



May 18, 2015

Honorable Mayor and Commissioners:

I am very pleased to present the City of Covington's FY 2015-2016 Annual Budget recommendation. As you know, [KRS 83A.150\(7\)\(c\)](#) requires the City Manager to recommend an annual budget no less than 30 days prior to the end of the fiscal year, which this year is June 30, 2015.

The City of Covington is required to operate and expend funds under an annual budget that must be adopted by Ordinance ([KRS.91A.030\(1\)](#)). Further, the [Kentucky Constitution, Section 157](#), and [KRS 91A.030\(8\)\(b\)](#) require that the budget proposal be structurally balanced, meaning that estimated revenues meet or exceed estimated expenditures for the year. The process for preparing and approving a City budget is outlined by state statute and further explained by the City Solicitor.

Estimated Revenues for the [2015-2016 General Fund Budget](#) are \$47,010,405, a decrease of .57% over [FY 2014-2015](#). Estimated Expenditures for the 2015-2016 General Fund Budget are \$46,976,369, a decrease of .60% over FY 2014-2015, leaving a very small carryover amount of \$34,036 in unappropriated funds. Estimated Revenues for the All City Funds FY 2015-2016 budget are \$61,811,715, a decrease of 19% over FY 2014-2015. Estimated Expenditures for the All City Funds FY 2015-2016 budget are \$71,843,839, a decrease of 5.8% over FY 2014-2015.

Of course, a budget is not only about numbers. Rather, it demonstrates the City's values and priorities. A City's annual budget is based on more than just revenue and expenditures. It is based on a vision, a plan, and a direction of where a community wants to go. Although this budget recommendation contains difficult choices, I believe it must represent the City's commitment to sound financial practices and to establishing priorities for growth and improvement. That is the only way to grow the revenue we need and improve the quality of life for all who experience Covington.

## **Brief Overview of FY 2014-2015**

Before embarking on a presentation of the FY 2015-2016 budget, it is worth recounting the detail of the progress and accomplishments of our City Departments and Staff in FY 2014-2015, and their new goals for FY 2015-2016 reflected in this budget recommendation. Much has been accomplished in FY 2014-2015 as you can see and read in the “[Department Narratives: FY 2014-2015 Accomplishments: FY 2015-2016 Goals and Objectives](#)”.

It cannot be denied that the City’s renewed focus and effort on growth and improvement is producing results, which leads to the primary theme of the City Manager’s FY 2015-2016 Budget Recommendation, to “Stay the Course!” **The City must be as patient as it is determined. The City’s vision and plans for success require constant vigilance, support, and patience.**

## **On to Our Third Century and Our Future**

### **RESPONSIBILITY**

First, and foremost, the City must be responsible as to our legal and financial obligations.

Our annual budget must be structurally balanced. That is a simple matter of law. [Current expenditures cannot exceed current revenues.](#)

We must meet the City’s legal obligations to repay our long term debt and the Tax Anticipation Note and to fund the City Employees and Police and Fire Retirement Funds.

When the City’s revenues begin to grow, these legal and financial obligations must receive primary consideration for funding to a reasonable level to be determined by the City Commission and established by City Ordinance.

### **SUSTAINABILITY**

The City must maintain certain “reserve” funds in order to meet our ongoing needs. The City cannot “raid” these reserve funds to balance the budget in a given year when current expenditures exceed current revenues. If we do, the consequences can be disastrous for our residents and the long term fiscal health of our City.

We must establish and maintain a minimum amount of cash reserve in order to meet the demand of bi-weekly payroll and benefit expenditures, and ongoing operational costs, that are constant, [unlike our cash flow](#) that is dependent on seasonal receipts of property tax, waste fees, payroll and net profits tax receipts.

We must establish and maintain a minimum amount of cash reserves for our Self-Insured Medical Plan. The City provides an outstanding health and dental plan to its employees and families. The City pays for all claims directly. The City budgets a fixed amount per employee in each budget year, at \$14,000 in FY 2015-2016. That is an estimate of course as no one can accurately predict the health needs of employees or their families. In some years the \$14,000 is enough to cover the claims. In some years it is not enough. In years when it is enough to cover the claims, the City must “reserve” any unexpended amounts that were budgeted for the claims, in the event that the following year the \$14,000 per employee is not enough. The City cannot use the “savings” in the “good” years, because when the “bad” years occur, then something else has to be cut from the budget, and the consequences can be severe.

We must establish and maintain a minimum amount of cash reserves for our Self-Insured Liability. The City does not purchase a liability policy to cover claims for damage to City property or property of others. The City pays for these claims directly. In some years, enough is budgeted to cover those legal claims. In some years, claims exceed what was budgeted. In those years when claims do not exceed what is budgeted, the City must “reserve” any unexpended amounts in the event that the following year what was budgeted does not cover the claims. The City cannot use the “savings” in the “good” years, because when the “bad” years occur, then something else has to be cut from the budget, and the consequences can be severe.

We must provide for the ongoing business needs of the City such as police cars, fire trucks, ambulances, snow plows, dump trucks, lawn mowers, computers, etc. We cannot rely on grants to provide regular funding for these items. Grants help and extend our efforts, but they are not reliable, and when equipment wears out, it needs to be replaced, grant or no grant. We must provide the tools necessary to our employees so they can deliver quality services to our residents, businesses and visitors. We must provide regular funding for our infrastructure needs. Grants help and extend our efforts, but they are not reliable and not sustainable.

When the City’s revenues begin to grow, our sustainability needs must receive consideration, second only to consideration for our legal and financial obligations, for funding to a reasonable level to be determined by the City Commission and established by City Ordinance.

## **INVESTMENT**

With limited funds for investment in the City from bonded indebtedness, grants, federal and state sources, and our private partners such as the Catalytic Development Funding Corporation and others, where do we invest and what tangible and intangible returns on investment do we seek?

## **OUR NEIGHBORHOODS**

As we set our goals each year, the City must remain steadfast in its efforts to improve property values, retain and attract residents, businesses, investment and jobs, and in a financially responsible and sustainable manner, despite pressures on our General Fund. The City's strategy to improve property values and encourage other investment; improve our appearance and public realm and appeal, and retain and attract new jobs, is the long term strategy to grow and improve our economic base and to increase our General Fund revenues. Improving property values is accomplished by encouraging and supporting private and public investment; elimination of blight and depressing factors that decrease property value in our neighborhoods through demolition of unsafe and dilapidated buildings; rehabilitation of properties where structurally and economically feasible; and unified, aggressive enforcement of all City codes and laws by our Legal, Police, Fire, Finance, and Development Departments using every tool at our disposal to ensure that buildings and occupants are safe and orderly and not a hazard, nuisance or detriment to the neighborhood. We will move from blight to bright, clean and nice.

## **INVESTMENT IN OUR INFRASTRUCTURE, FLEET, AND EQUIPMENT**

The City must invest in its own infrastructure to improve property values and quality of life, if we want others to invest here. [Better property values](#), more jobs, more residents, more private and public investment, more revitalization in our neighborhoods and business districts, means more revenue in our General Fund, the funding source of our services and programs. It also means more fiscal stability so the City can reduce its reliance on short term debt instruments such as the Tax Anticipation Note that the City has historically used to [cover seasonal fluctuations in revenue](#); grow its financial reserves and; continue to reinvest in itself.

The City Commission in 2015 has acted boldly to transform our five-year Community Investment Plan that was adopted in 2013, into a continuous five-year plan, "[Fiscal Stability: Meeting the City's Business Needs](#)", by adopting a dedicated revenue source for sustainability. This action demonstrated its commitment to good equipment and continued investment in infrastructure with adoption of an increase in the City's insurance premium license fee, restricted to such capital expenditures only. [This Plan](#) will improve funding for City equipment, facilities, and infrastructure, and ensure that our workforce has the equipment and tools they need to provide a high level of public services.

## **INVESTMENT IN OUR GREATEST PHYSICAL ASSET - LOCATION**

Covington has not one, but two, natural bodies of water, the mighty Ohio River, and the more serene Licking River. The City must continue to pursue development of our Ohio riverfront taking advantage of our greatest physical asset, our location in a thriving and successful metropolitan region. One only needs to look at the Cincinnati, Ohio and Newport, Kentucky riverfronts to envision what Covington can accomplish. The ongoing [Licking River Greenway](#) is

providing an immense quality of life improvement for residents and visitors and connecting neighborhoods and commercial areas.

## **SUMMARY**

The FY 2015-2016 Annual Budget recommendation is based on a vision, a plan for the future of Covington. This plan, rooted in the tenets of investment in our neighborhoods, our infrastructure, fleet and equipment, and our greatest physical assets, our riverfronts, is our way forward with patience, constant vigilance, and your support.

### **FY 2015-2016 Annual Budget**

#### City Manager Budget Goals

- 1) A Structurally Balanced Budget per Kentucky Revised Statute and State Constitution
- 2) Financial Responsibility and Sustainability

##### Establish Reserve Funds to Meet City's Legal Obligations

- Fund for Repayment of Tax Anticipation Note  
Source of Funds: General Fund  
Use of Funds: Annual Repayment of Tax Anticipation Note
- Fund for Continued Commitment to City's Pension Funds: City Employees, and Police and Fire  
Source of Funds: General Fund and Bonded Indebtedness  
Use of Funds: City Employees and Police and Fire Pensions

##### Establish Reserve Funds to Meet City's Risk Mitigation Needs

- Fund for Self-Insured Medical  
Source of Funds: General Fund  
Use of Funds: City Employee Medical Claims
- Fund for Self-Insured Liability  
Source of Funds: General Fund  
Use of Funds: City Liability Claims

##### Establish Reserve Fund for City's Business Needs

- Fund for Minimum Cash Flow  
Source of Funds: One Time Sale of Assets and 80% of Delinquent Taxes and Fees Collected

Use of Funds: Cash Flow to Meet City’s Need for Payroll and Benefits and Ongoing Operating Expenses during Seasonal Fluctuations of Revenue and Expenditures

- Fund for Restricted Capital Improvement

Source of Funds: Increase in Insurance Premium License Fee Rate

Use of Funds: Capital Projects, as Approved by City Commission in annual Capital Budget

### 3) Budget Transparency

New to the FY 2015-2016 Annual budget is a complete [summary page](#) of all City funds with fiscal year beginning and ending balances, revenues and expenditures, and sources and uses of funding.

The purpose and use of all City funds explained in “[Description of All City Funds](#)”

Last year’s accomplishments and next year’s goals and objectives are outlined in “[Department Narratives: FY 2014-2015 Accomplishments: FY 2015-2016 Goals and Objectives](#)”.

### 4) Investment

#### [FY 2015-2016 Capital Fund](#)

“[Fiscal Stability: Meeting the City’s Business Needs – March 19, 2015](#)”, a Continuous Five Year Capital Plan

Economic Development Project Funding (TIF; HUD 108; Loan Program Income)

5) Grow General Fund Revenues with Emphasis on [Property Tax](#) and Payroll Tax

6) Reduce General Fund Expenditures through [Operational Efficiencies](#) and other Cost Reductions

### **Other Budgetary Guidance**

It must be noted that the following legislative enactments of 2013 guided the FY 2014-2015 Annual Budget, and continue to guide the development of the FY 2015-2016 Annual Budget:

- 1) [Order Resolution O/R 43-13](#) approved in February of 2013, established “A Vision for Our Third Century (2015)
- 2) [Order Resolution O/R 166-13](#), approved in June of 2013, established a Five Year Community Investment Plan
- 3) [Order Resolution O/R -173-13](#), approved in June of 2013, adopted the Covington Center City Action Plan

### **Transparency**

In April of 2014 the City Commission unanimously approved a Transparency Policy by City Ordinance ([Commissioners Ordinance No. 06-14](#)) committing itself to several aspects of transparency, including budgetary and financial. City staff has attempted to make the FY 2015-2016 Annual Budget even more transparent than FY 2014-2015, by introducing an All City [Funds Budget Summary](#) that shows all funds, beginning and ending fund balances, revenues and expenses by department, and sources and uses of funding. The budget format includes details of every fund, department and line item of the total City budget all of which is available for the public to view on the City’s website as well as copies available at no charge at our Finance Department every day that City Hall is open.

The All City Funds Budget Summary also illustrates the reserve funds that have been established, the sources of revenue for each, and any expenditures from them. It shows where, for example, the proceeds of the one-time sale of some City assets are placed.

The City’s [annual budget and annual CAFR \(Comprehensive Annual Financial Report\)](#) are posted on our website.

The City Finance Director updates the City Commission and public each quarter on the status of the City’s budget, revenues and expenditures.

The City’s Finance Director meets regularly with Department Directors to review departmental budgets and expenditures.

### **The Budget Process**

City staff has worked to make the budget process transparent as well. Operating from an [internal budget calendar](#), City staff began working as a team on the FY 2015-2016 Annual budget in

December of 2014, seven months in advance of the new budget year that begins July 1, 2015. Directives and forms were provided to each Department on how to submit their respective annual operating budget requests for FY 2015-2016. For the annual operating budget, with FY 2015-2016 revenues forecasted to be steady, meaning no increases or decreases, Departments were instructed to submit a “status quo” budget request, meaning that they should use their FY 15 budgeted amounts, inclusive of any built-in changes in expenditures such as the 3% wage increases for labor union employees that went into effect on January 1, 2015; employer pension contribution changes, etc. This process caused each Department to analyze each and every line item in their budgets to justify each dollar of each expenditure, much the same as is done on a continuous basis in private businesses. It also allowed each Department the flexibility in establishing their own priorities in spending as long as the total department “bottom line” met the operating budget directive.

No requests above and beyond the “status quo” budget were made through a Supplemental Budget Request process as was the practice in FY 2014-2015. Last year Supplemental Requests exceeded \$4 million and with no increases in revenue forecast for FY 2015-2016, this process was not used.

Department Directors and other key staff met several times from December to May to brainstorm how to increase revenue and reduce expenditures and balance the budget with the least negative impact to public services. [Many good ideas were listed](#). Many were considered and many were incorporated in the FY 16 budget proposal.

City Administration also met with individual members of the City Commission for several hours on at least two occasions and provided a binder of information for reference and review, asking for feedback continually, as the FY 2015-2016 budget was developed.

### **FY 2015-2016 Budget Basic Assumptions**

- 1) **REVENUE**. General Fund Revenue is expected to remain steady, with a slight increase of .57% from last year.
- 2) **PROPERTY TAXES**. The FY 2014-2015 Recommended Budget does not include an increased property tax rate intended to produce additional revenue. The City adopted a compensating tax rate of .3045 per \$100 of assessed valuation in 2014. It is anticipated that the City will adopt a rate in 2015 that yields at least the same amount of revenue, the compensating rate. When the tax roll is certified by the state in August of 2015, further discussion will occur concerning the adoption of the actual tax rate for 2015
- 3) **PROPERTY TAX ASSESSMENT**. It is anticipated that the City’s total property tax assessment for 2015 will increase by .01 perhaps requiring a change in the current compensating rate of .3045.

