



## City Commission Meeting Highlights

Tuesday, April 23, 2013 at 5:30 p.m.

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### **Preview of Fiscal Year 2013-2014 Budget**

City Manager Jeff Pederson and Finance Director Jonathan Perkins provided the Mayor and Commissioners with an overview of the parameters, constraints, and challenges facing the City as department heads work to prepare the fiscal year 2013-2014 budget. Pederson says, "The budget has become more challenging every year. We are managing a budget with little or no revenue growth." Pederson adds, "It's a misnomer that we can continue to do the same things at the same level." Each department has been asked to use current year budget appropriations as targets for the upcoming fiscal year even though there are increased costs due to factors such as wage adjustments and pension increases. Wage increases ranging from 1.5 to 2.5 % are proposed for the next fiscal year. Pederson says, "Competitive wages are a component of recruiting and retaining a quality workforce." Regarding pension and the state's contribution requirements for cities, Pederson says, "It's unparalleled anything I have ever seen in government. Pension costs are the main driver in our city budget, and it's beyond our control." The City's personnel costs are 75.7% of the General Fund budget.

To show how challenging the budget has been for the past five years and what Paducah has done to become more efficient, Pederson summarized a few of the reductions that have been made in each department. Department changes over the past five years include the reduction of two civilian positions from the police department, the combination of the human resources director and risk management positions, the reduction in the number of vehicles and the keeping of vehicles longer, reduction of Parks Department programs, and the selling of excess equipment and inventory. From Fiscal Year 2009 to the current fiscal year, the City has reduced its staffing from 309 employees to 277 employees. Pederson also showed graphics for each of the city's revenue sources and their trends over the past several years. The revenue from property taxes, payroll taxes, and business license fees have stayed flat while the revenue from the insurance premium tax has decreased. For the next fiscal year, Pederson proposes to keep revenue sources and rates the same with the exception of growing the property tax revenue by 4% which is allowable under law through a combination of valuation or rate increases. For Fiscal Year 2015, not for the upcoming fiscal year, the City could initiate the process to increase the rate for the insurance premium tax.

The final part of the budget preview included a discussion of the Investment Fund which is funded by the ½ cent payroll tax approved in 2005 and generates approximately \$4.6 million annually. The fund is in balance for next year; however, Pederson cautions that the discretionary spending ability from this fund continues to decrease due to debt service commitments. The City Commission, City Manager, and department directors will hold an in-depth budget workshop May 28 starting at 10 a.m. at the new Commerce Center building.

### **Renaissance Area Master Plan (RAMP) Resolution**

The Mayor and Commissioners approved a resolution accepting the Renaissance Area Master Plan (RAMP). In 2010, the Paducah Riverfront Development Authority (PRDA) engaged a multi-disciplinary planning, design, and market assessment team to develop the RAMP for downtown Paducah. The RAMP was funded by a 2009 Preserve America grant through the National Park Service that included a match from the City of Paducah. This initiative, covering the historic



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downtown core, the riverfront, and LowerTown, was designed with its primary mission to better link these three areas in order to improve the market for each. It focuses on nine strategic areas. During the development of the plan, PRDA and the lead consultant conducted numerous meetings and held two public forums to gain input. PRDA adopted the plan March 20, 2012. It was referred to the Paducah Planning Commission for incorporation in the city collection of Comprehensive Plan documents; however, the Planning Commission took no action on the document. The generalized plan will be used to guide development and make capital improvements. Every action item in the plan will require separate and specific implementation strategies by the city, its agencies, and others. The approval of this resolution does not obligate the City to implement every action item proposed in the RAMP. Sharon Poat of the Paducah Renaissance Alliance Advisory Board addressed the Commission and recommended the first two priorities of the RAMP should be wayfinding and developing incentives or a strategy to stabilize properties and develop upper story living in downtown. PRA opposes the "Town Square" concept that is discussed in the RAMP. The entire RAMP and an amendment document can be found at [www.paducahky.gov](http://www.paducahky.gov).

#### **Ohio River Boat Launch Project Contract (vote April 30)**

The Mayor and Commissioners introduced an ordinance for a contract with Jim Smith Contracting Company, LLC of Grand Rivers, Kentucky in the amount of \$2,588,465.78 for the Ohio River Boat Launch Project. The project will add a boat ramp, courtesy dock, and parking area at the end of Burnett Street. Burnett Street would be improved from North 8<sup>th</sup> Street to North 6<sup>th</sup> Street over the floodwall. Work is expected to begin within the next few weeks. To reduce the cost, a row of parking has been removed from the project. Instead of 108 parking stalls, the facility will have 80 parking stalls. The City has a Federal Highway Administration grant in the amount of \$2,254,100 for the project. The remaining funds will be allocated from the City's current year MAP funds (State municipal aid program for funding road projects) and next year's Investment Fund budget.

