



Called Budget Workshop and City Commission Meeting Highlights

Tuesday, May 27, 2014 at Julian Carroll Convention Center

Budget Workshop

City Manager Jeff Pederson opened the Budget Workshop meeting held with the Mayor and Commissioners and Directors by thanking them for their work to compile this budget proposal for Fiscal Year 2015. The first reading of the budget ordinance is set for June 10. Pederson says that even though the General Fund revenue has not returned to pre-recession growth, the City is seeing a small reversal in the negative annual trend revenue. Revenues for this upcoming fiscal year, which starts July 1, are projected at \$32.07 million, a growth of about 3.6%. Pederson says, "Revenues have exceeded budgetary projections." In the past several years, Directors have been told to keep their budgets flat. For Fiscal Year 2015, each department was allowed up to a 2% budgetary increase. Pederson also said that the City's policy of keeping 8% in operating reserves is proposed to increase to a 10% operating reserve. Pederson says, "The General Fund has improved such that the reserve policy can change. You ought to be pleased that it is possible and that the Finance Department is recommending a change from 8 to 10 percent." Also for Fiscal Year 2015, there is a reserve balance totaling nearly \$1.1 million that will be used for one-time expenditures including an upgrade to the City's software system. Finance Director Jonathan Perkins says, "This is the first time in years we've had a little bit of flexibility. The budget process has been a lot more enjoyable."

After reviewing the draft of the city manager's budget letter, the first section of the budget document, Pederson then asked each director to provide an overview of any budgetary changes, new initiatives, or program changes in their budgets. These items are highlighted in the budget narratives that precede each department and division in the budget book. This year, the budget narratives have been expanded and strengthened to include more information to improve the readability of the budget. The group also reviewed the proposed items to be funded by the Investment Fund which is funded by the ½ cent payroll tax dedicated to economic development, community development, and capital/infrastructure improvements. A lengthy discussion was held regarding the rehabilitation of the locomotive adjacent to the floodwall and the Carson Center.

Role of Structural Demolition in Neighborhood Revitalization

Fire Chief Steve Kyle updated the Commission on the Fiscal Year 2015 budget request for demolition. As a result of the National Citizen Survey, demolitions have been identified as a focus by the Neighborhood Revitalization Committee. Kyle explained that in March 2013 the department identified the first ever comprehensive list of residential structures in need of demolition. That list totaled 150 structures. During Fiscal Year 2014, the Fire Department worked through the process to demolish 30 structures. An additional 26 structures were demolished privately. Kyle says, "We've been tackling this effort on all fronts." Kyle said the demolition list is a fluid list with structures being added. Currently, the list totals 101 structures with an estimated cost for abatement, foreclosure, and demolition totaling \$687,000. For Fiscal Year 2015, the budget request is for \$200,000 which would demolish approximately 29 structures. City Manager Jeff Pederson calls this program a success. The Fire Department also has been working with the Planning Department to determine a neighborhood infill strategy. Planning Director Steve Ervin says, "The idea is to bring new residential construction in areas where we are taking down properties." Commissioner Richard Abraham says, "Revitalization is one of the ways to get folks back to the City." Ervin adds, "New construction spurs private investment." Ervin also says that during the next fiscal year the plan is to determine the next neighborhood for revitalization to follow the successful Fountain Avenue Neighborhood Revitalization Program.

Noble Park Lake Bank Stabilization Project (vote in June)

City Engineer Public Works Director Rick Murphy and Parks Services Director Mark Thompson made a presentation to the Mayor and Commissioners regarding the Noble Park Lake Bank Stabilization Project. The project to stabilize a portion of the lake shoreline was placed out to bid this spring with a bid opening held May 6. Four responsive bids were received. The project consists of selective demolition of existing structures, clearing, the construction of concrete walks, and the construction of the retaining wall to stabilize a portion of the Noble Park Lake shoreline. Additional items included in the project are earthwork, storm piping modifications, crushed stone backfill, seeding, and grading. There are two choices of retaining walls: a metal sheet pile wall system and a vinyl system. The recommendation is to use the metal system since it is the lower cost version. The project would stabilize 340 linear feet around the southern portion of the lake. A bid alternate of



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an additional 325 feet was included. The total project would be 665 linear feet. The lowest bidder was YEC, Inc. out of Mayfield, Kentucky with a bid of \$192,414 for the 665 linear feet. After the presentation, the Mayor and Commissioners introduced an ordinance for a contract with YEC, Inc. in the amount of \$192,414 for the Noble Park Lake Bank Stabilization Project. Regarding the Duck House, the project would remove the remnants of Duck Island. Murphy and Thompson are reviewing an option for a floating structure rather an island. Currently the Duck House is in storage. An Eagle Scout is interested in rehabilitating the Duck House.

Zone Change and Final Annexation for 3025 Olivet Church Road (vote in June)

On May 13, the Paducah Board of Commissioners approved an ordinance for an intent to annex the 4.9 acre tract that contains the Hucks Food and Fuel located at 3025 Olivet Church Road. The property owner requested the annexation. The property was then referred to the Paducah Planning Commission to assign proper zoning with a recommendation to zone the property as Highway Business District (HBD). The Planning Commission met May 19. The Mayor and Commissioners introduced an ordinance to approve the zoning as HBD. The Mayor and Commissioners also introduced an ordinance for the final annexation.

Change Order #1 for Construction of TeleTech Building (vote in June)

The Mayor and Commissioners introduced an ordinance for change order #1 with A&K Construction regarding its contract for the construction of the TeleTech Building on McCracken Boulevard in Paducah Commerce Park (formerly Information Age Park). The change order is for a reduction in the contract cost by \$41,275. With this change order, the contract will decrease to \$3,254,725. The cost reductions mainly are due to changes in curb construction and changes to the entrance road to the parking area. The decision has been made to construct a new access road to TeleTech's parking lot that would be a dual purpose access road for the adjacent undeveloped site. City Engineer Public Works Director Rick Murphy says, "It prepares the adjacent lot for construction without the need to build a road in the future." The City of Paducah in addition to the County and Paducah Economic Development (PED) will take on the cost of the access road construction.

As announced in November 2012, TeleTech is bringing a call center to Paducah and will employ 450 full-time employees. The majority of the employees will be housed in the new facility in Paducah Commerce Park with the remaining employees at the Commerce Center facility located at 401 Kentucky Avenue. The City and County are each contributing \$1.35 million toward the construction of the building in Paducah Commerce Park. PED will provide \$300,000 for the building for a total commitment of \$3 million. Costs above the \$3 will be covered TeleTech and PED. The building will be owned by the City and County.

Tree Advisory Board

Brian Thomasson appointed to the Tree Advisory Board.

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