- 4) **SALARIES AND WAGES**: The FY 2015-2016 Annual Budget includes a full year of wage increases for union employees and no wage increases for any non-union employees. On January 1, 2015, each of the City's collective bargaining units, the FOP, Local 38, and AFSCME, received 3% wage increases, the last wage increase of a four year labor contract that expires on December 31, 2015. Non-union employees received no such across the board wage increase in 2015. During that four year labor contract, wage increases totaling 9% were given to employees represented by our three collective bargaining units, FOP, Local 38, and AFSCME. It is recommended that we revisit wage increases for non-union employees if revenues increase beyond what is budgeted.
- 5) **KENTUCKY RETIREMENT – Hazardous Duty Employees**: The City's current employer contribution rate of 34.31% will decrease to 32.95% for FY 16 effective July 1, 2016, for all salaries and wages for Police Officers and Fire/EMS personnel.
- 6) **KENTUCKY RETIREMENT – Non-Hazardous Duty Employees**: The City's current employer contribution rate of 17.67% will decrease to 17.06% for FY 16 effective July 1, 2016 of administrative, managerial, and supervisory personnel.
- 7) **HEALTH AND DENTAL INSURANCE**. No Changes. The City funds the City employees' health and dental plans from the General Fund.

### **Key Recommendations**

#### 1) Establish Reserve Funds to Meet City's Legal Obligations

- Fund for Repayment of Tax Anticipation Note  
Source of Funds: General Fund  
Use of Funds: Annual Repayment of Tax Anticipation Note
- Fund for Continued Commitment to City's Pension Funds: City Employees, and Police and Fire  
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    - Use of Funds: Cash Flow to Meet City's Need for Payroll and Benefits and Ongoing Operational Expenditures During Seasonal Fluctuations of Revenue and Expenditures
  
  - Fund for Restricted Capital Improvement
    - Source of Funds: Increase in Insurance Premium License Fee Rate
    - Use of Funds: Capital Projects, as Approved by City Commission in annual Capital Budget
- 
- 2) Continue the plan initiated in FY 2014-2015 to pay down the City's \$3.5 million Tax Anticipation Note (TAN) over a period of time. The City's banking institution and Moody's Investor ratings have stated the City must do this. The FY 15 budget recommendation included an initial payment of \$350,000 on the TAN that will put the City on a trajectory to pay it off in ten years. The FY 16 budget includes the second annual payment. These actions will demonstrate the C
  - 3) ity's commitment and self-discipline enabling the confidence the City needs from its lenders and world renowned investment analysts.
  - 4) Investment. Complete the development of the "Fiscal Stability: Meeting the City's Business Needs – March 19, 2015" recommendation with its new dedicated revenue source, based on the Community Investment Plan adopted in 2013. It is imperative that the City continue the reinvestment into our community's Infrastructure, Economic Development and Neighborhood Revitalization, Facilities and Recreation, and Fleet and Equipment that was begun in FY 2013-2014.
  - 5) Grow and direct funding where possible toward the City's Economic Development Investment Fund (21). Using the City's lease proceeds from the Kentucky Career Center; TIF district funds; pursuit of non-performing loan repayment, and other private and public sources, ensure that the City has adequate funding to continue to see high quality economic development

projects that leverage private investment in the City, increase property values, and produce jobs, all of which will grow the City's General Fund revenues.

- 6) General Fund. Maintain a lean and strategically focused General Fund budget. Reduce all costs possible in order to maximize the City's ability to reinvest strategically. Pension and health care costs continue to burden the City's overall personnel costs
- 7) Continue to pursue a long term physical and financing plan for replacement of aging and deteriorating City facilities including a permanent City Hall, Public Improvements facility, fire and police stations, and assess the benefit of partnerships with other public and private entities to share space, improve upon our collaborative working practices and save on costs.

## **The General Fund**

### **Revenue**

#### **Key Changes**

Conservative Projections Based on Prior Years' [History](#)

Increase in Revenue at Midtown Parking Garage and other Parking Assets - \$226,850

Special Event Permits' Increase in Charges - \$30,000

Increase in Ambulance Billing for Emergency Medical Services - \$20,000

Decrease in State Municipal Road Aid - \$320,326

### **Expenditures**

#### **Key Changes**

- Full Year of 3% Wage Increase for Union Employees
- Zero Percent (0%) Wage Increase for Non-Union Employees

- [Staffing](#)

Fire Department

Hiring 6 New Firefighters

Reducing Average Daily Staffing from 27 to 26

Police Department

New Organizational Structure with 2 Assistant Chiefs of Police

Realignment of Some Duties

1 Police Department Position Not Filled

Development Department

Changing 1 Full Time Administrative Assistant to Part Time

Realignment of Code Enforcement Duties, 2 Full Time Positions  
Converted to 4 Part Time Positions

Finance Department

1 Full Time Position Eliminated

Department of Public Improvements

Not Filling 1 Seasonal Position

## **The Capital Fund**

The proposed Capital Fund includes approximately \$39 million in projects, utilizing \$15 million in bond proceeds and \$24 million in other funds including non-City sources such as federal Community Development Block Grant (CDBG), Devou Properties, Inc., state and federal grants and programs, and direct budget allocations for projects for Infrastructure, Economic Development and Neighborhood Revitalization, Facilities and Recreation, and Fleet and Equipment.

## Next Steps in the FY 2015-2016 Annual Budget Process

May 18	First Reading of Budget Ordinance
May 19 – May 28	Commission and Community Feedback
May 19	Public Meeting at City Hall, 6:00 P.M.
May 21	Covington Neighborhood Collaborative, at Center for Great Neighborhoods on Russell Street, at 6:00 P.M.
May 28	Scheduled Second Reading of Budget Ordinance
May 28-June 30	Staff Implementation of Budget Changes
July 1	FY 2015-2016 Budget Begins

Thank you for your time, attention and consideration to the Recommended Budget for FY 2015-2016.

Respectfully Submitted,

Larry Klein  
City Manager  
City of Covington, Kentucky

**ADDENDUM 1: Charts & Graphs**

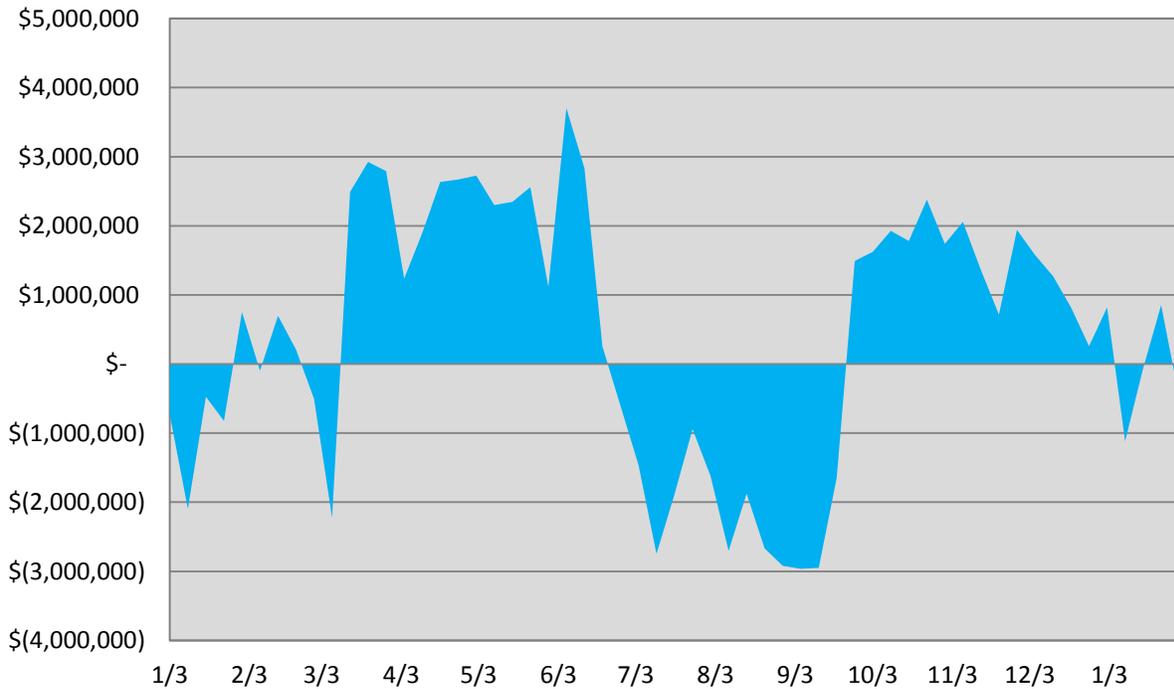
**Property Tax Revenue**

	<b>Taxable Property Amounts</b>	<b>Tax Rate Per \$100</b>	<b>Property Tax Revenue</b>	<b>Revenue Increase</b>	<b>Cumulative</b>
Current	1,900,000,000	0.3045	5,785,500		
\$100 million increase	2,000,000,000	0.3045	6,090,000	304,500	304,500
\$100 million increase	2,100,000,000	0.3045	6,394,500	304,500	609,000
\$100 million increase	2,200,000,000	0.3045	6,699,000	304,500	913,500
\$100 million increase	2,300,000,000	0.3045	7,003,500	304,500	1,218,000
\$100 million increase	2,400,000,000	0.3045	7,308,000	304,500	1,522,500
\$100 million increase	2,500,000,000	0.3045	7,612,500	304,500	1,827,000
\$100 million increase	2,600,000,000	0.3045	7,917,000	304,500	2,131,500

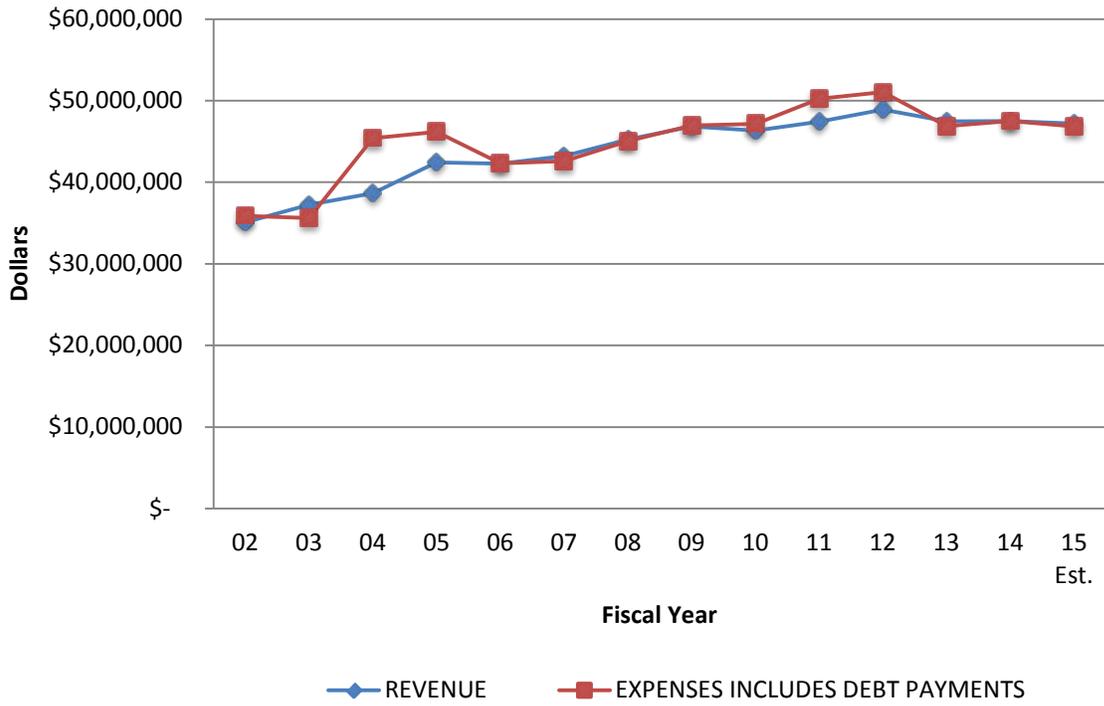
**Tax Anticipation Note**

**Cash Flow Analysis without the TAN**

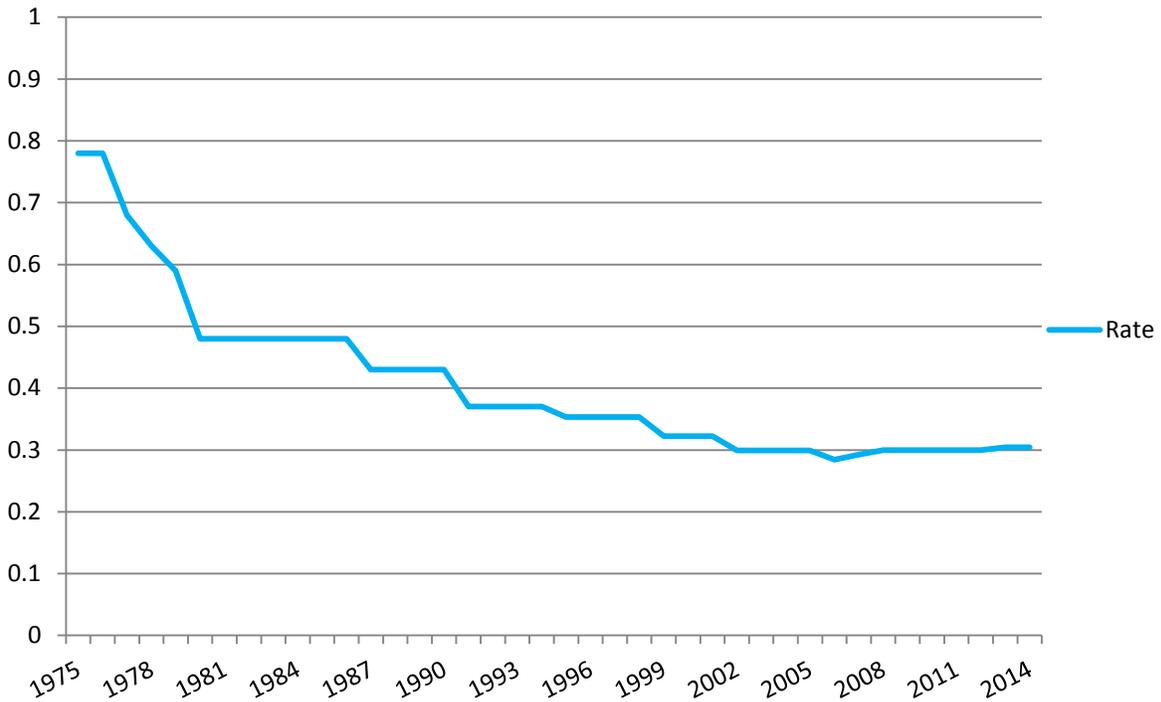
When the City Needs the Proceeds from the Tax Anticipation Note



**History of Revenue and Expenses: 2002 - 2015**



**History of Property Tax Rate**



**Wage Increase History 2001 - 2015**

<b>Year</b>	<b>FOP</b>	<b>Fire</b>	<b>AFSCME</b>	<b>Non-Union</b>
Effective 1/1	%	%	%	%
2015	3	3	3	0
2014	3	3	3	3
2013	1.5	1.5	1.5	1.5
2012	1.5	1.5	1.5	1.5 effective 7/1/11
2011	1.5	0	1.5	0
2010	0.052	0.5	0	0
2009	5	5	5	5
2008	1	1	1	0
2007	2	2	1	1
2006	0	0	0	0
2005	3	3	3	3
2004	4	4	4	4
2003	5	5	4	5
2002	6	6	4	5
2001	7	7	5	5

