



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

THE MAYOR

15 May 2017

MEMORANDUM FOR: Members of the City Council

SUBJECT: Fiscal Year 2018 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 includes a modest net increase in revenue. This results largely from a 2% increase in expected *ad valorem* tax income to the City, based on increased valuation of properties sold within the past year. Tax rates and fees are unchanged, with your consent. We continue to explore new grant opportunities and other innovative funding mechanisms that could support specific future community needs. The first priority, day to day, is still fiscal discipline in administration, operations and maintenance.

The City's deficit has been eliminated, and measures put 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 police officers and other employees; (4) continuing renewal of City infrastructure; (5) building our contingency reserve fund; and (6) supplementing the road fund. We won't get all this done, of course – but we can press ahead, as we did last year.

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

- *Public Admin:*
 - "supplies and equipment" to include 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 to cover final work on our entrances, and increase trash receptacles there and in the parks.
 - "forest management" to sustain existing program efforts, and reinforce incentives for voluntary replanting to restore canopy.
 - "road fund replenishment" to further supplement declining state gas tax revenue, and permit additional needed road work.
- *Public Safety:* "salary" line provides for \$1/hour increases for full-time officers, to make wages more competitive, and reduce turbulence.
- *Contingency Fund:* to give the City limited additional protection against catastrophe.

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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, and may be significant, if last year's experience is any indication. 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 surplus that may remain after end-of-year accounting is finally done, either from penny-pinching or uncompleted projects. A new Waste Management contract is in force, so that assessment is fixed, and the 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. The Department of Revenue collects fees from communications providers, and distributes a portion of the proceeds to municipalities, in lieu of their own assessments.
 - KLEFPF. Provides a limited wage supplement for certified, full-time police officers.
- *Federal*: A Federal program to assist residents along the western edge of the City in reducing interior noise from aircraft operations is in abeyance pending legal challenges to deed restrictions added by airport management.

An ordinance to enact the FY 2018 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 2018
GENERAL FUND**

	FY 2015	FY 2016	FY 2017	Proposed FY 2018
RESOURCES				
Beginning balance			\$ 55,089.77	TBD
Property Taxes	346,320.00	350,471.37	364,490.22	372,300.00
Penalty and Interest Income	5,000.00	500.00	500.00	500.00
Discount for early payment		(6,000.00)		
Motor Vehicle Taxes	22,800.00	21,137.50	24,000.00	24,000.00
Insurance Business Taxes	220,000.00	240,000.00	240,000.00	240,000.00
Police Services - Parkway Village	55,000.00	55,000.00	57,500.00	57,750.00
Police Services - Audubon Hospital	15,000.00	17,000.00	18,000.00	18,000.00
Court Revenue	14,000.00	8,000.00	8,000.00	8,000.00
Parking Fines / Towing	5,000.00	2,500.00	2,500.00	2,500.00
Bond Revenue	2,000.00	2,000.00	2,000.00	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	1,000.00	500.00	500.00	500.00
Highway Safety Grant	9,300.00			
Ordinance Recodification Grant	8,300.00	2,300.00	1,500.00	1,500.00
KLEFPF	6,200.00	6,200.00	6,200.00	12,000.00
Neighborhood Development Grant	10,000.00			
Homeland Security Grant		7,000.00		
Proceeds of Community Activities	1,350.00	5,000.00	19,900.00	20,700.00
Sale of Fixed Assets	18,000.00	6,000.00	6,000.00	6,000.00

TOTAL RESOURCES	\$ 749,270.00	\$ 727,608.87	\$ 816,179.99	\$ 775,750.00
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APPROPRIATIONS

Public Administration

Administrative costs		3,035.57	5,000.00	5,000.00
Supplies and Equipment	11,000.00	8,000.00	21,000.00	11,000.00
Repairs and Maintenance	16,000.00	26,000.00	19,500.00	16,000.00
Utilities - LG&E, Water, etc.	42,000.00	42,000.00	45,000.00	45,000.00
Property Insurance	861.53	940.51	954.62	954.62
Liability Insurance	5,089.20	8,923.35	5,881.46	5,881.46
City Clerk/Treasurer's Salary	38,000.00	42,000.00	42,000.00	44,000.00
Payroll Taxes	2,907.00	3,213.00	3,213.00	3,366.00
Workers' Compensation Insurance	82.98	225.91	270.56	270.56
Unemployment Reserve	1,075.00	482.50	545.68	545.68
City Attorney	15,000.00	25,000.00	25,000.00	25,000.00
Bookkeeping	8,000.00	12,000.00	8,500.00	8,500.00
Auditing	7,500.00	7,500.00	6,000.00	6,000.00
Property Valuation	6,000.00	6,000.00	6,000.00	6,200.00
Codification of Ordinances	7,500.00	2,300.00	3,200.00	3,200.00
Council Compensation	600.00			
Line of Credit Liquidation	100,000.00	20,000.00		
Total Public Administration	\$ 261,615.71	\$ 207,620.84	\$ 192,065.32	\$ 180,918.32

