



City Commission Meeting Highlights

Tuesday, May 17, 2011

Memorandum of Understanding Between City of Paducah, Murray State University, McCracken County, and GPEDC

The Mayor and Commission approved a municipal order for a memorandum of understanding (MOU) between the City of Paducah, Murray State University, McCracken County, and the Greater Paducah Economic Development Council (GPEDC). Mayor Bill Paxton says, "This is truly a monumental day in Paducah. This announcement is huge for the community." Commissioner Gayle Kaler says, "It's the right thing to do. It's the right time, and we've done it." This MOU establishes the terms and conditions for Murray State University to provide courses and programs through its proposed Paducah Campus to be built on the 23 acre tract of land it owns along Interstate-24 called Barkley Woods. Commissioner Gerald Watkins says, "This is historic. A lot of people have been working on this a long time. WKCTC will never be a four year college. What we've always needed is a true two plus two." Commissioner Carol Gault says, "It just opens the door to a lot of opportunities." "This is huge because of the ripple effect it will have for generations," says Commissioner Richard Abraham.

MSU President Dr. Randy Dunn says, "This will really put Paducah-McCracken County at the forefront of doing some wonderful things for generations to come. We are going to have a post-secondary situation along interstate-24 that is going to be the envy of many communities."

This campus would replace the current extended campus at the Crisp Center and expand the courses and programs offered by the university. The project is estimated to cost \$10 million and would include a 40,000 square foot building, streets, parking lots, utilities, and other infrastructure. McCracken County will issue the bonds for the construction of the facility with the County, City, and MSU paying the debt. One of the goals of the Paducah Campus is to increase the percentage of people in McCracken County with a bachelor's degree. Another target is for the campus to meet an enrollment of 2000. The McCracken Fiscal Court voted to approve the MOU at its May 13 meeting. The Murray State Board of Regents will take up the issue at its meeting on May 20. An agreement will be drawn up at a later date outlining the City's financial commitment.

Fiscal Year 2012 Preliminary Budget Presentation

Summary: City Manager Jeff Pederson provided the Commission a preview of the budget for fiscal year 2012 which begins July 1. The City's two main funds were discussed: general fund and investment fund. Raising taxes is NOT recommended. The various City departments have been able to tighten their budgets to provide a balanced general fund; however, the Commission will need to make some difficult decisions on where to allocate funds in the investment fund since it has a shortfall of \$764,180 for fiscal year 2012. Pederson says, "The economic downturn has had an impact on our budget and will continue to impact us." A budget workshop is scheduled for June 7.

General Fund: For 2012 Pederson and the Finance Department project a general fund revenue of \$29.8 million which shows little change over the current fiscal year. The general fund is the City's main operating fund which is funded by the payroll tax, property tax, business licenses, insurance premium tax, and various licenses and fees. For 2012, the City has some uncontrollable increases and obligations over the current fiscal year including projected fuel increases, wages, and the funding



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of pension programs. Those increases total \$1.564 million. To balance the general fund, each department was instructed to put together a budget without any increase over the current year. There is some money from the current budget that will be carried over to fiscal year 2012. The general fund will balance; however, there aren't funds appropriated for capital maintenance, only operations. Pederson says, "That is a major red flag. It could lead to facilities in disrepair." Adding a line item for facilities maintenance will be recommended for the investment fund budget.

Investment Fund: The investment fund is the ½ cent payroll tax approved by the City Commission in 2005. It funds economic development, neighborhood redevelopment, infrastructure capital investment, and property tax relief. The investment fund revenue in addition to carryover funds from the current year is projected to be \$4.98 million for fiscal year 2012. However, there is \$5.74 million in committed and proposed appropriations creating a shortfall of more than \$760,000. The Commission will make decisions on balancing the investment fund at its budget workshop on June 7.

Fountain Avenue Neighborhood Revitalization Program Update

Planning Director Steve Ervin provided the Mayor and Commission an update on the revitalization process underway in the Fountain Avenue Neighborhood. The goal of the program is to return the neighborhood to an economically diverse, mixed income neighborhood, similar to its character at the turn of the 20th century. The boundaries of the neighborhood are Fountain Avenue, Park Avenue, North 13th Street, and the alley between Monroe and Jefferson. The City Commission committed to the revitalization effort in 2007. Ervin says before the revitalization started it was determined that about 80 percent of the structures needed major structural repair. There have been a few demolitions to take care of structures that were beyond rehabilitation. However, there is a three step process for demolition approval. Ervin says, "We want to preserve buildings in the Fountain Avenue Neighborhood, but sometimes the building is beyond its economic life." Also, before the revitalization effort, approximately 75 percent of the properties in the neighborhood were rental. Now, only 50 percent of the properties are rental. Ervin explained that the neighborhood is bonding together and in 2010 started a Neighborhood Watch program. Crime has been reduced nearly 55 percent since the revitalization efforts started. Ervin showed dozens of pictures of new homes and rehabilitated homes. The City's Inspection Department has permitted \$5.1 million in construction permits in the neighborhood.

The City and State offer several incentive packages for existing homeowners and for people looking to move into the neighborhood. For more information about available properties and incentive packages, visit www.fountainave.com or call the Paducah Planning Department at (270) 444-8690.

To learn more about the neighborhood, come out to the Fountain Avenue Community Fair this Saturday, 10:00 a.m. until 1:00 p.m. At 11:00 a.m. there will be a guided walk of the neighborhood. At noon, the City will provide certificates of appreciation to families that have made significant investments in the neighborhood. This is a great event for children since there will be free food, pony rides, a petting zoo, games, and crafts.

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