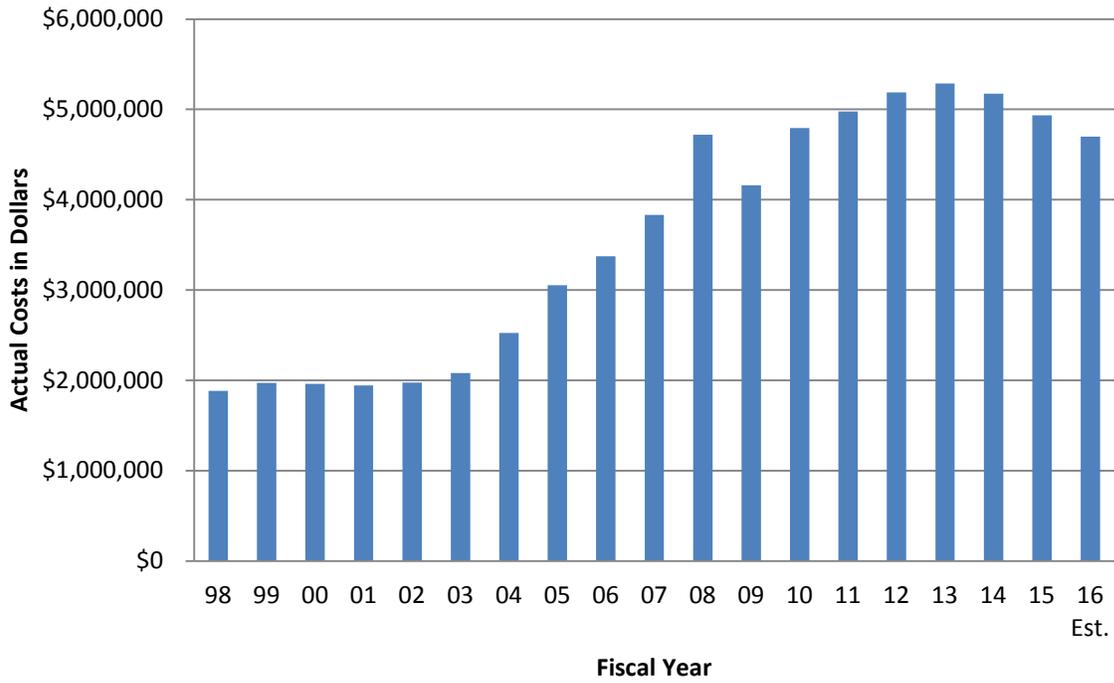
Average 2001-2015

2.90      2.83      2.50      2.17

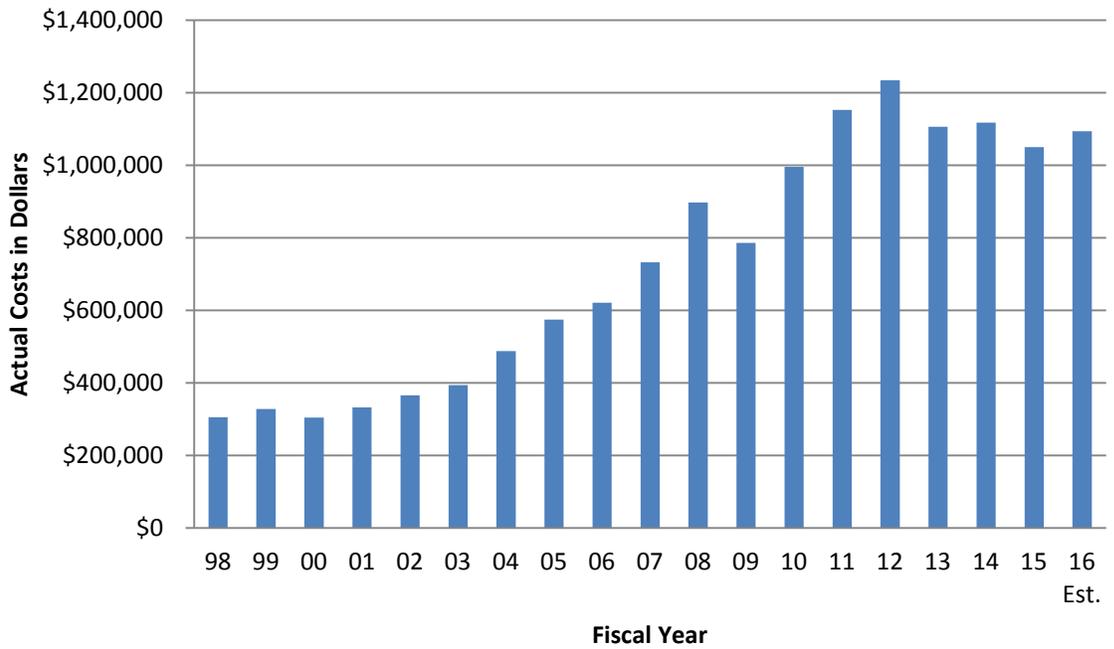
Average 2009-2014

2.09      1.92      2.08      1.58

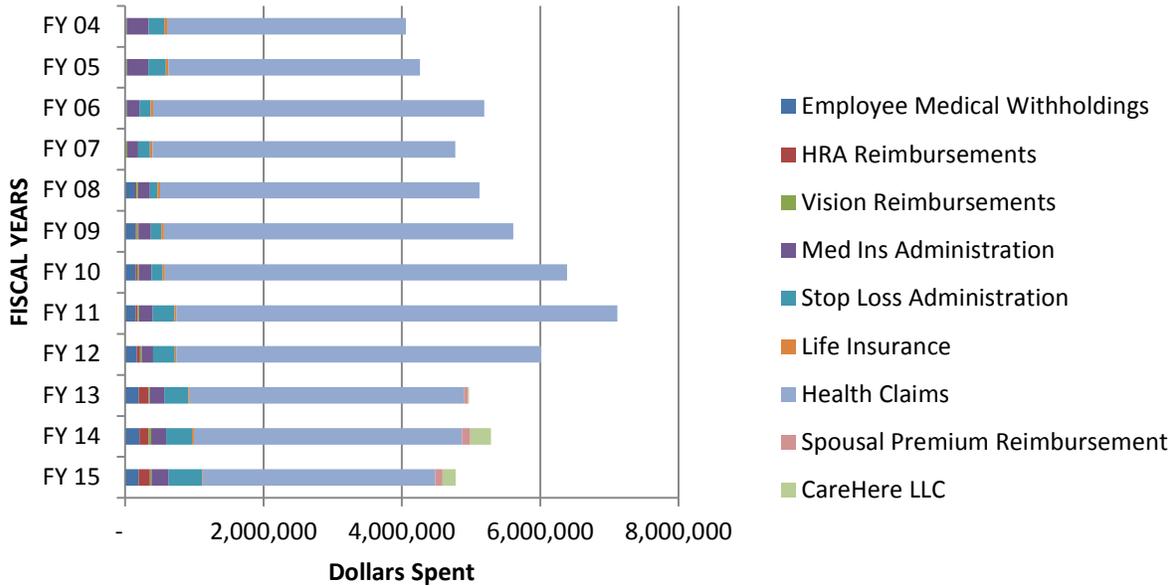
**History of Expenditures for Hazardous Duty Pension**



**History of Expenditures for Non-Hazardous Duty Pension**



## Medical Expenses by Category 2004 – 2015



## 2005 – 2016 Number of Employees

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b><u>General Government</u></b>												
Management Services	17	17	16	16	16	16	17	16	10	14	16	16
Finance	15	15	14	14	14	13	13	11	10	10	9	9
Economic Development	5	5	6	7	7	7	7	7	12	10	10	10
Code Enforcement	10	10	9	11	11	12	12	11	9	8	6	6
Housing	16	16	16	16	16	16	15	12	8	7	7	7
<b><u>Police</u></b>												
Officers	116	116	116	116	116	116	112	110	104	106	106	106
Civilians	34	34	33	31	31	31	28	24	9	9	9	9
<b><u>Fire</u></b>												
Firefighters and Officers	118	118	118	118	118	118	118	118	121	113	113	109
Civilians	1	1	1	1	1	1	1	1	1	1	0	0
<b><u>Other</u></b>												
Public Improvements	38	36	35	35	35	51	47	47	47	47	46	46
Engineering	2	2	3	4	4	4	4	4	1	0	0	0
Parks and Recreation	20	20	18	20	20	2	2	2	1	1	1	1
<b>Total</b>	<b>392</b>	<b>390</b>	<b>385</b>	<b>389</b>	<b>389</b>	<b>387</b>	<b>376</b>	<b>363</b>	<b>333</b>	<b>326</b>	<b>323</b>	<b>319</b>

## **ADDENDUM 2: Documents & Attachments**

## **Department Narratives, FY 14 – 15 Accomplishments, and FY 15 – 16 Goals/Objectives**

**Department: 101 Administration  
Commissioners**

**Fund 101; 104: City Manager; Mayor and**

### **Program Description**

The Administration Department is composed of the Mayor, City Commissioners, City Manager, Internal Auditor, City Operations Director, and Executive Assistant. The position of Administrative Assistant to the City Manager was eliminated in the FY 2014-2015 budget. Some reorganization has taken place in FY 2014-2015 where the positions of Risk Manager and GIS/Project Manager have been reassigned from other City departments to the Administration Department emphasizing the city-department-wide focus of risk management and GIS resources. In addition, a new position, Compliance Officer, has been added to the Administration Department. This position is responsible for xxxxxxxx. Funding for this position came from the elimination of a position in the Finance Department and Executive Assistant. The Office of the Mayor and City Commissioners are responsible for all legislative functions of the City. The Mayor and Commissioners set policy, approve the budget, approve personnel actions, and approve programs and services that improve the quality of life for people and neighborhoods. The Office of the City Manager executes the policies and budget established by the Mayor and City Commissioners. It is also the task of the City Manager to implement programs and delivery of services that improve the quality of life for people and neighborhoods. As the Chief Executive of the City, the City Manager delegates responsibility and coordinates the many functions and tasks performed by City employees. The Office of the City Manager is also responsible for strategic visioning efforts on behalf of the departments it supervises as well as the City as a whole.

### **2014 – 2015 Accomplishments**

1. Implemented Corrective Action Plan for State Auditor's Special Examination
2. Initiated Process for Continuous, Five Year Capital Improvement Plan to Replace Community Investment Plan
3. Implemented New Funding Source for Five Year Capital Improvement Plan
4. Initiated Citywide Facilities Plan Process
5. New, comprehensive waste and recycling contract that provides for direct billing by contractor to commercial and four-family residential and up customers, to reduce unnecessary cost, confusion and administrative burden on customers and City staff.. The waste fee rate established also recaptures all city costs for waste and recycling collection, previously the City was losing about \$150,000 to \$200,000 per year as many property owners do not pay but continue to receive the service. This practice is now used by other cities in Northern Kentucky to eliminate this abuse and burden on City taxpayers who do pay their waste and recycling fee bills.

### **2015 – 2016 Objectives**

1. Continue Implementation of the Corrective Action Plan for State Auditor's Special Examination.
2. Annual Report to the City
3. Continue Citywide Facilities Planning Process
- 4.

**Department: Administration**

**Fund 101**

**Division: City Operations**

City Operations has overall responsibility for providing leadership and implementing initiatives focused on the *continuous improvement of the City's operational performance and its customer service to constituents*. In partnership with all City Departments, City Operations implements and manages initiatives that focus on improving organizational efficiency, minimize organizational risk, and ensuring compliance with federal, state and local laws as well as contractual agreements.

**2014 – 2015 Accomplishments**

1. Upgraded Internet Connection Speed at City Hall & Police, funding provided through a new MOU with HAC
2. Replaced older Windows XP PCs in multiple City Departments due to End of Life
3. Completed Citywide Technology Asset Inventory and 5-year Replacement Plan
4. Upgraded Voice-over-IP telephone system implementing new voicemail to email feature Citywide
5. Worked with Finance to implement and automate Payroll Outsourcing to Paycor
6. Worked with Finance to implement new Procurement credit cards
7. Worked with Finance to plan SpringBrook Financials Implementation project
8. Worked with Finance to print and mail annual Real Estate and Waste Fee bills
9. Working with Finance to calculate the City's Tax Increment Financing (TIF) obligations
10. Working with Finance to automate check scanning and endorsement
11. Worked with Fire Department to implement Cloud-based FireHouse Software system
12. Worked with Public Improvements to implement new Sign Making system
13. Worked with Marketing & Communications Manager to implement e-mail Signatures Citywide
14. Worked with ABM Parking, Police, and Finance to consolidate and automate parking tickets process
15. Negotiated contract and implemented new Cell Phones Citywide while reducing overall costs
16. Negotiated contract and implemented multifunction devices Citywide (copy/print/scan/email/fax) reducing the fleet of printers, faxes, scanners, and copiers from 76 devices to 34 while reducing overall costs
17. Negotiated lease contract for 72 new Golf Carts for Devou Golf Course and negotiated return of used golf carts to former vendor while reducing overall costs

18. Negotiated contract and coordinated services implementation with Heating, Ventilation and Air Conditioning vendor for Fire, Police and Public Improvements
19. Negotiated contract and coordinated services implementation with Pest Control vendor for Fire, Police and Public Improvements
20. Initiated procurement for Garage Door Maintenance Services for Fire, Police and Public Improvements
21. Initiated procurement for Employee Theft Policy for all employees, including bonding for specific employees
22. Implemented Protection of Personal Information Policy in compliance with KRS 61.931-61.934
23. Implemented new Contracts management process in compliance with KRS 83A.150
24. Assisted Development with multiple contract negotiations including Comcate, Thelen, Woolpert, and others.
25. Assisted Public Improvements and Legal with the Waste Management RFP and ongoing contract negotiations
26. Assumed responsibility for ongoing lease contract management of Kentucky Career Center

#### **2015 – 2016 Goals**

1. Complete implementation of SpringBrook Financials project by 10/1/2015
2. Work with Public Improvements on Fleet Replacement 5-year plan by 12/31/2015
3. Work with multiple departments on Facilities Maintenance 5-year plan by 12/31/2015
4. Upgrade and implement Procurement Process and Procedures by 12/31/2015; continue to move the City forward with centralize procurement of products and services used by multiple departments
5. Implement CovStat – Citywide Performance Metrics and Measurement by 7/1/2016
6. Publish City of Covington Annual Report to Citizens (non-financial) by 7/1/2016
7. Integrate new employee roles into all departments Citywide (Risk Management, Compliance Officer, GIS & Business Analyst) by 7/1/2016 (multiple projects TBD by individual work plans)
8. Initiate replacement of Comcate Code Enforcement software with completion date TBD
9. Participate in negotiations with AFSCME (Alternate Chief Negotiator), Local 38 and F.O.P. unions
10. Assist Police with implementation of Intelligence Led Policing and associated software with completion date TBD

#### **Division: Internal Audit**

The Internal Auditor's mission is to provide independent, objective auditing and consulting services to evaluate the effectiveness of internal controls and ensure compliance with policies, procedures and laws. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance process.