<i>Contingency Reserve</i>			\$ 50,000.00	\$ 40,000.00
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**BUDGET PROPOSAL, FY 2018
GENERAL FUND**

	FY 2015	FY 2016	FY 2017	Proposed FY 2018
<i>Public Works</i>				
Supplies and Equipment	3,500.00	38,000.00	5,000.00	5,000.00
Fuel	2,000.00	2,000.00	3,000.00	3,000.00
Maintenance	1,500.00	1,500.00	1,500.00	1,500.00
Property Insurance	240.60	262.46	333.48	333.48
Liability Insurance	462.65	811.21	534.68	534.68
Auto Insurance	2,752.00	2,607.60	2,469.50	2,469.50
Public Works Salary	29,200.00	31,200.00	31,200.00	31,200.00
Payroll taxes	2,233.80	2,386.80	2,386.80	2,386.80
Workers' Compensation Insurance	1,958.62	1,896.97	2,931.59	2,931.59
Unemployment Reserve	805.00	358.43	337.13	337.13
Public Facilities		10,000.00	20,000.00	
Parks & Recreation	6,350.00	5,000.00	21,000.00	24,700.00
Forest Management	12,000.00	18,000.00	28,500.00	31,040.00
Public Gardens (Garden Club Grant)				3,500.00
Road Fund Replenishment			25,073.00	17,387.47
Total Public Works	\$ 63,002.67	\$ 114,023.47	\$ 144,266.18	\$ 126,320.65
 <i>Public Safety</i>				
Supplies	1,912.95	815.00	1,936.00	1,000.00
Equipment	11,150.00	21,740.00	13,000.00	5,762.00
Fuel	27,000.00	20,000.00	16,000.00	16,000.00
Maintenance	9,451.00	8,500.00	12,000.00	10,000.00
Property Insurance	1,540.85	1,689.29	1,714.64	1,714.64
Liability Insurance	19,285.10	25,834.64	25,587.77	25,587.77
Auto Insurance	8,182.79	9,021.15	7,338.26	7,338.26
Public Safety Salaries	285,732.00	271,416.00	284,688.00	299,347.00
Payroll Taxes	21,858.50	20,763.32	21,778.63	22,900.05
Workers' Compensation Insurance	14,168.43	13,867.08	23,785.12	23,785.12
Unemployment Reserve	7,070.00	3,118.08	3,076.19	3,076.19
Highway Safety Overtime	9,300.00			
Court Pay	1,000.00			
KLEFPF/KACP Accreditation	6,200.00	9,200.00	6,200.00	12,000.00
Total Public Safety*	\$ 423,851.62	\$ 405,964.56	\$ 417,104.61	\$ 428,511.03
 TOTAL APPROPRIATIONS*	 \$ 748,470.00	 \$ 727,608.87	 \$ 803,436.11	 \$ 775,750.00
 <i>Balance</i>				 0.00

**BUDGET PROPOSAL, FY 2018
WASTE MANAGEMENT FUND**

	FY 2015	FY 2016	FY 2017	Proposed FY 2018
RESOURCES				
Beginning storm damage reserve		\$ 12,339.36	\$ 21,460.86	TBD
Waste management fee	\$ 189,981.00	189,981.00	138,730.06	\$ 138,730.06
Discount for early payment		(3,217.86)		
TOTAL RESOURCES	\$ 189,981.00	\$ 199,102.50	\$ 160,190.92	\$ 138,730.06
APPROPRIATIONS				
Waste collection contract	177,641.64	177,641.64	125,851.80	125,851.80
Storm damage reserve	12,339.36	21,460.86	34,339.12	12,878.26
TOTAL APPROPRIATIONS	\$ 189,981.00	\$ 199,102.50	\$ 160,190.92	\$ 138,730.06

**BUDGET PROPOSAL, FY 2018
ROAD FUND**

	FY 2015	FY 2016	FY 2017	Proposed FY 2018
RESOURCES				
Beginning balance	\$ 93,000.00	\$ 30,000.00	\$ 26,000.00	TBD
Kentucky Municipal Aid	36,000.00	36,000.00	30,000.00	30,000.00
General Fund appropriation			25,073.00	17,387.47
TOTAL RESOURCES	\$ 129,000.00	\$ 66,000.00	\$ 81,073.00	\$ 47,387.47
APPROPRIATIONS				
Street paving/repair	129,000.00	66,000.00	81,073.00	47,387.47
TOTAL APPROPRIATIONS	\$ 129,000.00	\$ 66,000.00	\$ 81,073.00	\$ 47,387.47