



City Commission Meeting Highlights

Tuesday, February 2, 2016 at 5:30 p.m. at City Hall

Capital Projects Funding Workshop

Planning and budgeting discussions are underway to prepare for the fiscal year 2017 budget. The City's budget-year begins July 1 with the budget approval occurring each June. At this meeting, City Manager Jeff Pederson and Finance Director Jonathan Perkins provided an overview of possible funding sources for several capital projects and an overview of the Investment Fund. Pederson says, "The purpose of this meeting is to provide a stronger foundation of understanding of how the City's capital funding is aligned in addition to resource limitations."

In 2013, the City of Paducah issued a bond for the Macco project, an economic development project that did not come to fruition. The bond funds totaling approximately \$1.272 million are proposed to be used to fund a portion of the Olivet Church Road Improvement Project not covered by State funds, a small piece of the 432 Broadway demolition project not covered by the CDBG grant, and approximately half of the services by RATIO Architects for the City Hall Project.

Perkins also reviewed the City's General Fund Reserve. The City sets aside ten percent of the General Fund as a reserve. At this time, the City has a \$2 million balance in excess of the ten percent reserve. Perkins says this amount has accumulated over several years through a combination of spending less than projected and at times receiving more revenue than estimated. Projects proposed to be funded are the equipment consultant for the E-911 operations, the other half of the services by RATIO Architects for the City Hall Project, and a system-wide study of the City's storm water drainage system.

The next topic of discussion was an overview of the line-items expected to be funded through the Investment Fund. The City has a 2 percent payroll tax; however, one quarter of that amount is placed into a separate fund, the Investment Fund. The estimated Investment Fund revenue for Fiscal Year 2017 is \$4.94 million. Perkins divided the line items into five categories.

- Debt Service (\$1,828,150) – For the most part, there are payments for bond issues from 2003 through the current fiscal year.
- Streets and Sidewalks (\$948,000) – These funds are in addition to funds provided by the State that total nearly a half million dollars.
- One-Time Small Capital Projects (\$575,000) - This category is for smaller projects that usually need one-time appropriations. The line items for FY2017 include engineering and design funding for the floodwall rehabilitation project and the upgrade to the City's software system.
- Ongoing Commitments (\$575,000) - These are items such as facility, property, and mural maintenance and neighborhood revitalization.
- Balance of Resources (\$1,094,500) – Items in this category include economic development funding, arts agencies funding, the Community Scholarship Program, the operating subsidy for Barkley Regional Airport, funding for demolitions, and downtown program incentives.

At this time, these categories total \$80,650 more than the estimated revenue for the Investment Fund for Fiscal Year 2017.

The next section of the presentation focused on 12 capital improvement projects totaling more than \$39 million. Projects on this list include the rehabilitation of the downtown parking lot at 2nd Street and streetscape improvements, the City Hall construction or rehabilitation project with renovations to Dolly McNutt Plaza, the conversion of Broadway and Jefferson to two-way streets with bike lanes, a fire training field and a new garage for fire station #4, phase 2 of the Noble Park Lake bank stabilization project, improvements to the ball fields at Stuart Nelson Park and to Stuart Nelson Road, the development of the former Executive Inn site, floodwall rehabilitation, and the study of the City's storm water drainage system.

As mentioned before, the storm water management study is proposed to be funded. City Manager Jeff Pederson is planning a workshop this month to further discuss that project. Another workshop is being planned to discuss floodwall rehabilitation. Regarding the remainder of the projects on the list, Pederson says those projects need to be further reviewed with direction provided by the City Commission.

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