#### **2014 – 2015 Accomplishments**

1. Implemented and managed Workplace Fraud Hotline. Implementation included developing hotline policies and procedures, employee education, and monthly reporting to City Administration and Officials.
2. Completed first city-wide risk assessment and audit plan. The risk assessment identified 83 separate activity groups throughout the City and ranked them utilizing 10 impact and probability factors.
3. Completed a review of the EMS billing and collection process. Review led to improved reconciliation and monitoring of activity, as well as, the development of procedures outlining the billing and reconciliation processes.
4. Provided independent oversight for the Police Department's narcotics disposal process. Participated in 3 separate disposal dates and verified over 650 individual packages of narcotics and paraphernalia were actually destroyed in the Kenton County incinerator.
5. Developed new travel policy and made changes to the existing procurement policy outlining acceptable and unacceptable expenditures.
6. Completed reviews of all City petty cash and cashier funds, and a reconciliation of the Police Departments Informant and Special Investigative Fund. Reviewed funds had cash balances in excess of \$10,000.

#### **2015 – 2016 Goals**

1. Reassess the risk assessment activities to reflect any changes to the City's organization structure or processes. Review impact and probability factors to ensure their aligned with the City's risks. Develop an audit plan that aids the City in accomplishing its objectives.
2. Complete audits of higher risk activities groups as determined by the risk assessment and audit schedule.
3. Manage the Workplace Fraud Hotline activity including investigating any incidents of workplace fraud.
4. Provide consulting services to address specific management issues and concerns.

**Program Description**

The Human Resources Department is composed of the Human Resources Director and Human Resources Assistant. The Human Resources Director develops policy and directs and coordinates human resources activities, such as employment, compensation, labor relations, and benefits, training, and employees services by performing the duties listed below personally or through subordinate supervision. The Human Resources Director serves as a senior consultant to City management on all matters concerning human resources management. The Human Resources Director provides staff assistance to supervisor and department heads in developing, communicating and carrying out the City's Human Resources policies and bargaining unit contracts. The Human Resources Assistant assists with new hires, medical insurance inquiries, personnel files, medical files, and the Family and Medical Leave Act.

**2014-2015 Accomplishments:**

1. Successfully implemented Paycor HR
2. successfully completed the first on-line employee benefit enrollment using Pacer
3. Continuing to develop new ways to use Pacer to host employee information such as forms, records, employee news
4. Purchased program for policy development and began work on the Personnel Policies (still a work in progress)
5. Continuous improvement to New Hire Orientation process
6. Processed 30 New Hires since 7/1/15 (includes seasonal, part-time and full-time)
7. Processed over 2000 applications
8. Developed and implemented a new approval process for staffing requests
9. Completed 2<sup>nd</sup> year of across the board performance reviews
10. Maintained Medical Plan cost within budget
11. Maintained cost savings in Worker's Compensation without an increase in premium
12. Increased participation in the use of Care Here Health Center
13. Continued Employee Engagement Activities
  - a. Health and Wellness Committee
  - b. Lunch and Learn
  - c. Wellness Fair
  - d. Chili Cook Off

**2015-2016 Goals:**

1. Increase use in CareHere Health Center
  - a. Reduces the cost of our Medical Plan
  - b. Benefit to employees through time and co-pay/deductible expenses
2. Safety and Worker's Compensation
  - a. Implement Drug Testing for all safety sensitive positions savings of 5% (look to include in union negotiations again)

- b. Review and Update processes
  - c. Provide Manager, Supervisor and employee training
3. Implement Employee Engagement Activities
    - a. Boost morale
    - b. Encourages teamwork
    - c. Start with Updating Process and automate New Hire Orientation
    - d. Lunch and Learn programs
    - e. Employee recognition programs
    - f. Employee Newsletters
  4. Continue Wellness Program Activities
    - a. The best way to impact best medical cost savings after plan design versus network discounts
    - b. Produces a healthier workforce which reduces absenteeism
  5. Policies and Procedures
    - a. Have not been updated in years
    - b. Updates have been sporadic and hard to find
    - c. Updated policies would ensure legal compliance which is constantly changing
    - d. Reduces grievances and potential lawsuits
    - e. Establish process and procedures for various HR activities such as requesting staffing changes, salary increases, etc.
  6. Paycor HRIS system - Continue development of system to determine if the following is possible:
    - a. Create a self-service approach to benefit management – employees will have immediate access to information and can make changes easily
    - b. Creates a one-stop shop for benefits
    - c. To communicate with employees regarding benefits, policies and procedures, forms library etc.
    - d. HR Staff time can used more strategically versus clerical
    - e. Less errors and issues due to employees not understanding their benefits
    - f. Better tracking of employee records, personnel file is electronic and easily updated
  7. Diversity Recruiting
    - a. Important that our workforce is reflective of our community to the extent possible
    - b. Diversity increases awareness and understanding within our employee groups
    - c. Look for ways to track data since the information is not automated
    - d. Goal of 10% of new hires over the next 5 years
  8. Develop and Implement SOP's for HR Department
    - a. Will assist in annual audit process

- b. Implementing annual eligibility audits of the health plan
- c. Allows less breaks in service if someone is out of the office

9. Performance Review

- a. Continue to review and update
- b. Provide Management/Supervisor training

**Department: Legal**

**Fund 201, 203**

**City Solicitor; City Clerk; Public Information Officer**

**Nothing Submitted.**

**Department: Department of Development**

**Funds: 301,302,304,305**

**Federal Funds: 04, 08, 16**

### **Program Description**

The Department of Development is comprised of five divisions: Community Services, Business Development, Programs and Strategic Projects.

### **2014 – 2015 Accomplishments**

Several key economic development projects were managed including:

1. Closed out the Brownfield Cleanup Grant and the Economic Development Initiative grant to rehabilitate the Stewart Iron Works Building, and facilitated the swap of this property with 1324 Madison Avenue (former Robke) for the Life Learning Center.
2. Finalized the construction for 1324 Madison Avenue (former Robke) with Corporex and the Life Learning Center. The City took ownership of this property and now manages the lease with the NKADD and the Kentucky Career Center.
3. Working with the developer for the Lincoln Grant School, successfully was awarded LIHTC's for a Scholar House program.
4. The negotiation of economic development incentives for the redevelopment of the Boone Block Building along with several other projects through the City's Economic Development Program.
5. Community Investment Plan Projects were implemented including:
  - a. Riverfront Commons Grant applications were submitted. Project details continue to be refined.
  - b. Devou Drive and Western Avenue Retaining Wall
    - a. Plans were in the works already to replace the wall along Devou Drive prior to the collapse. The design phase was expedited following the collapse to try to get the road back open to traffic as soon as possible.
    - b. The wall along Western was also included in this scope of work.
  - c. Russell Street Resurfacing
    - a. The Fire Department had this area as a priority because of low water pressure
    - b. We were able to get NKWD to replace their mains and hydrants by funding the restoration piece for them. This improved water pressure in the area.
    - c. City was able to get 80% of the work funded with grants.
  - d. 8<sup>th</sup> Street Parking Lot Improvements
    - a. Made improvements to the City owned lot on 8<sup>th</sup> Street to help accommodate business development
  - e. 2014 Demolitions
    - a. The City was able to demolish another 50 privately owned vacant/abandoned houses and get another 30 cleaned up.
  - f. CCDI foreclosures
    - a. CCDI initiative with Legal has begun and two groups of interested parties have initiated the foreclosure process with their money.

- b. Foreclosing on vacant properties will reduce future demos
- g. Caroline Underpass
  - a. Roadway project and slide repairs were completed.
- h. Latonia sidewalks
  - a. Sidewalk project in South Covington and Latonia was completed
- i. Peaseburg Basin Phase I
  - a. Phase I of the Peaseburg flood prevention project will be completed by July 1. This was completed with KIA money.
- j. 6<sup>th</sup> Street/Scott Street Design
  - a. Streetscape project on Scott from 4<sup>th</sup> to 6<sup>th</sup> and on 6<sup>th</sup> from Scott to R/R
  - b. Design work to be completed by July 1
- k. Waterstop repairs
  - a. We were able to find a new repair method the USACE was ok with
  - b. Able to save about \$20,000 from budgeted amount
  - c. Keeps floodwall in compliance
- l. Resurfacing/Curb ramps
  - a. Annual resurfacing and curb work was completed
- m. Purchase 901 Madison
  - a. City owned half of a parking lot at 9<sup>th</sup> and Madison.
  - b. Unable to manage/charge under past layout
  - c. Other half of the lot was purchased
- n. Madison 12-20<sup>th</sup>
  - a. Madison between 12<sup>th</sup> and 20<sup>th</sup> will be resurfaced by July 1
  - b. Completely funded with state money
- o. New 3 lane striping

**2015-2016 Goals:**

**Goal: Implement priority projects**

1. Riverfront Development
2. Lincoln Grant Redevelopment

**Goal: Improve Administrative / Operations in the department**

1. Cross train staff, to share knowledge, resources
2. Increase overall project communication and involvement
3. Work more closely with legal and finance on communicating and coordinating projects

**Goal: Work cross-departmentally on priority issues**

1. Increase business interest through infrastructure and design (guidelines and implementation of CIP)
2. Housing and Neighborhood Revitalization – Plan for Jackson Square, work cooperatively with PD, CGN and Catalytic Fund
3. Code Enforcement – Work collaboratively with Police and Fire on leveraging resources for more enforcement

## **Division: Community Services**

### **Program Description**

The Community Services Division is responsible for the administration and oversight of the Building, Nuisance, and Zoning codes for the City's housing and commercial stock, Historic Preservation, parking, infrastructure improvements, traffic signals, signs, and right of way encroachment permits and the Residential Rental Inspection Program. Complaints and requests received are assigned to the appropriate staff responsible for the area of concern. Staff also takes a proactive approach toward finding and addressing issues before complaints are received.

### **2014-2015 Accomplishments**

#### **Code Enforcement**

1. Visible improvements resulting from code enforcement efforts.
2. Biggest improvements have been as a result of the demolition of vacant/abandoned property throughout the City. We have knocked down over 100 properties and have the next list of 50 ready to go.
3. Focus on proactive code enforcement as much as part time schedule will allow. Part time staff focuses on following through on a property from start to finish and holding property owners accountable.
4. Part time model and City cutting grass rather than contractors saves a lot of money and still provides more on street code enforcement. Also provides more efficient property maintenance.
5. From July 1 through April 30: 567 NOV, 161 citations, 900 compliance cases
6. Pulled hundreds of "street spam" signs.
7. Work closer with PD and FD to coordinate efforts
8. Edited paperwork that goes out to make written violations simpler and easier to understand.
9. Created interactive maps for both public and internal use, in an effort to reduce incoming calls, provide added service to residents, and reduce internal hours spent looking up frequently used information.
10. Maintained online accessible eviction lists
11. Improved Code Enforcement Board process by holding meetings with them regularly to inform them on our processes

12. CCDI program has begun in an effort to speed up foreclosure process and get vacant property into new ownership and avoid demolition
13. Hardship programs were made available to homeowners that cannot afford repairs on their own. Also had funding available to low income households with sewer lateral issues.
14. Residential Rental Inspection program - Rental license required for every rental unit
  - a. Administered the Residential Rental Dwelling License Program, including handling incoming rental license applications, creating and maintaining list of licenses, and mailing letters to inform landlords of requirement
  - b. From July 1 through the end of April: 232 rental NOV's, 318 compliance, 572 inspections, 16 revoked licenses
15. Vacant Property Maintenance
  - a. Worked on bigger property maintenance issues other than just grass during the cold season and made a lot of highly visible progress
  - b. Saved money (half of previous budget) by maintaining property with 1 full time staff member and 3 seasonal employees rather than by using contractors.
  - c. Developed procedure for identifying properties needing maintenance (Cut List), logistics for maintaining the properties in an orderly fashion to reduce cost, updating this list on a weekly basis, and keeping track of the properties maintained for billing
16. Criminal Activity Process in rental properties: Continue to work with police to evict tenants that have multiple police issues within a 12 month period.
17. R/R maintenance: continue to maintain R/R property and get reimbursed for the costs associated with this service.

#### Zoning/ABC Administration:

1. 227 Zoning Permits issued (July 2014 – April 2015)
2. Board of Adjustment: 6 Variance; 6 Conditional Uses (July 2014 – May 2015)
3. Appointed a replacement Board of Adjustment member
4. Text Amendments to Zoning Ordinance to reflect Direction 2030 Comprehensive Plan and Northern Kentucky Area Planning Commission's new name (Planning & Development Services of Kenton County – PDSKC)
5. ABC Board: Approved 1 Extended Hours Permit; Approved 1 Agreed Order; Suspended 1 ABC License
6. Adaptation of all applications to align with the new City brand

#### Historic Preservation

1. COA Cases – 101 COAs from July 2014 – April 2014
2. UDRB Cases – 27 UDRB Cases from July 2014 – April 2014
3. Covington Historic Design Guidelines completed and adopted
4. NKY Restoration weekend: Two day event drawing over 500 people attended
5. Adaptation of all applications to align with the new City brand

## Other Projects

1. RFP review and selection process for development of city owned properties on E. 5<sup>th</sup> Street
2. RFP review and selection of a contractor for the redevelopment of Gus Sheehan Park
3. Installation of new playground equipment at the Volpenhein Shelter in Devou Park
4. Installation of a new playground at Goebel Park

## **2015-2016 Goals:**

**Goal:** Improve blighted structures, increase property maintenance to strengthen neighborhoods, reduce vacancies

1. Demolish / determine end use for vacant properties (residential)
2. Provide Code Enforcement Services
3. Update Vacant Property database, implement and monitor vacant property tax
4. Improve bank relationships
5. Staff, Manage and Educate Code board
6. Prioritize and implement code Foreclosures/ use HB 135
7. Provide code enforcement hardship program
8. Improve Customer Service

**Goal:** Improve Quality of Rental Property

1. Improve rental inspection program
2. Provide eviction lists

**Goal:** Proactive Code Enforcement

1. Engage neighborhood groups to report violations. Educate public on code enforcement process/ programs
2. Track complaints, proactive cases, compliance

**Goal:** Ensure Codes and Regulations are Streamlined and Appropriate for Development

1. Continue to evaluate the need for zoning code updates
2. Implement Design Guidelines
3. Provide Consistent Zoning and HPO Assistance / Permitting (BOA & UDRB)
4. Coordinate with NKAPC on Building Permitting
5. Promote Development Hand Book
6. National registers nominations/ 106 Reviews
7. Coordinate with and support ongoing planning efforts in the neighborhoods and the County – Comp Plan / Small Area Studies

**Goal:** Make improvements to the City's infrastructure

1. Implement the 5 year Community Re-investment plan
2. Find ways to stretch infrastructure budget
3. Coordinate with KYTC to ensure key state projects are built
4. Coordinate infrastructure with key ED initiatives

**Division: Program and Strategic Projects**

## **Program Description**

The Programs & Strategic Projects Division houses Programs & Strategic Projects Manager, the City's CDBG & HOME grants administration and housing team, the Renaissance Manager, and the Recreation Specialist. The division is responsible for the following duties:

**Grants Administration:** Responsible for oversight and administration of the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) funds administered by the City of Covington. Staff also serves as project and program manager for City housing projects, working with community partners such as CGN and the Catalytic Fund to ensure housing development follows the Community's Housing Strategy.

**Renaissance Covington Program:** A nonprofit organization created for the purpose of revitalizing downtown Covington utilizing the Main Street four-point approach, which includes downtown design, promotion, organization, and economic revitalization. Renaissance Covington stimulates the vitality of the downtown by fostering proactive community efforts and partnerships concentrating on organization, promotion, design, and economic restructuring to socially and economically revitalize downtown Covington for everyone.

