tax revenue, and permit additional needed road work.

Budget Proposal and Message, FY 2019
10 May 2018

- *Public Safety*: "equipment" line provides for completing turnover of patrol vehicles, and replacements of aging mobile computers.
- *Contingency Fund*: gives the City limited additional protection against catastrophe.

Most of the remaining adjustments can be recognized as alignments to take account of our experience this past year, either in savings we think can be sustained, or in a few cases where appropriations were insufficient.

There are still unknowns that are likely to require adjustments. Insurance premiums will need updating when the policy renewal arrives. The Road Fund carryover won't be known until the end of this fiscal year – though the aim remains to appropriate whatever balance is available for new work. Likewise with any balance that may remain after end-of-year accounting is finally done, either from penny-pinching or uncompleted projects. Our current Waste Management contract remains in force, so that assessment is fixed, and storm damage set-aside unchanged.

As noted above, the City participates in a number of programs at the various levels of government to protect and enhance the quality of life of the community, either directly or through additional revenue. The City continues to seek all available sources for such support. The most prominent of these reflected in this proposal are:

- *Inter-local* agreements and contracts:
 - Parkway Village police services – patrols, calls for service, and parking enforcement.
 - Norton Audubon Hospital call response and parking enforcement, by local contract.
 - Preston corridor patrols, by informal agreement with LMPD, which provides reciprocal radio equipment support and access to training.
 - Preston corridor decorative lighting, operating costs supported by the City for lights along Audubon Park's frontage.
- *State*:
 - Municipal Aid (aka Road) funds. The Transportation Cabinet allocates funds derived from state gasoline taxes for municipal road maintenance and construction.
 - Franchise fees. A shift is still anticipated from centralized to local administration.
 - KLEFPF. Provides a limited wage supplement for certified, full-time police officers.
- *Federal*: No programs are in effect at present.

An ordinance to enact the FY 2019 budget will have a first reading at this month's regular City Council meeting, in order to provide a full month for reflection, updating and refinement before a second reading and introduction for formal discussion and final action. I look forward to your further thoughts and ideas.

Sincerely,



Don Crawford

Enclosure

**BUDGET PROPOSAL, FY 2019
GENERAL FUND**

	FY 2016	FY 2017	FY 2018	Proposed FY 2019
RESOURCES				
Beginning balance		\$ 55,089.77	\$ 90,611.53	\$ -
Property Taxes	350,471.37	364,490.22	372,300.00	376,452.00
Penalty and Interest Income	500.00	500.00	5,000.00	5,000.00
Discount for early payment	(6,000.00)			
Motor Vehicle Taxes	21,137.50	24,000.00	29,000.00	29,000.00
Insurance Business Taxes	240,000.00	240,000.00	265,000.00	265,000.00
Police Services - Parkway Village	55,000.00	57,500.00	57,750.00	58,000.00
Police Services - Audubon Hospital	17,000.00	18,000.00	18,000.00	22,800.00
Court Revenue	8,000.00	8,000.00	10,000.00	10,000.00
Parking Fines / Towing	2,500.00	2,500.00	2,500.00	2,500.00
Bond Revenue	2,000.00	2,000.00	4,000.00	2,000.00
Building Permits	1,000.00	1,000.00	1,000.00	1,000.00
Business Licenses	1,000.00	1,000.00	1,000.00	1,000.00
Franchise Fees	8,000.00	8,000.00	8,000.00	8,000.00
Miscellaneous Fees & Grants	500.00	500.00	500.00	500.00
Ordinance Recodification Grant	2,300.00	1,500.00		
KLEFPF	6,200.00	6,200.00	12,000.00	12,000.00
Homeland Security Grant	7,000.00			
Proceeds of Community Activities	5,000.00	19,900.00	20,700.00	10,000.00
Sale of Fixed Assets	6,000.00	6,000.00	6,000.00	10,000.00
TOTAL RESOURCES	\$ 727,608.87	\$ 816,179.99	\$ 903,361.53	\$ 813,252.00

APPROPRIATIONS

Public Administration

Administrative costs	3,035.57	5,000.00	5,000.00	5,000.00
Supplies and Equipment	8,000.00	23,675.66	25,000.00	8,000.00
Repairs and Maintenance	26,000.00	19,500.00	16,000.00	6,000.00
Utilities - LG&E, Water, etc.	42,000.00	45,000.00	45,000.00	45,000.00
Property Insurance	940.51	954.62	954.62	2,232.00
Liability Insurance	8,923.35	5,881.46	5,881.46	8,709.00
Administrative Salaries	42,000.00	50,500.00	55,000.00	55,000.00
Payroll Taxes	3,213.00	3,213.00	4,207.50	4,207.50
Workers' Compensation Insurance	225.91	270.56	270.56	920.00
Unemployment Reserve	482.50	545.68	545.68	545.68
City Attorney	25,000.00	25,000.00	25,000.00	25,000.00
Bookkeeping	12,000.00			
Auditing	7,500.00	6,000.00	6,000.00	6,200.00
Property Valuation	6,000.00	6,000.00	6,200.00	6,500.00
Codification of Ordinances	2,300.00	3,200.00	3,200.00	-
Line of Credit Liquidation	20,000.00			
Total Public Administration	\$ 207,620.84	\$ 194,740.98	\$ 198,259.82	\$ 173,314.18

