



# Called City Commission Meeting Highlights

Tuesday, May 26, 2020 at 4:30 p.m. by Video Conferencing

*Note: Due to the COVID-19 situation and the need to maintain social distancing, all members of the Paducah Board of Commissioners participated by video conferencing.*

*Note: Commissioner Brenda McElroy and Commissioner Gerald Watkins were unable to attend the budget workshop.*

## **Fiscal Year 2021 Budget Workshop (4:30 p.m.)**

Before their regular Commission meeting at 5:30 p.m., the Paducah Board of Commissioners held a budget workshop at 4:30 p.m. to review the Fiscal Year 2021 Budget, a balanced budget. City Manager Jim Arndt, Assistant City Manager Michelle Smolen, and Finance Director Jonathan Perkins led the discussion of the budget process, operating funds, and recommendations. Arndt said the theme of the FY21 budget is “budget in place” which refers to keeping the City’s workforce, operations, and projects intact even with an expected revenue decrease. Arndt said, “Team Paducah employed an intense budget formulation process that included participation from the City Manager’s Office, the Finance Team, the Leadership team, and the Board of Commissioners. This year was extremely collaborative, as we worked tirelessly together to meet the needs of our community, while conservatively budgeting for an uncertain FY21.”

Several of highlights regarding the development of the FY21 budget are as follows:

- Due to the effects from COVID-19 on the economy, Paducah is projecting a 10% decrease in major revenue sources which directly impacts the General Fund, the City’s main operating fund.
- The proposed General Fund budget is \$35,888,465 which is a \$85,000 decrease from this fiscal year’s original budget. Since the Investment Fund is funded by the payroll tax which is projected to decrease 15%, the proposed budget is \$5,113,560.
- To balance the budget, the following measures are proposed:
  - A hiring freeze and the freezing of merit increases for the fiscal year;
  - Use approximately \$1.5 million from the unreserved General Fund cash balance in excess of the required 12% reserves;
  - Use \$500,000 of reserves from the Debt Service Fund; and
  - Use \$789,375 from the Radio Fund to pay the City’s portion of the 911 operations.

Even with the effects of the expected revenue decreases from COVID-19, the City has positive budgetary news to share:

- The proposed budget contains all annual debt requirements in the amount of \$3,968,945.
- The annual pension contributions are remaining flat for this fiscal year with rates provided by the State.
- The proposed budget contains a 2.5% cost-of-living increase as contractually obligated for IAFF and FOP. This percentage will be for the non-represented employees as well. AFSCME will receive a contractually obligated 2% increase.
- The proposed budget includes significant funding for current capital projects and some new purchases including adding \$250,000 to start the televising and cleaning of the stormwater system and \$400,000 set aside for a project in association with FEMA for the dredging of the sediment near the Transient Boat Dock.
- The proposed budget includes our required 12% reserves for the General Fund.
- The proposed budget includes funding for the Grant-in-Aid program.
- The proposed budget projects no increase in property tax rates.

Regarding the City’s Strategic Plan, also known as Our Paducah, all of the projects in the proposed budget have been reviewed to insure alignment. An updated Strategic Plan document based on the January Commission retreat will be placed before the Board in July for adoption. In reviewing the current Plan, Smolen said there are 37 action items. Even with the COVID-19 situation, 31 of the items are moving forward with either little impact or minor adjustments. A few of the action items being moved to a future date (What’s Important Later (WIL) category) include the development of a comprehensive bike plan,



Pam Spencer, Public Information Officer  
City of Paducah • P.O. Box 2267 • Paducah, Kentucky 42002  
270/444-8669 • Office 270/443-5058 • Fax  
Website: <http://paducahky.gov> Email: [pspencer@paducahky.gov](mailto:pspencer@paducahky.gov)

adoption of performance measures throughout the organization, installation of public art in community gateways, and the hosting of a multicultural event.

The City Team plans to review the budget numbers after six months into the FY21 budget, more than likely in February, to review the revenue projections and make any adjustments on spending. The budget ordinance for FY21 is expected to be introduced June 9 and adopted at a called meeting on Wednesday, June 24. The City's fiscal year begins July 1. The Fiscal Year 2021 Budget Book will be placed on the City of Paducah website in July. To view the current year's budget and budget information dating back to 2005, visit <http://paducahky.gov/city-budget>.

---

## ***Regular City Commission Meeting (5:30 p.m.)***

*Note: Commissioner Brenda McElroy was unable to attend this meeting.*

### **Termination of Construction Contract with Huffman Construction**

The Paducah Board of Commissioners approved an emergency ordinance to terminate the construction contract between the City of Paducah and Huffman Construction due to default and material breach of contract. This \$4.947 million contract, which was entered into on May 3, 2018, was for the rehabilitation project for Pump Station #2 located at 1416 North 6<sup>th</sup> Street. The project includes the replacement of discharge pipes, the rehabilitation of various mechanical components of all seven pumps and motors not previously repaired, and the replacement of the sluice gate. Since the rehabilitation project is not completed, the Pump Station is at 50% capacity. The City will retain a new contractor as soon as possible so that replacement pumps can be ordered, which takes an advance notice of 36 to 40 weeks. Pump Station #2 has the largest pumping capacity of 313,000 gallons per minute. Since it's the first station to be activated at a local river stage of 27.5 feet, it receives the most wear-and-tear.

### **Remington Subdivision Alleys (vote June 9)**

The Paducah Board of Commissioners introduced an ordinance to close a portion of the alley between 1420 Martin Luther King Jr. Drive and 1415 Harrison Street and to declare a new alley between 1400 Martin Luther King Jr. Drive and 1401 Harrison Street. This alley reconfiguration is for the construction project creating the eight-lot Remington Subdivision with the future homes to be facing the Pat & Jim Brockenborough Rotary Health Park. Three new homes are scheduled for construction this year by the Midtown Alliance of Neighbors.

### **Quick Highlights**

- Appointment of J.P. Kelly and Kala Shihady to Industrial Development Authority (IDA).
- Municipal order approved to accept the Coronavirus Emergency Supplemental Funding Grant through the Department of Justice in the amount of \$36,344. These funds will be used to purchase an unmanned aerial system, a drone, for the Paducah Police Department.
- Municipal order approved to apply for the Staffing for Adequate Fire and Emergency Response (SAFER) grant. This grant request is in the amount of \$767,836.17 which, if awarded, would be used to hire three firefighters for the Paducah Fire Department. The grant would cover the salary of the three firefighters for three years. There is no local match required for this grant.
- Ordinance introduced (vote June 9) for the intent to annex three parcels: 1815 Olivet Church Road and 6215 Blandville Road as requested by the property owners; and 5269 Hinkleville Road which contains an abandoned home. The total area proposed to be annexed is 8.6 acres. A final annexation ordinance will follow after approval of the Intent to Annex Ordinance.

###



Pam Spencer, Public Information Officer  
City of Paducah • P.O. Box 2267 • Paducah, Kentucky 42002  
270/444-8669 • Office 270/443-5058 • Fax  
Website: <http://paducahky.gov> Email: [pspencer@paducahky.gov](mailto:pspencer@paducahky.gov)