**Recreation:** Responsible for organizing and implementing programs and events throughout the year for seniors, youth, and those with disabilities. The department issues all permits for picnic shelters, weddings, and field permits. We manage the organization of baseball and soccer field usage between high school teams, local sport organizations, regional sport organization and department organized leagues.

**Covington Arts District:** The Arts Director manages the gallery space at the AEC, the marketing of the exhibition schedule, the jury committee, Full Spectrum, artist relations and administers the work of the Arts and Cultural District Steering Committee.

## **2014 - 2015 Accomplishments: CDBG/HOME**

1. Strategic budgeting of CDBG/HOME funding to meet community needs based on input from the public, key stakeholders, partner organizations and City staff
2. Updated job descriptions and reassigned staff members to ensure the effective and efficient management of the CDBG/HOME Programs
3. Continued efforts to rectify any past errors in program management
4. Finalized the creation of policies and procedures to ensure sustainability of future grants/program
5. HOME and CDBG monitoring findings dropped significantly
6. Fostered a good working relationship with the HUD Louisville Field Office
7. Created Ad Hoc Grants Committee for City-wide usage of CDBG/HOME Programs
8. Created 56 new homeowners through the Homebuyer Assistance Programs which served the cities of Covington, Ludlow, Newport, Bellevue and Dayton
9. Financed the redevelopment of 11 affordable rental units in the downtown core area through the Upper Floor Residential Rehab Program

10. Completed 21 low-income homeowner rehabs through the Code Enforcement Hardship and Homeowner Repair Programs
11. Partnered with local Community Housing Development Organizations (CHDO's) to redevelop 5 single family homes for affordable homeownership

**2014-2015 Accomplishments: Recreation Programming**

1. Successful offering of 10 events
2. Successful pool season 8,000 pool passes
3. NKB Partnership for scheduling of Complex
4. CycloCross event in Devou Park
5. Successful Softball Season
6. Over 250 park permits issued

**Parks Improvements:**

1. New playground installed in Latonia Elementary
2. New playground installed in Goebel & Make Goebel Great initiative
3. New playground at Volpenhein Shelter in Devou
4. Ground Breaking for Gus Sheehan Park in Devou
5. Reforestation Efforts in Devou

**2014 – 2015 Accomplishments: Renaissance Covington**

1. New brand launched for Renaissance Covington
2. Successful third year of holiday pop-up shops, five businesses participated, two became permanent storefronts.
3. Over 30% growth in Farmers Market vendors
4. Madlot project executed in 2014 and programmed with monthly events May-Oct 2015
5. Two presentations delivered at National Main Street Conference highlighting creative place making and tactical urbanism.
6. Renaissance Covington re-designated as a National Program, again ranking in top 10 of Kentucky Main Street programs
7. CSX Underpass rock garden project granted support from Devougood for upgrade Summer 2015
8. Conducted special events including Park(Ing) Day, Roebling Fest, NKY Restoration, Great American Clean-up, 199c, Madlot launch, Cosign reveal, Bike Pop Wow
9. Partnership driven urban retail/restaurant/attraction map near completion for broad distribution 2015
10. Annual Plan complete with in-place measures, five new board members added

**2015-2016 Goals:**

**Goal: Streamline Grants Administration Process**

1. Creation of policies & procedures for HUD and expand process mapping/ work flow chart/ responsibilities

**Goal: Implement Master Plans**

1. Devou
2. LRG
3. 3CAP

**Goal: Strategically Plan/Use CDBG & HOME Funds**

1. Community Participation: Obtain input from focus group of key leadership within city staff and partners organizations for plans and programs
2. Implement 5 year Consolidated Plan, and annual Action Plan including program development of annual incentives and programs, adopt guidelines.
3. Implementation of Consolidated Plan - Action Plan/CAPER. Effective and timely grants administration
4. Strategically leverage CDBG/HOME funds for more grant dollars

**Goal: Improve the quality of life for the residents, businesses, and visitors of Covington**

1. Provide Quality events for social engagement
2. Provide and improve existing Greenspace and Parks, maintain an Appealing Public Realm
3. Provide Quality Recreation Programming
4. Enhance Farmer's Market
5. Advance efforts of Move. Breathe. Grow. Covington

**Goal: Continue to support and grow the Covington Arts initiative**

1. KAC Cultural Certification
2. Ensure Arts and Culture are part of overall urban planning and economic development activities
3. Creative Place making – Coordinate investment projects designed to create a unique sense of place.

**Goals - Renaissance:**

1. Bike-Centennial Tour – July 2015
2. Madlot programs - May-Oct 2015
3. CSX Underpass upgrade – Summer 2015
4. Holiday pop-ups -Winter 2015
5. Data improvement for businesses, public spaces, conduct retail strategy - Summer 2015
6. Covington Business Resource Guide - Fall 2015
7. New planters on Madison Avenue - Spring 2016
8. Roebling Point Block Party - Fall 2015
9. Ramp up fundraising, conduct major event in Winter 2015

**Division: Business Development**

**2014-2015 Accomplishments**

1. Covington Business Excellence 2015, Business Recognition Program and Event - Received significantly more participation in public nomination process this year
2. Conducted 96 Proactive Business Visits (thru 4-30-15)
3. Assisted 19 New Business Inquiries (Jan - April 2015)
4. Worked or are working with several businesses on either retention/relocation/expansion projects.
5. Networked with Women's Business Center of KY to encourage them to hold next Women's Business Summit event in Covington this year (FY 15-16)

#### Approved Projects

12 Pike / Chako LLC	Technical Assistance	\$2,000.00	Grant	CEDP
625 Main / Commonwealth Bistro	Restaurant	\$150,000.00	Loan	CEDP
209-211 Pike Street / Market Lofts	Technical Assistance	\$2,000.00	Grant	CEDP
230 Pike	Façade	\$ 7,221.00	Grant	CEDP
114 Pike Street	Bad Girl Ventures Lease	\$102,000.00	Subsidized Lease	CEDP
112 Pike	UpTech (Nov 2013 - 2018)	\$ 86,140.00	Subsidized Lease	CEDP
112 Pike	Upper Floor Residential	\$70,000.00	Upper Floor CDBG	CDBG
220 Pike	Redevelopment / Mixed Use	\$50,000.00	Grant	CEDP
602 Main	Commercial	\$60,000	Grant	CEDP
402-22 Scott (Boone Block)	Residential	\$350,000	Forgivable Loan	CEDP (Via CIF)
629 Madison /Mutual Building	Façade	\$125,000.00	Grant	CEDP
629 Madison /Mutual Building	Upper Floor Residential/ Mixed Use	\$150,000.00	Grant	Investor (Now CEDP)
629 Madison /Mutual Building	Property Acquisition	\$450,000.00	Loan	Investor (Now CEDP)
701 Scott / Doctors Bldg	Upper Floor Residential/ Mixed Use	\$228,000.00	Negotiated Settlement	Investor (Now CEDP)
701 Scott / Doctors Bldg	Technical Assistance	\$ 2,000.00	Grant	CEDP
27 W 7th Street	Braxton Brewery Parking Lot	\$89,000	Loan	Bond

27 W 7th Street	Technical Assistance - environmental	\$1,558.00	Grant	CEDP
14 E 5th Street	Upper Floor Residential	\$40,000	Grant	CDBG
605 Madison	Upper Floor Residential	\$40,000	Grant	CDBG
2 W Pike Street	Upper Floor Residential	\$16,053	Grant	CDBG
7-9 E 5th Street	Upper Floor Residential	\$40,000	Grant	CDBG

## 2015-2016 Goals

### Goal: Recruit/Retain Business

1. Create a comprehensive business recruitment/retention plan.
2. Implement quarterly BRE program
3. Effectively respond to new business inquiries
4. Make more efficient use of sales force

### Goal: Foster positive business environment

1. Conduct or participate in business roundtables
2. Implement business recognition program
3. Provide/facilitate networking opportunities and business engagement (Futurecraft)/popup shops/entrepreneur)

### Goal: Fill Vacant Spaces

1. Work with partners to consistently identify properties for sale/lease, owner/ agent, underutilized
2. Engage developers
3. Maintain and sell City owned commercial properties
4. Strategically provide incentives to fill vacant spaces, based on priority sites

### Goal: Spur the real estate market and occupational tax base in the city

1. Develop/promote/implement state, city and federal incentive programs
2. Improve the policies and procedures for intake and processing of applications for incentives, the incentive approvals, and for project management and follow through on incentive projects, including management of the City's loan portfolio.
3. Continue to monitor the various incentive programs that are offered by the city and identify improvement that can be made (Tax abatements, tax moratoriums, grants, loans, etc.). Begin to identify an ongoing source of funding to maintain the programs for which limited funding is available.
4. Continue to monitor real estate valuation and business tax base for purposes of identifying TIF revenues available for project investment.

**Employees and Budget**

Rick Davis is the Director of Public Improvements/Asst. City Engineer. He manages eight divisions within this department, including the Administration, General Maintenance, Devou Park, Fleet Management, Facilities and Recreation Maintenance, Right-of-Way Maintenance, Solid Waste, and Urban Forestry. The Department of Public Improvements currently has 49 full time employees and 15-20 seasonal employees. The Department of Public Improvements budget for the 2014-2015 fiscal year is \$9,045,935 and for 2015-2016 is \$6,231,732.

**2014-2015 Accomplishments**

1. Re-constructed the Drees Pavilion parking lot with DPI crews – savings of \$18,000 versus contracting out
2. Constructed the Blueway Kayak path at 47<sup>th</sup> and Decoursey - in house vs contracting – saving of \$11,000
3. Solid Waste division has advertised and contracted with new waste hauler starting on July 1, 2015 - Rumpke. This contract includes waste collection, newer fleet, newer GPS technology, recycling, City and direct billing, exclusive services throughout City.
4. Implemented recycling services at City Hall.
5. Improved and expanded the sweeping and leaf collection notices on the City's website.
6. Removed trees along Pike Street and replaced with the right tree in the right location to prevent sidewalk damage, utility damage, and having to prune around overhead lines.
7. Continue to improve and expand the fleet programs and services with local municipalities. Continue discussions and implementations of partnerships with Gateway Community College, Kenton County, and others.
8. Implemented new snow & ice plan for 24 hour coverage by DPI crews. This winter brought another significant amount of accumulating snow. This means multiple days of preparation prior to the storm and removal/clean up during and after the storm. DPI snow crews worked days, nights, weekends, and holidays, to fight snow and ice and provided excellent services to residents.
9. Planned and maintained multiple landscaped islands throughout the City.
10. Implemented the private sewer lateral program which the City provides assistance to businesses and residents with street and sidewalk damage due to lateral leaks/damage. SD#1 should be taking this responsibility starting on July 1<sup>st</sup>, 2015.
11. Implementing the purchasing policy of bidding materials (asphalt, concrete, DGA, rock, etc.) up front and drawing off purchase order for the year. This will have significant savings rather than purchasing for each project or as needed.

12. Successfully planned, installed, and dismantled the Madison Flood Gate with DPI crews due to the Ohio River levels cresting at around 58'. The flood stages begin at river levels of 52' and begin to flood at Madison at 56'. This is the first time the flood gate had been installed since 2001. It took about 10 hours to install and about 6 hours to dismantle.
13. Implemented seasonal weekend coverage for special events and park clean ups. Also, coverage for city can clean up.

## **2015-2016 Goals**

### **Goal: Promote DPI as a highly effective organization**

1. Maintain and Update DPI website. Implement 311 services
2. Promote significant achievements in the department
3. Maintain involvement at neighborhood meetings and community events

### **Goal: Maintain street and sidewalk infrastructure in a sustainable fashion**

1. Respond to pothole work orders within 5 days
2. Prioritize work orders to expedite sidewalk repairs
3. Promote technical training of work crews

### **Goal: Improve appearance of major gateways and Parks**

1. Establish gateway target crew and provide litter cleanup and general landscaping maintenance of major gateways
2. Implement program for repairs/reconstruction of 2 parks per year

### **Goal: Continue to grow Fleet Management Division**

1. Promote services to additional municipal jurisdictions
2. Assure all mechanics maintain ASE certifications

### **Goal: Continue Efforts to improve compliance of the Storm Water Pollution Prevention Regulations**

1. Keep ample supplies of spill cleanup materials on-site.
2. Inspect maintenance areas on a regular schedule.
3. Keep areas cleaned and properly maintained.

### **Goal: Zero Graffiti**

1. Reported graffiti
2. Prevent graffiti
3. Create a graffiti team involving the Police Department and DPI staff

### **Goal: Promote goals of Sustainable Urban Forest as part of the Covington Urban Forestry Board's Mission**

1. Update tree inventory to include GIS integration

2. Implement tree pruning program on a 4yr cycle
3. Seek opportunities to implement additional green infrastructure

**Goal: Increase Recycling in Covington**

1. Education community on benefits of recycling
2. Promote the new, larger recycling bins and encourage more participation

**Department: Finance**

**Fund 702 &706**

**Program Description**

The Finance Department is composed of the Finance Director, Assistant Finance Director (Revenue Manager), Tax Auditors, Accounting/Operations Manager, Governmental Special Funding Staff Accountant, Purchasing/Office Manager, Payroll Clerk, and Finance Technician. Budgeting, financial reporting, payroll, and accounts payable are all primary responsibilities of the General Accounting staff. Payroll is issued biweekly. The budget and financial reporting systems are managed by the Staff Accountants. Cash management, business loans, bank reconciliations, and reporting to the U. S. Department of Housing and Urban Development are also some of the major tasks performed by the Governmental Special Funding Staff Accountant. The Revenue/Collections department is responsible for the tax collection efforts of the Finance Department. The Finance Technician supports the collection efforts and handles all walkup, mail, and electronic payments into the City. The Department issues and collects real estate tax bills and waste collection bills annually. Payroll taxes are processed monthly or quarterly depending on the amount paid. Net profit returns are processed and reviewed for more than 1,800 businesses that operate in Covington. Other payments processed and recorded include insurance premiums tax, franchise taxes, parking tickets, miscellaneous fines, etc. All incoming and outgoing City mail is processed through the Finance Department.

**2014 – 2015 Accomplishments**

1. Continued Implementation of Corrective Action Plan for State Auditor’s Special Examination.
2. Coordinate with Legal Department for concerted delinquent tax, fee and loan collection program.
3. Implemented Paycor Payroll Process – City Hall time keeping – HR open enrollment live
4. Began the process of Financial Transactions Software Conversion.
5. Continue the Revenue Collection overhaul process.
6. Began Development of a Complete Policies and Procedures Accounting Manual.
7. Timely month end closing, bank reconciliations within days of month end.
8. Preparing and presenting quarterly financial to all departments at staff meetings
9. Timely presenting financial information to the public through finance and commission meeting.
10. Six month waste bill distributed

**2015–2016 Goals**

1. Complete the implementation of Springbrook for all modules
2. Process payments utilizing a lock box system
3. Continued coordination with the Legal Department for concerted delinquent tax, fee and loan collection
4. Real Estate and Waste bills timely presented and accurate
5. Increase the collection of outstanding receivables
6. Increase the collection of current receivable (i.e. – up the collection of 2015 Real Estate tax bills)
7. Effectively cross train the employees of other departments on using Springbrook

**Program Description**

The Covington Police Department is composed of three major bureaus:

1. **Patrol:** The patrol bureau is made up of the uniformed division and the vice division. The uniform division of the patrol bureau responds to citizen calls for assistance, provides traffic enforcement, and conducts vehicle accident investigations. The vice division of the patrol bureau investigates complaints of prostitution, drug trafficking, and other illicit deviant behavior.
2. **Criminal Investigation:** Investigates major crimes, processes crime scenes using crime lab technicians, and investigates crimes involving families.
3. **Administration/CALEA:** The administrative bureau handles hiring, training, building maintenance, supply acquisition, records maintenance, and national accreditation (CALEA).

