



Called City Commission Meeting Highlights

Tuesday, June 9, 2020 at 5:30 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.

Fiscal Year 2021 Budget Ordinance (vote at Called Meeting on June 24)

The Paducah Board of Commissioners introduced an ordinance for the City of Paducah's Fiscal Year 2021 budget. A budget workshop was held May 26. City Manager Jim Arndt said the theme of the FY21 budget is "budget in place" which refers to keeping the City's workforce, operations, and many of the projects intact even with an expected revenue decrease due to the economic effects from the coronavirus pandemic. City Manager Jim Arndt said the budget process began in January with each department working with the finance department and the City Manager to develop the budget line items. Furthermore, individual meetings were held with each elected official to gather feedback prior to the May 26 budget workshop.

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

- 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 the current 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.

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 spending adjustments. The budget ordinance is expected to be 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>.

Remington Subdivision Alleys

The Paducah Board of Commissioners approved 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



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Harrison Street. This alley reconfiguration is for the construction project creating the eight-lot Remington Subdivision with the future homes to face the Pat & Jim Brockenborough Rotary Health Park. Three new homes are scheduled for construction this year by the Midtown Alliance of Neighbors.

Amendment No. 1 to Memorandum of Understanding Between City and Sprocket, Inc.

The Paducah Board of Commissioners approved Amendment No. 1 to the Memorandum of Understanding approved in February between the City and Sprocket, Inc. regarding the building of an approximately 8800 square foot Co-Working and Business Start-up Incubator to be located at 3121 Broadway. Sprocket is partnering with Cape Girardeau-based Codefi for the project. In May, Sprocket received notification of eligibility for up to \$1.2 million in grant funding through the Economic Development Administration (EDA). This amendment amends the grant funding information in the MOU from the Kentucky Cabinet for Economic Development RISE CapX Program to the Economic Development Administration (EDA) Cares Act Economic Adjustment Assistance Program. The city still is providing \$200,000 in funding assistance with the amendment designating the funds as follows: \$40,000 for grant writing assistance and two payments of \$80,000 each upon submission of certain documents relating to the goals outlined in the Amendment. McCracken County and the McCracken County Public Library also are partners in this project. Mayor Brandi Harless said, “I’m really glad that we got aggressive, and we are bringing this home to our community at this time.”

Quick Highlights

- Reappointment of Justin Hancock and Debra Stone to the Paducah-McCracken County Joint Sewer Agency.
- Municipal order approved to submit a Community Development Block Grant application requesting \$200,000 on behalf of Four Rivers Behavioral Health’s Center Point Recovery Center which would be used for personnel expenses. An administration fee of \$2500 will be paid to the City for administering the grant funding. A local match is not required of the City of Paducah.
- Municipal order approved to submit a grant application requesting \$5606.90 from the U.S. Department of Justice Bulletproof Vest Partnership. If awarded, this grant requires the City to provide an equal matching amount.
- Paducah Homegrown Farmers’ Market opens this Saturday for the season. It will be open Saturdays from 7:30 a.m. until 1 p.m.
- City Hall will be reopening to the public with guidelines and limitations on Monday, June 15. Additional information will be released this week.
- Mayor Harless wants the community to celebrate the recent announcement of the addition of jobs at NRE in Paducah. The Mayor thanked Greater Paducah Economic Development for their assistance in that project.

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