#### **Riverfront Redevelopment Project Phase I-A, Piles and Mass Fill Contract (vote April 30)**

The Mayor and Commissioners introduced an ordinance for a contract with MAC Construction & Excavation, Inc. of New Albany, Indiana in the amount of \$4,490,600 for the construction of Riverfront Redevelopment Project Phase 1-A, Piles and Mass Fill. This project, also called the breakwater or bump-out, involves the installation by barge of approximately 230,000 cubic yards of stone fill in the Ohio River to create a land mass, the installation of guide structures for a gangway, and the removal of existing concrete rip-rap. Once the fill is in place, it will need to settle for nine to 12 months before further work can commence. Commissioner Sandra Wilson says, "This project is an investment in the infrastructure of our beautiful resource, our river." The Engineering-Public Works Department received sealed bids for the project on April 4. Due to the three received bids being in excess of the funds available, the bids were rejected. The bids ranged from \$6.6 million to \$8.2 million. The City of Paducah commenced competitive negotiations with the bidders on April 15 to reduce the cost. Changing the size of the stone used in the project and reducing the size of the piles greatly reduced the project cost. The majority of the project is funded by a \$2.97 million Neighborhood Initiative Project Grant by the Department of Housing and Urban Development. City Manager Jeff Pederson recommends to fund the \$1.42 million shortfall from proceeds from the sale of the city-owned property on Sheehan Bridge Road in addition to funds from either an upcoming bond or from the general fund reserve. Since 2008, the City has invested \$1.26 million in this project including engineering design, legal fees, and mussel relocation costs.

#### **Interior Renovations of 533-535 Fountain Avenue**

The Mayor and Commissioners approved an ordinance for a contract with Petraitis Construction for the interior rehabilitation of the structure located at 533-535 Fountain Avenue. The house is on the corner of Fountain Avenue and Martin Luther King Junior Boulevard, a prominent location for the Fountain Avenue Neighborhood. The home is owned by the Urban Renewal Community Development Agency (URCDA). It has seen exterior improvements including a new roof in 2011 and exterior rehabilitations in 2012. The Midtown Alliance of Neighbors has completed much of the interior demolition. The contract with Petraitis Construction, in the amount of \$81,144, will turn the



duplex into a single family home which will then be offered to the public for sale. Five construction bids were received for this project with bids evaluated using a scoring system. For more information about the Fountain Avenue Neighborhood Revitalization Project, visit [www.fountainave.com](http://www.fountainave.com).

### **Quick Highlights**

- Mayor Gayle Kaler presented a Duchess of Paducah to Carol Foreman for her work to increase awareness of pancreatic cancer. This month Foreman won a national award, the Community Representative of the Year Award, for her volunteer efforts for the Pancreatic Cancer Action Network.
- Wanda Moore provided an overview of the 78<sup>th</sup> Annual Woman's Club Art Show. The show with nearly 200 exhibits is on display at City Hall through May 4. This Saturday and Sunday, City Hall will be open 1-4 p.m.
- The Paducah Civic Beautification Board presented awards to the 2013 Dogwood Trail winners. The on-trail winners are Dale and Donna Perry (2100 Jefferson Street); Stan and Missy Eckenberg (4240 Pines Road); Denny Roof and Amy Troyer (226 Wallace Lane); Jim and Linda Gould (145 Red Fox Trail); Jim and Debbie Long (4670 Quail Hollow Drive); Carl and Polly LeBuhn (644 Woodland Drive); Dianne and Glynn Roberts (2107 Jefferson Street); Doug and Linda Painter (2414 Jefferson Street); and Jim and Betty Chatellier (2625 Jefferson Street). The off-trail winners are Ken and Sally Lucas (4301 St. Charles Circle); Tara Wise Sawvel (3250 Madison Street); Phil Hall (1600 Martin Luther King Drive); and Justin and Erin Lewis (3263 Madison Street).
- Municipal order approved to accept the donation of a computer system from Four Rivers Behavioral Health for use by the Paducah Police Department's prescription drug investigator.
- Ordinance introduced (vote April 30) for an amendment in the amount of \$5312.50 to the engineering design agreement with Florence & Hutchison for the greenway trail project that will link the concrete trail just east of U.S. 45 (North 8<sup>th</sup> Street) to Noble Park. The agreement increase is due to further research of engineering design alternatives regarding the design of a pedestrian underpass versus an at-grade crossing or an overpass for the trail crossing at U.S. 45.
- Ordinance introduced (vote April 30) authorizing the closing of a portion of South 4<sup>th</sup> Street and Woodward Street at the intersection of Wayne Sullivan Drive.

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