The department has been accredited with the Kentucky Association of Chiefs of Police (KACP) organization since 1996. The Fraternal Order of Police (FOP) represents all sworn personnel through and including the rank of Captain.

**2014 – 2015 Accomplishments**

1. Continued work toward CALEA
2. Received KY Homeland Security grant for upgrades to the department MRAP
3. Received national recognition by winning the MetLife grant by partnering with Center for Great Neighborhoods Covington and Local Initiatives Support Corporation. Covington was one of eleven winners across the country out of a total of 560 applicants.
4. Two SWAT missions with no loss of life.

<u>FBI Crime Category</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Part 1 Crimes</u>			
Homicide	4	2	2
Rape	20	18	30
Robbery	130	144	99
Aggravated Assault	90	83	80
Burglary	563	742	427
Larceny	1134	1434	1173
Motor Vehicle Theft	89	99	118
Arson	23	23	10
Totals:	2053	2545	1939
<u>Traffic Statistics</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Traffic Collisions	1764	1830	1875

<b>Total Injury Collisions</b>	<b>211</b>	<b>240</b>	<b>213</b>
<b>Total Fatal Collisions</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Total State Traffic Citations</b>	<b>6053</b>	<b>5591</b>	<b>7740</b>

**2015 – 2016 Goals**

1. Continue working toward CALEA Accreditation with a new goal date of July/2016
  - a. Align internal policies to comply with CALEA standards
  - b. Provide proof of compliance with these policies
2. Facility Infrastructure with goal date of December/2015
  - a. Incident operations center/conference room repair and upgrades
3. Reduction in number of calls for service
  - a. Analyze data and fix the root of the problem driving repeat calls for service at the same location or micro location
4. Re-direct focus of agency personnel from one of reactive to proactive using the basic concepts behind Intelligence Led Policing
  - a. Concentrate on Prolific Offenders living and traversing Covington
  - b. Eliminate response to non-priority incidents and re-direct officers to hot-spots in the city to identify and correct what is driving activity in the area
  - c. Crime analysis software acquisition

**Program Description**

The Fire Department's primary responsibility is to minimize the loss of life and property resulting from fire, medical emergencies, and other disasters. Other duties and responsibilities include fire safety prevention and education, disaster planning and preparedness, life hazard mitigation through regular fire inspections, and arson investigation.

The Covington Fire Department responded to 11,230 calls for service in 2014 of varying types and requiring varying resources. 19,009 Covington Fire Department unit responses were required to meet the calls for service.

**2014-2015 Accomplishments**

**Calls for Service**

Of the 11,230 calls for service, 287 of them were for fires, and of that, 71 were fires in buildings. The greatest risk for fire is in 1 and 2 family residential structures. The fire department meets the national response standard (NFPA 1710) for first arriving engine and assembly of an effective firefighting force 65% and 71% of the time respectively.

76% of the calls for service are related to emergency medical events. Emergency medical events can be any variety of medical condition to a traumatic injury from a vehicle collision. 7,109 patients were treated and transported by Covington ambulances in 2014. The fire department meets the national standard (NFPA 1710) for advanced life support ambulance arrival on scene 74% of the time.

The remainder of the calls for service to remedy other hazardous conditions or provide service to residents and businesses rounds out the year's numbers.

**Improve Operational Efficiency**

The transition of the department's records management system is complete and still being tweaked to meet the needs of the department.

**Safety**

Safety is paramount in the effective resolution of emergency incidents. The National Fallen Firefighters Foundation has created the 16 Firefighter Life Safety Initiatives in the Everyone Goes Home Program. This NFFF initiative works to protect firefighters on and off the job by providing guidance for departments to achieve the safest possible environment for its members.

The department purchased and awaiting receipt of new personal protective firefighting gear.

**Fire Prevention and Life Safety**

The department performed more than 2,000 life safety/ fire code inspections in 2014.

Fire safety education is performed in the Covington Public schools at the fourth grade level. An attempt is made to reach every fourth grade student in the system.

A clear statically correlation exists between the strengthening of fire prevention laws and efforts and the drop in reported fires and fire deaths.

### **Training**

The department provided opportunity for employees to complete IFSAC certifications throughout 2,104. I number of employees received Firefighter 1, Firefighter 2, Hazardous Materials Awareness, Hazardous Materials Operations, Fire Apparatus Operator, and Fire Service Instructor certificates.

The department completed 2,171 on-duty training classes, which equates to 20,924 actual hours of training.

Training is important to the success and safety of the department and its members.

### **Facilities**

Minor improvements continue to be made to keep the facilities operational.

### **Hydrants**

The department continues to refine the accuracy of information used to determine hydrant water flow for firefighting purposes. A generous donation allowed for the purchase of equipment necessary to test all of the hydrants in the city.

### **Grants**

The department applied for a number of grants in 2014. The department received grants from the Kentucky Fire Commission for a thermal imaging camera and a treadmill. The department is awaiting the announcement of AFG and SAFER grant opportunities.

### **2014-2015 Goals:**

1. The department will continue to provide the best service possible to the residents and visitors of the City of Covington.
2. Development of directives to guide the operations and functions of the department is a continuous process and moving towards sound practices is necessary.
3. Work towards addressing the 16 life safety initiatives.
4. Continue working toward a unified life safety/ fire code/ building inspection program in the city to prevent the loss of life and property.
5. To provide greater opportunity for position specific development, such as Fire Apparatus Operators and Officers.

6. To utilize capital money to make improvements which have a return on investment to fund more repairs and improvements.
7. To complete the testing and documentation of existing hydrants and make recommendations for strategic replacement to improve firefighting capability.
8. To apply and fund as many critical projects as possible with grant money.

**2014-2015 Accomplishments**

**Opening the waiting list**

On August 13, 2014 the Section 8 Housing Choice Voucher waiting list was reopened. The list had previously closed in March 2013.

The first day of waiting list sign ups was conducted at Covington City Hall. Applications were accepted in person only and applicants were required to have all required items with them at the time of application. We interviewed 317 families and, of these, 182 applications were accepted.

After the first day, applications were once again accepted at the HCV office. Due to the high demand we implemented a scheduling system, providing interested persons with a future date and time to submit an application. For the next 90 days, we scheduled 40 families each day to submit their application.

With the reopening of the waiting list, we instituted an additional waiting list preference for applicants who are gainfully employed, elderly, handicapped or disabled. This preference was designed to reward employed persons and offer an incentive to people so that they might become employed.

**Increased Voucher Utilization**

We made a concentrated effort to increase HCV program participation to fully utilize calendar year 2014 HUD funding. We exhausted the waiting list and invited 325 new applicants to attend briefing sessions between August and December 2014.

Thanks to the hard work of the staff, the HCV utilization increased from 1,002 families in July 2014 to 1,076 families in January 2015. Taking into consideration normal monthly program losses and move outs, this is a tremendous and impressive increase.

**Landlord Expansion**

With the increased number of families participating in the HCV program, we thought it wise to recruit new property owners to the program. New property owners would bring a better cross section of units and expand housing choices for our participants in all of Kenton County.

We began a campaign to "get the word out" to property owners about our program. We created a flyer and sent it to agencies, professional groups, local media, churches and local municipalities. Our information was placed on the City's web site. We presented our program

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## LEGAL DEPARTMENT M E M O R A N D U M

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**TO:** Larry Klein, City Manager  
**FROM:** Frank Warnock, City Solicitor  
**DATE:** May 14, 2015  
**RE:** **Duty to Balance Budget**

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The process for preparing and approving a City budget is outlined by state statute.

The City Manager is responsible for preparing the budget and submitting it to the Board of Commissioners. The City Manager is then responsible for budget administration after adoption. KRS 83A.150(7)(c).

The City Manager shall prepare and submit to the Board at the end of each fiscal year a complete report on the finances and administrative activities of the City for the preceding year. KRS 83A.150(7)(d).

The City Manager shall keep the Board advised of the financial condition and future needs of the City and make recommendations as he deems desirable. KRS 83A.150(5)(e).

No budget ordinance shall be adopted which provides for appropriations to exceed revenues in any one fiscal year in violation of Section 157 of the Kentucky Constitution. KRS 91A.030(8)(b).

No City agency, or member, director, officer, or employee of a City agency, may bind the City in any way to any extent beyond the amount of money at that time appropriated for the purpose of the agency. All contracts, agreements, and obligations, express or implied, beyond existing appropriations are void; nor shall any City officer issue any bond, certificate, or warrant for the payment of money by the City in any way to any extent beyond the unexpended balance of any appropriation made for the purpose. KRS 91A.030(13).

A City cannot legally operate with a budget deficit. See OAG 82-110; Ky. Consti. § 157; KRS 91A.010; 91A.030(1).

The City of Covington is required to operate and expend funds under an annual budget that must be adopted by ordinance. KRS 91A.030(1).

The City of Covington Board of Commissioners shall by ordinance provide for sufficient revenue to operate City government and shall appropriate the funds of a City budget which shall provide for the orderly management of City resources. KRS 83A.150(5).

# Capital Improvement Plan

Meeting the City's Business Needs



# Capital Improvement Plan

- A Multi-Year Capital Plan will:
  - show what projects are planned;
  - what projects are needed;
  - what revenue is projected from existing funding sources;
  - what priority projects lack a funding source.
- Helps to develop a more comprehensive solution and more effectively plan for capital projects over five-years (or more). **NEEDS TO BE A ROLLING 5YEAR PLAN.**

## To Do's

- ✓ 1. Establish Goals and Ground Rules:
  - ✓ Set financial goals and set a basic policy framework for annual capital planning activities.  
Establish Spending Priorities
- ❑ 2. Prepare Information on Proposed Capital Projects:
  - ❑ Identify potential capital projects - INVENTORY
- ❑ 3. Estimate Fiscal Capacity:
  - ❑ Create a multi-year financial picture with assumptions about future changes in operating expenditures, revenues, assessed value, reserves, and known debt service commitments

<b>Project Milestone</b>	<b>Date Estimate</b>
<b>Approve Insurance Premium Tax</b>	<b>March</b>
<b>Identify potential capital projects - inventory and prioritization requested from Asset Owners:</b>	<b>April - October</b>
Establish general process for submitting inventory (eg. Necessary details to include on each project, Description, rationale, consideration of certain criteria...)	April 10
Internal Project Kick off Meeting	April 13
<i>Ongoing internal update meetings</i>	<i>April 13 – October 1</i>
<i>Request for initial data / Inventory Information from Asset Owners</i>	<i>By EO September 14</i>
Feedback/ Questions/ Comments Period with asset owners	Sept 14 – October 2
Finalize Internal Prioritization, considering criteria and funding	October 2
<b>Create a multi-year financial picture with assumptions about future availability of funding sources, with eligibility considered</b>	<b>EO July</b>
<b>Create Capital Improvements Plan Review and Advisory Committee</b>	<b>By EO August</b>
Create process for Committee review of projects / priorities	July – October 2
Finalize Information for presentation to CIP Committee	Oct 5 – Oct 16
Committee Recommendation to City Manager	Dec 1
<b>City Manager Review and Recommend to Commission</b>	<b>Dec 2015–Jan 2016</b>
<b>Commission adopt Plan</b>	<b>January 2016</b>
<b>Projects are assigned and scheduled for implementation</b>	<b>Feb – June 2016</b>
<b>Adoption of Annual Program as part of Annual Budget</b>	<b>June 30 2016</b>

# Asset Category - Assignments

Lead “Asset Owners” for inventory will be:

- Rick Davis
  - DPI Property / Facility (Lisa)
  - Materials and Equipment (traffic control devices, lighting) (Mike)
- Mike Yeager
  - Roads/Bridges (Rick)
  - Levees (Rick)
  - Sidewalks / Bike Facilities (Rick)
  - River Access (Larisa)
  - Parking meters, lots and garages
- Dan Mathew
  - Fire Stations (Lisa / Larisa)
  - Equipment
- Bryan Carter
  - Police Stations (Lisa)
  - Equipment
- Larisa Sims
  - City Hall
  - City Owned Property
  - Parks and Recreation (Natalie / Rick / Bill)
- Lisa Desmarias: Technology



<b>Capital Needs - Technology</b>					
	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
<b>Project Name</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>City Wide</b>	<b>\$24,000.00</b>	<b>\$147,000</b>	<b>263,000.00</b>	<b>\$ 133,000.00</b>	<b>113,000.00</b>
<b>Citizen Relationship Management (CRM)</b>			TBD	TBD	TBD
<b>Online Electronic Payments</b>	\$ 5,000.00	\$5,000.00	\$ 10,000.00	\$10,000.00	\$10,000.00
<b>Open Data</b>	\$ 5,000.00	\$5,000.00	\$ 10,000.00	\$10,000.00	\$10,000.00
<b>Records Management</b>			\$ 20,000.00	\$ 10,000.00	\$10,000.00
<b>Network Infrastructure</b>		\$2,000.00	\$ 2,000.00	\$ 5,000.00	\$ 5,000.00
<b>GIS</b>	\$ 5,000.00	\$3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
<b>Upgrade PCs for Extended Use</b>		\$4,000.00			
<b>Replace PC's at end of Useful Life</b>			\$155,000.00		\$75,000.00
<b>Replace Servers at end of Useful Life</b>		\$20,000	\$60,000.00	\$20,000.00	
<b>Replace Laser Printers at end of Useful Life</b>	\$ 3,000.00	\$3,000.00	\$ 3,000.00		
<b>Replace iPads at end of Useful Life</b>				\$ 75,000.00	
<b>Replace Cell Phones and Cases</b>		\$3,000.00			
<b>Replace Site Licenses for Microsoft Office Suite</b>		\$90,000			
<b>Upgrade Disaster Recovery Processes</b>	\$ 6,000.00	12,000.00			

# Funding Sources

## Estimate Fiscal Capacity

- Matching Sources and Uses
- Projecting the ability and eligibility to use funds over the next 5 years
  - Insurance Premium Tax
    - Cash Needs
    - Additional Borrowing
  - CDBG allocations
  - Road Aid Revenues
  - Grants (Fluid)
  - Devou \$
  - Other?