<i>Contingency Reserve</i>		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
----------------------------	--	---------------------	---------------------	---------------------

**BUDGET PROPOSAL, FY 2019
GENERAL FUND**

	FY 2016	FY 2017	FY 2018	Proposed FY 2019
<i>Public Works</i>				
Supplies and Equipment	38,000.00	5,000.00	5,000.00	5,000.00
Fuel	2,000.00	3,000.00	3,000.00	3,000.00
Maintenance	1,500.00	1,500.00	1,500.00	1,500.00
Property Insurance	262.46	333.48	333.48	1,066.00
Liability Insurance	811.21	534.68	534.68	1,392.00
Auto Insurance	2,607.60	2,469.50	2,469.50	6,082.00
Public Works Salary	31,200.00	31,200.00	31,200.00	33,280.00
Payroll taxes	2,386.80	2,386.80	2,386.80	2,545.92
Workers' Compensation Insurance	1,896.97	2,931.59	2,931.59	1,380.00
Unemployment Reserve	358.43	337.13	337.13	337.13
Public Facilities	10,000.00		25,000.00	-
Parks & Recreation	5,000.00	21,000.00	24,700.00	10,000.00
Forest Management	18,000.00	28,500.00	31,040.00	34,296.00
Public Gardens (Garden Club Grant)			3,500.00	4,000.00
Road Fund Replenishment		25,073.00	64,096.83	42,194.41
Total Public Works	\$ 114,023.47	\$ 124,266.18	\$ 198,030.01	\$ 146,073.46
 <i>Public Safety</i>				
Supplies	815.00	1,936.00	1,000.00	2,000.00
Equipment	21,740.00	13,000.00	20,762.00	33,000.00
Fuel	20,000.00	16,000.00	16,000.00	16,000.00
Maintenance	8,500.00	12,000.00	10,000.00	7,000.00
Property Insurance	1,689.29	1,714.64	1,714.64	2,519.00
Liability Insurance	25,834.64	25,587.77	25,587.77	16,180.00
Auto Insurance	9,021.15	7,338.26	7,338.26	12,949.00
Public Safety Salaries	271,416.00	304,688.00	299,347.00	299,427.00
Payroll Taxes	20,763.32	21,778.63	22,900.05	22,906.17
Workers' Compensation Insurance	13,867.08	23,785.12	23,785.12	13,807.00
Unemployment Reserve	3,118.08	3,076.19	3,076.19	3,076.19
Court Pay				3,000.00
KLEFPF/KACP Accreditation	9,200.00	6,200.00	12,000.00	12,000.00
Total Public Safety*	\$ 405,964.56	\$ 437,104.61	\$ 443,511.03	\$ 443,864.36
 TOTAL APPROPRIATIONS*	 \$ 727,608.87	 \$ 806,111.77	 \$ 889,800.86	 \$ 813,252.00

**BUDGET PROPOSAL, FY 2019
WASTE MANAGEMENT FUND**

	FY 2016	FY 2017	FY 2018	Proposed FY 2019
RESOURCES				
Beginning storm damage reserve	\$ 12,186.76	\$ 21,308.26	35,769.85	48,648.11
Waste management fee	189,981.00	138,730.06	\$ 138,730.06	\$ 138,730.06
Discount for early payment	(3,217.86)			
TOTAL RESOURCES	\$ 198,949.90	\$ 160,038.32	\$ 174,499.91	\$ 187,378.17
 APPROPRIATIONS				
Waste collection contract	177,641.64	125,851.80	125,851.80	125,851.80
Storm damage reserve	21,308.26	34,186.52	48,648.11	61,526.37
TOTAL APPROPRIATIONS	\$ 198,949.90	\$ 160,038.32	\$ 174,499.91	\$ 187,378.17

**BUDGET PROPOSAL, FY 2019
ROAD FUND**

	FY 2016	FY 2017	FY 2018	Proposed FY 2019
RESOURCES				
Beginning balance	\$ 30,000.00	\$ 26,000.00	73,873.93	-
Kentucky Municipal Aid	36,000.00	30,000.00	30,000.00	30,000.00
General Fund appropriation		25,073.00	64,096.83	42,194.41
TOTAL RESOURCES	\$ 66,000.00	\$ 81,073.00	\$ 167,970.76	\$ 72,194.41
APPROPRIATIONS				
Street paving/repair	66,000.00	81,073.00	167,970.76	72,194.41
TOTAL APPROPRIATIONS	\$ 66,000.00	\$ 81,073.00	\$ 167,970.76	\$ 72,194.41