# Estimated Timeline

## Process Schedule





# In the meantime...

FY 15-16 Projects

<b>FY 2015-2016 Capital Budget</b>		
<b>Project</b>	<b>Fund Type</b>	<b>FY 15-16 Estimated Expenditures</b>
<b>INFRASTRUCTURE</b>		
<b>Riverfront Commons - Plaza Design</b>	FY 13-14 Bond	20,084.00
<b>Riverfront Commons - Plaza Construction</b>	FY 14-15 Bond	2,760,000.00
<b>Riverfront Commons - West Walk Design</b>	FY 13-14 Bond	1,702.00
<b>Riverfront Commons - West Walk Const.</b>	SNK	227,868.00
<b>Riverfront Commons - Old Waterfront Site Concept / Engineering Plans - Design</b>	FY 13-14 Bond	52,600.00
<b>Riverfront Commons – Lawrence property</b>	FY 13-14 Bond	81,000.00
<b>Electric Alley for Gateway Urban Campus</b>	FY 14-15 Bond	200,000.00
<b>6th Street Streetscape (design)</b>	SNK /Times Star Grant/ FY 14-15 Bond	1,631,500.00
<b>Levee Repairs - 21st Street Slide</b>	FY 14-15 Bond	985,000.00
<b>Sidewalk Improvements - North Covington</b>	FY 14-15 Bond	1,500,000.00
<b>Pike and Main Intersection Improvements</b>	FY 14-15 Bond	330,000.00
<b>Street Resurfacing</b>	FY 14-15 Bond	152,296.30
<b>Riverside Drive Design</b>	FY 14-15 Bond	1,362.00
<b>Highway Avenue Project (Sidewalk/Fence)</b>	State Earmark (SP)	250,000.00
<b>Peaselburg Storm Water Improvements Phase II</b>	FY 14- 15 Bond	174,907.00
<b>Peaselburg Phase III</b>	FY 14- 15 Bond	151,563.00

<b>FY 2015-2016 Capital Budget</b>		
<b>Project</b>	<b>Fund Type</b>	<b>FY 15-16 Estimated Expenditures</b>
<b>RECREATION</b>		
<b>BMX Complex</b>	CDBG	20,000.00
<b>Healthy Living Center</b>	FY 14-15 Bond	1,000,000.00
<b>Devou Clubhouse &amp; Hole Realignment portion</b>	Devou	150,000.00
<b>LRG PHASE II</b>	FY 14-15 Bond	200,000.00
<b>LRG PHASE II - design</b>	CDBG	30,000.00
<b>LRG PHASE II</b>	Interact Grant	50,000.00
<b>LRG PHASE II</b>	RTP Grant	100,000.00
<b>Randolph Park</b>	FY 14-15 Bond	435,000.00
<b>Gus Sheehan Playground - Construction</b>	Devou	78,000.00
	<b>Totals</b>	<b>2,063,000.00</b>

## **FY 2015-2016 Capital Budget**

<b>Project</b>	<b>Fund Type</b>	<b>FY 15-16 Estimated Expenditures</b>
<b>FACILITIES</b>		
<b>City Center Garage Repairs</b>	FY 14-15 Bond	247,582.25
<b>Firehouse Critical Repairs</b>	FY 15-16 General Fund	35,000.00
<b>Firehouse Replacement</b>	State Grant HB 380	300,000
<b>Facilities Maintenance</b>	FY 15-16 General Fund	160,000.00
	<b>Totals</b>	<b>742,582.25</b>
<b>FLEET</b>		
<b>Ladder Fire Truck (Grant Match)</b>	FY 13-14 Bond	500,000.00
	<b>Totals</b>	<b>500,000.00</b>

<b>FY 2015-2016 Capital Budget</b>		
<b>Project</b>	<b>Fund Type</b>	<b>FY 15-16 Estimated Expenditures</b>
<b>DEVELOPMENT</b>		
<b>Urban Agriculture</b>	CDBG	17,000.00
<b>HONK - 20th Street Rehab CHDO</b>	HOME	84,910.00
<b>2014 Foreclosures</b>	FY 13-14 Bond	221,244.00
<b>2015 demos/ forclosures/acquisition</b>	FY 14-15 Bond	480,000.00
<b>Jeff Ruby Pub Imp</b>	FY 14-15 Bond	1,500,000.00
<b>Lincoln Grant</b>	HOME/CDBG	400,000.00
	<b>Totals:</b>	<b>2,703,154.00</b>

**Exhibit A**

2015-2016 Budget			Housing Voucher Program		Nonmajor Government		General Fund		Combined			
	General Fund				CDBG, Home		Restricted		Funds Total			
Estimated Fund Balance Beginning of the Year 2016	\$	2,224,202	\$	904,444	\$	16,097,874	\$	300,576	\$	1,205,894	\$	20,732,990
<b>Estimated Revenue</b>												
Payroll Taxes		22,103,006		-		-		-		-		22,103,006
Property Taxes		6,786,772		-		-		-		-		6,786,772
Insurance Premiums Tax		5,759,752		-		-		1,000,000		-		6,759,752
Franchise Taxes		2,028,888		-		-		-		-		2,028,888
Net Profit Taxes		2,706,317		-		-		-		-		2,706,317
Waste Collection		2,288,096		-		-		-		-		2,288,096
Parking and Rental		2,165,866		-		-		-		-		2,165,866
Income From Squad Runs		1,342,835		-		-		-		-		1,342,835
Licenses, Permit Fees, Penalty and Interest		515,775		-		-		-		-		515,775
Net Court Revenue		75,967		-		-		-		-		75,967
Employee, Police & Fire Pension Investments		-		-		-		2,132,193		-		2,132,193
All Other		1,237,131		-		-		331,718		-		1,568,849
Sale of One Time Assets the Hotel		-		-		-		750,000		-		750,000
Collection of Old Outstanding Written Off Receivables 80%		-		-		-		350,000		-		350,000
Devou Revenue - From Trust and From Drees		-		-		-		449,546		-		449,546
Employee Premium Income		-		-		-		289,517		-		289,517
Receipts from Other Governments		-		5,716,027		-		2,524,240		1,258,069		9,498,336
<b>Total Estimated Revenue</b>		<u>47,010,405</u>		<u>5,716,027</u>		<u>-</u>		<u>2,524,240</u>		<u>6,561,043</u>		<u>61,811,715</u>
<b>Estimated Expenses</b>												
Administration		1,005,605		5,857,363		-		2,524,240		195,468		9,582,676
Human Resources		265,733		-		-		-		-		265,733
Development Department		1,468,314		-		-		-		-		1,468,314
Economic Development Fund 21		306,250		-		-		-		-		306,250
Legal Department		768,740		-		-		-		-		768,740
Finance Department		1,313,372		-		-		-		-		1,313,372
Police Department		12,612,450		-		-		-		193,720		12,806,170
Fire Department		12,045,604		-		-		-		-		12,045,604
Public Works Department		6,231,731		-		-		-		-		6,231,731
Parking Garage		830,582		-		-		-		-		830,582
Capital Outlay		160,000		-		11,314,341		-		1,000,000		12,474,341
Debt Service Including TAN payment		5,358,970		-		-		-		-		5,358,970
Self Funded Liability Insurances		1,110,480		-		-		-		-		1,110,480
City Properties and Plant		3,333,383		-		-		-		-		3,333,383
Employee, Police & Fire Pension Contribution/Expenditures		396,405		-		-		-		2,132,193		2,528,598
Estimated TIF Allocation		75,000		-		-		-		-		75,000
Devou Expenses		-		-		-		-		449,546		449,546
Police and Fire Supplemental Pay		-		-		-		-		894,350		894,350
Transfer into General Fund from Fund 10		(306,250)		-		-		-		306,250		-
<b>Total Estimated Expenses</b>		<u>46,976,369</u>		<u>5,857,363</u>		<u>11,314,341</u>		<u>2,524,240</u>		<u>5,171,527</u>		<u>71,843,839</u>
<b>Net Revenue Less Expenses Current Year</b>		<u>34,036</u>		<u>(141,336)</u>		<u>(11,314,341)</u>		<u>-</u>		<u>1,389,516</u>		<u>(10,032,124)</u>
<b>Estimated Fund Balance End of Year 2016</b>	\$	<u>2,258,238</u>	\$	<u>763,108</u>	\$	<u>4,783,533</u>	\$	<u>300,576</u>	\$	<u>2,595,410</u>	\$	<u>10,700,866</u>

## **Description of All City Funds**

### **Description of Funds and Departments**

The following information is provided so the reader has an understanding of the various City funds and departments within its annual City budget.

#### **General Fund**

##### **Departments – All of the Following Departments are Funded by General Fund Revenues**

- 101 City Manager – Established to account for expenditures of the Office of the City Manager, Director of Operations, Internal Auditor, Compliance Officer, Risk Manager, GIS Business Analyst/Project Manager, and Executive Assistant, and salary and fringe benefits, and department operational costs.
- 104 Mayor and Commissioners – Established to account for expenditures of the Mayor and Commissioners including salary and fringe benefits, and departmental operational costs.
- 105 Human Resources – Established to account for the expenditures of the Human Resources and Human Resources Manager, salaries, fringe benefits, and departmental operational costs.
- 106 City Plant and Property Expenditures – Established to account for the expenditures of City Hall rent and other expenditures, city street utilities, and city owned property utilities, Waste Contract, Animal Control, Linden Grove Cemetery operations, and architectural services for redevelopment of city owned properties.
- 201 City Solicitor – Established to account for the expenditures of the City Solicitor, Assistant City Solicitors, and administrative support; Public Information Officer's salary and fringe benefits and departmental operational costs.
- 203 City Clerk – Established to account for the expenditures of the Office of City Clerk's salary and fringe benefits and operational costs.
- 301 Development – Established to account for the expenditures of the Assistant City Manager for Development and administrative support salaries and fringe benefits and operational costs
- 302 Community Services Division– Established to account for the expenditures of the City Engineer, Executive Assistant, and Zoning, Code and Inspector Specialists' salaries and fringe benefits and operational costs.

- 304 Program and Strategic Projects Division- Established to account for the expenditures of the Division Manager and various staff positions for the CDBG, Home, Home Consortium Programs, Arts District Manager, Renaissance Covington Manager, Recreational staff, and Housing Development specialists' salaries and fringe benefits and operational costs.
- 305 Business Development Division– Established to account for the expenditures of the Business Development Manager and Business Development Assistant salaries and fringe benefits and departmental operational costs.
- 502 Department of Public Improvements (DPI) Engineering and Administration Division – Established to account for the expenditures of the Director of Public Improvements, DPI Business Manager and administrative support salaries and fringe benefits and departmental operational costs.
- 504-505 Department of Public Improvements Right of Way Division – Established to account for the expenditures of the Division Supervisor and the cement masons, technicians, drivers and seasonal staff salaries and fringe benefits and departmental operational costs.
- 506 Department of Public Improvements Parks and Facility Management Division– Established to account for the Parks and Facilities Management Division Supervisor, Laborers, Technicians and seasonal workers' salaries and fringe benefits and departmental operational costs.
- 507 Department of Public Improvements Fleet Management Division – Established to account for the expenditures of the Fleet Management Division Supervisor, Chief Mechanic and mechanics' salaries and fringe benefits and departmental operational costs.
- 508 Department of Urban Forestry Division– Established to account for the expenditures of the Urban Forestry Division Supervisor and Municipal Grounds workers' supervisor and specialists' salaries and fringe benefits and operational costs.
- 509 Department of Public Improvements City Beautification Division – Established to account for the Division Supervisor, equipment operators, drivers, seasonal and laborers' salaries and fringe benefits and departmental operational costs.
- 510 Department of Public Improvements Devou Park Maintenance Division– Established to account for the equipment operators, laborer and seasonals' salaries and fringe benefits and departmental operational costs.

- 511 Department of Public Improvements Solid Waste Management Division– Established to account for the Solid Waste Coordinator’s salary and fringe benefits and operational costs.
- 512 Department of Public Improvements Property Maintenance – Established to account for the salaries and fringe benefits and operational costs to maintain properties that the City owns, or maintains and places liens on for recovery of costs.
- 702 & 706 Finance – Established to account for the Finance Director, Assistant Finance Director, two accountants, one Payroll Specialist, one Accounts Payable clerk, two tax auditors, one administrative assistant and an intern’s salaries and fringe benefits and operational costs, including Paycor and the Financial Auditor all under department 702. Department 706 funds the City’s expenses for Springbrook, CForward Computer Technology, and technology utilized City Wide.
- 806 School Guard – Established to account for 5 part time crossing guards’ salaries and taxes.
- 807 Devou Park Ranger – Established to account for 5 part time Devou Park Rangers’ salaries and taxes.
- 811 Police Department – Established to account for the City of Covington’s Police Chief and all officers’ salaries and fringe benefits and operational costs excluding costs for maintenance of plant and property (vehicles) that are accounted for in the Department of Public Improvements Fleet Division.
- 1001 Fire Department – Established to account for the City of Covington Fire Chief and all firefighters’ salaries and fringe benefits and operational costs excluding costs for maintenance of plant and property (vehicles) that are accounted for in the Department of Public Improvements Fleet Division.
- 1201 Debt Service – Established to account for the principal and interest payments on all City debt.
- 1901-1905 Parking – Established to account for various City parking garages and surface lots and metered parking spaces’ income and expenses.

**Fund**

- 12            **Restricted Capital Improvement Fund – This Fund is used to account for the 2015 2% increase in Insurance Premium License Fee and capital expenditures to which the revenue is restricted.**
- 14            **Bond Funding Account – This Fund holds all Bond Revenue and Expenditures.**
- 21            **Economic Development – Established to account for the investment the City makes in new business development. – Funded by General Fund and repayment of loans made with General Fund Dollars. This fund also accounts for Tax Increment Financing (TIF) liability – funded by the City’s General Fund Revenue, and Kenton County’s and the Planning and Development Services of Kenton County contributions to Covington’s TIF.**
- 29            **Liability Insurance – Self Funded –Established to account for all general and auto liability claims and related legal costs that are funded directly by General Fund revenue.**
- 36            **General Obligation Debt – Established to account for principal and interest activity and balances on the bond debt incurred to fund the City Employee, and Police and Fire Pension Retirement Plans and all bond funded Capital Projects. Bond payments principal and interest are accounted for under department 1201 and are funded by General Fund Revenue. This fund is used to track balances.**
- 39            **Medical Insurance – Self Funded – Established to account for all medical claim costs, stop loss premiums, vision benefits, social security payments on spousal reimbursements, spousal reimbursement costs and the Care Here employee wellness clinic contract payments. All Funding comes from General Fund Revenue.**
- 91            **City Employee Pension Retirement Fund Contributions – Established to account for the contributions the City makes to fund this retirement plan.**
- 92            **Police and Fire Pension Retirement Fund Contribution – Established to account for the contributions the City makes to fund this retirement plan.**
- Account**    **Minimum Cash Flow Account – The City has developed a means to build**
- 01-2675      **cash reserve account funded by the one time sale of assets and based on OR 0-17-14 section 6 - 80% of all amounts that may be received during the period commencing July 1, 2014 through June 30, 2015 from occupational taxes, license fees, payroll taxes, real property taxes, waste collection fees and parking violation**

fees and fines that went delinquent as of July 1, 2013 and 50% of recovery of misappropriated City Funds.

**Non- General Fund Funds**

- 03 Federal and State Grants – Established to account for the Federal and State grant expenditures.
- 04 CDBG – Established to account for the federal Community Development Block Grant (CDBG) program expenditures.
- 08 Home Program - Established to account for the federal Home program expenditures.
- 10 Community Reinvestment Fund – Established to account for expenditures relating to the reinvestment of funds generated from the investment property owned by the City. This is the One Stop Career Center.
- 14 Capital Improvements Fund – Established to account for the expenditures relating to the capital improvements made within the City funded by bond proceeds and other sources such as state and federal grants.
- 15 Police Forfeiture Fund – Established to account for the funds received from asset forfeitures and expended by the Police Department.
- 16 Home Consortium Fund – Established to account for the expenditures of the federal Home Consortium Program.
- 18 Housing Voucher Program – Established to account for the expenditures of the federal Housing Voucher Program (Section 8)
- 27 Neighborhood Stabilization Program (NSP1) – Established to account for the expenditures relating to this program as administered by the state’s Department of Local Government and funded by the federal government. Currently this fund accounts for prior loans and any collections on these loans. This money is not City money.
- 40 Devou Park Maintenance Trust Fund – Established to account for the expenditures relating to the maintenance of Devou as funded by a restricted trust fund.
- 45 Devou Park Master Plan Fund – Established to account for the expenditures relating to the maintenance and capital improvements of Devou Park as funded by restricted funds from the Devou Properties Inc, (Drees Pavilion).

- 77        **Police and Fire Supplemental Pay Fund – Established to account for the expenditures relating to Police and Fire supplemental pay program as funded by restricted funds from the State.**
  
- 91        **City Employee Retirement Fund – Established to account for the payments to City Employee pensioners of this retirement plan as funded from a restricted investment account.**
  
- 92        **Police and Fire Pension Fund – Established to account for the payments to Police and Fire pensioners of this retirement plan as funded from a restricted investment account.**

# City Operations Savings Summary

Activity	Savings
Parking Ticket Consolidation	Annual Savings = \$9,900
New Cell Phone Contract	Annual Savings = \$22,800
Consolidated Copy/Print/Scan/Fax/Email	Annual Savings = \$6,000
HVAC Citywide Contract	Annual Savings = \$8,000
Pest Control Citywide Contract	Annual Savings = \$1,200
Telecommunications Billing	Annual Savings = \$26,300
SpringBrook Financials Software	Lump Sum Savings = \$150,000
Development Contracts Revisions	Lump Sum Savings = \$9,200
Code Enforcement Software Licensing	Lump Sum Savings = \$12,900
Lease Contract for 72 New Golf Carts & Repair/Return of Old Carts	Lease Savings = \$32,100 Carts Repair & Ship Savings = \$18,300

**TOTAL SAVINGS**

**\$296,700**



**CITY OF  
COVINGTON  
KENTUCKY**

COMMISSIONERS' ORDER/RESOLUTION NO. OR-43-13

AN ORDER/RESOLUTION APPROVING A VISION STATEMENT FOR THE CITY FROM WHICH TO BUILD ON FOR GOALS, OBJECTIVES AND MEASURABLE CRITERIA FOR 2013 AND 2014.

\* \* \* \*

WHEREAS, the City of Covington's Vision Statement shall be:

Covington – the region's leader for:

- ...a thriving business environment, innovative and entrepreneurial;
- ...strong neighborhoods with diverse housing opportunities, including quality affordable and market rate housing
- ...inviting public spaces, open for activities and taking full advantage of our Ohio and Licking River assets;
- ...unparalleled public services, efficient and effective;
- ...cultural and historical influences, blended with compatible modern amenities;
- ...strong institutions, adding value through community advocacy and engagement;
- ...a diverse and educated population;
- ...artistic and cultural creativity;
- ...sound fiscal policy and practice.

NOW THEREFORE,  
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

That the Board of Commissioners hereby approves a vision statement for the City from which to build on for goals, objectives and measurable criteria for 2013 and 2014.

Section 2

That this order/resolution shall take effect and be in full force when passed and recorded according to law.

Sherry Gannon  
MAYOR

ATTEST:

Margaret Whyman  
CITY CLERK

PASSED: 2-12-13

SEARCHED	INDEXED	SERIALIZED	FILED
MSA	ACSR	OK	NO
		060	121
			3MD
			ISSUED DATE

COMMISSIONERS' ORDER/RESOLUTION NO. OR-166-13

AN ORDER/RESOLUTION APPROVING THE ADOPTION OF THE FIVE-YEAR COMMUNITY INVESTMENT PLAN FOR COVINGTON—2014-2018.

\* \* \* \*

WHEREAS, this Board of Commissioners previously approved a Vision Statement for the City establishing goals, objectives and measurable criteria for 2013 and 2014; and

WHEREAS, the Vision Statement called for: a thriving business environment, innovative and entrepreneurial; strong neighborhoods with diverse housing opportunities, including quality affordable and market rate housing; inviting public spaces, open for activities and taking full advantage of Ohio and Licking river assets; unparalleled public services, efficient and effective; cultural and historical influences, blended with compatible modern amenities; strong institutions, adding value through community advocacy and engagement; a diverse and educated population; artistic and cultural creativity; sound fiscal policy and practice; and

WHEREAS, the Board of Commissioners challenged the Covington community to visualize a Covington bustling with pedestrian traffic, clean and safe, vibrant with residents, businesses and visitors, a magnet for tourism, full of quality residential and commercial development, replete with excellent streets, sidewalks, good facilities and improved recreational and green space opportunities, a sustainable community; and

WHEREAS, the City administration and Board have developed a Five-Year Community Investment Plan for Covington—2014-2018; and

WHEREAS, the goal of the plan is to implement a comprehensive and responsible community investment plan for Covington to improve the quality of life in a disciplined and financially responsible and sustainable manner; and

WHEREAS, the Plan calls for \$8.8 million in infrastructure improvements for 2014, and \$23.3 million in infrastructure improvements for 2015-2018 including improvements to sidewalks, streets and curbs, levees, storm water, street lights, and the establishment of an Community Investment Fund; and

WHEREAS, the Plan outlines economic development and neighborhood revitalization including riverfront, business and residential development, the acquisition and rehabilitation and demolition of foreclosed properties, and the establishment of the Community Investment Fund with an investment of \$8.8 million in 2014, and \$9.5 million in 2015-2018; and





COMMISSIONERS' ORDINANCE NO. 06-14

AN ORDINANCE ESTABLISHING A TRANSPARENCY POLICY FOR  
THE CITY OF COVINGTON, KENTUCKY.

\* \* \* \*

WHEREAS, the City's Task Force to Restore Public Confidence has been meeting, studying and considering steps the City of Covington needs to take to ensure that the public is assured that open, honest, transparent and efficient government practices and policies are enacted to provide an honest, open and transparent government for the citizens of Covington; and

WHEREAS, the Task Force has recommended that the City enact a transparency policy; and

WHEREAS, the Board of Commissioners desires to establish a transparency policy to ensure that the government of the City of Covington is transparent and accountable to its citizens for its actions; and

WHEREAS, the Board acknowledges its responsibility to provide for good governance with respect to facilitating access to information about the City's services; and

WHEREAS, the City should be open and transparent with its information and decision making; and

WHEREAS, the Board wants to enact an ordinance that will ensure accountability and transparency.

NOW, THEREFORE,  
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY  
OF COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

This ordinance shall be known as and may be cited as the "Covington Transparency Ordinance." The ordinance shall be codified as Chapter 39: Covington Transparency Ordinance.

Section 2

The Covington Transparency Ordinance is hereby created and shall read as follows:

**§ 39.02 PURPOSE.**

The purpose of the Covington Transparency Ordinance is to ensure that the City provide open and transparent information to the citizens of Covington.

**§ 39.03 GUIDELINES.**

(A) The City shall provide information and documentation to the public as follows:

(1) Meeting information. The City shall provide notices of meeting dates for the Board of Commissioners. The agendas for Board of Commissioner meetings shall be available prior to the meeting. Notices of City committee meetings shall be provided. Notices of meetings shall be posted on the City's website.

(2) Contact information. The names, titles, email addresses and telephone numbers of the City's elected officials and department heads shall be provided on the City's website.

(3) Budgets. The City shall provide detailed budget information for the public.

(a) Each annual budget shall be posted on the City's website.

(b) Citizens shall be provided an opportunity to comment on each fiscal year budget prior to its passage.

(c) Copies of annual fiscal year budgets shall be available at City Hall for inspection.

(4) Financial audits. The City shall make available its audits to the public. Annual audits shall be posted on the City's website. All internal and external audits shall be made available to the public.

(5) Taxes and fees. The City's taxes and fees shall be made available on the City's website.

(6) Ordinances. Codified City ordinances and the Zoning Code shall be posted on the City's website. A copy of the City's Code of Ordinances shall be available for inspection at City Hall.

(7) Personnel. The City shall provide a fair and transparent process of hiring employees.

(a) The City shall not discriminate.

(b) The City shall enact policies that will not allow nepotism to exist.

(c) The City's personnel policies and union contracts shall be made available to the public on request.

(8) Communications. Emails, notes and memoranda generated by City officials shall be considered public records as required under Open Records statutes unless otherwise exempt under Open Records law.

(9) Meetings. All City meetings involving the Mayor and Commissioners shall be open to the public as required under the Open Meetings Act unless otherwise exempt under Open Meetings law.

(a) Minutes of meetings shall be posted on the City's website.

(b) Meeting notices and agendas shall be posted at or near the entrance of City Hall prior to the meeting.

(c) Streaming public meetings on cable and the internet shall be allowed.

(d) Copies of the agenda shall be available to those attending meetings.

(e) Citizens shall be provided an opportunity to comment about public issues at City meetings.

(10) Contracts. Contracts with the City will be available for public inspection at City Hall.

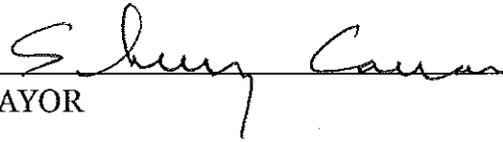
(11) Procurement. The City shall adopt and follow a procurement policy.

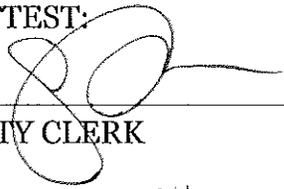
(11) Information on the City website. It shall be the City's policy to provide open and transparent information about the City's business on the City's website.

(a) The public will be provided an opportunity to communicate with City officials and staff on the City's website.

Section 3

That this ordinance shall take effect and be in full force when passed, published, and recorded according to law.

  
MAYOR

ATTEST:  
  
CITY CLERK

ACTING

PASSED: 04-15-2014 (second reading)

04-01-2014 (first reading)

**City of Covington, Kentucky**  
**2015 – 2016**  
**Budget Calendar**

December 3	<p>FY 2015-2016 Budget Process Kick off Budget Calendar Distributed Blank Spreadsheets to All Department Directors Prepare FY 15 Budget Projections Prepare FY 16 Budget Based on FY 15 Budgeted Expenditures Including Personnel Expenditures Finance Department to Assist with FY 16 Wage and Benefit Estimates</p> <p>Departments Prepare FY 16 Supplemental Budget Requests (Personnel, Contractual, Operating and Maintenance, Five Year CIP, Capital)</p>
January	<p>Request FY 15 Departmental Goals and Objectives Update by February 1</p> <p>Departments Prepare and Align FY 15 Departmental Goals and Objectives to Inform FY 16 Budget Due February 20</p> <p>Revenue Forecast by Finance Department by February 27th</p>
February	<p>City Administration and Department Directors Review Departmental Goals and Objectives</p> <p>Combined all departments Budget Worksheets to City Manager by March 13</p>
March	<p>City Management and Finance Director Confer with Department Directors on Budget Requests and Five Year CIP</p>
April	<p>City Management Finalizes FY 16 Budget Proposal and Five Year CIP City Management Confers with Mayor and Commission on FY 16 Budget Proposal and Five Year CIP FY 16 Budget and Five Year CIP Distributed to Mayor and Commission Working Session with Mayor and City Commission Comments and Discussion</p>
May 18	<p>First Reading of FY 2015-16 Budget Ordinance First Reading of Amended FY 2014-15 Budget Ordinance</p>
May 18-28	<p>Public Meetings</p>
May 28	<p>Second Reading of FY 2015-16 Budget Ordinance Second Reading of Amended FY 2014-15 Budget Ordinance</p>
June	<p>Prepare for FY 2015-16 Budget Implementation</p>
July 1	<p>FY 2015-16 Budget Becomes Effective</p>

## FY 2015-2016 Capital Budget

Project	Project Description	Fund Type	FY 15-16 Capital Budget Estimate
<b>Bond Funds</b>			
Riverfront Commons - Plaza Design	This is the portion of Riverfront Commons between Greenup and the area just west of the Madison Ave overlook that includes the plaza itself, the bulkhead, and the walking trails. \$286,600	FY 13-14 Bond	\$ 20,084.00
Ladder Fire Truck	CFD currently has 2 ladder trucks One at Co1 which is 20 years old, one that is 11 years old and located in the Latonia Station. The replacement of these is recommended after 15 years. This amount is the reservation for the match requirement for the pending grant application.	FY 13-14 Bond	\$ 500,000.00
Riverfront Commons - West Walk Design	Covington design of west walk	FY 13-14 Bond	\$ 1,702.00
Riverfront Commons - Old Waterfront Site Concept / Engineering Plans - Design	This portion of Riverfront Commons includes the design of the waterside improvements associated with the old Waterfront site, including a row house/public dock/fireboat.	FY 13-14 Bond	\$ 52,600.00
Eminent Domain Riverfront Commons - Lawrence	Larry Lawrence owns a piece of property between the river and Highway Ave that the City needs to acquire in order for the Riverfront Commons trail to continue through this area. We offered to purchase the property at the appraised value we received and to purchase an easement that would be large enough for the trail, but Mr. Lawrence didn't agree with what we offered.	FY 13-14 Bond	\$ 81,000.00
2014 Foreclosures	The 2014 foreclosures were originally scheduled to take place in February but were moved back due to budget issues. Commission amended the foreclosure list in November because some of the original properties were merged into the CCDI program or changed hands on their own.	FY 13-14 Bond	\$ 221,244.00
		<b>Total:</b>	<b>\$ 876,630.00</b>
Peasenburg Storm Water Improvements Phase II	City received (2) \$300,000 KIA grants to construct projects that will help alleviate the flooding issues in Peasenburg. SD1 is handling the design and associated costs. The City will fund the portion of the project that is not covered by the KIA grant, but is still seeking other funding sources to help with this. Major part of this phase is a new basin at the ballfield that is located at Highland and Benton.	FY 14- 15 Bond	\$ 174,907.00
Peasenburg Phase III	Phase 2 was split into 2 sections. Phase III will be some additional pipework needed to complete the project.	FY 14- 15 Bond	\$ 151,563.00

Project	Project Description	Fund Type	FY 15-16 Capital Budget Estimate
Electric Alley for Gateway Urban Campus	City has applied for a grant to fund the entire project. This money would cover the match requirements or could be used for a smaller scale version of the project if the grant isn't awarded. Project would put utilities underground and create a pedestrian friendly environment for Gateway's campus.	FY 14-15 Bond	\$ 200,000.00
Levee Repairs - 21st Street Slide	There is a significant landslide occurring on the earthen levee that runs along the Licking River that begins at the dead end of 21st Street and continues south. The City has worked with Thelen geotechnical engineers to monitor the slide and design the fix. The estimated costs to fix the slide are in the \$900K to \$1M range. Staff is working hard to try to find outside funding sources to help ease the burden of these costs. This project is critical and could create the potential for significant flood damage if not addressed. Design plans are currently being reviewed by the US Army Corps of Engineers.	FY 14-15 Bond	\$ 985,000.00
Pike and Main Intersection Improvements	The Kentucky Transportation Cabinet (KYTC) was awarded Congestion Mitigation and Air Quality improvement (CMAQ) money to reconstruct the intersection of Pike and Main Street. The project would include widening the turn lanes, taking out a big piece or all of the gas station, the addition of a left turn from SB Main to EB Pike, and would allow for aesthetic improvements that would create a gateway into downtown and into Mainstrasse. The CMAQ funds were not enough to fund the entire project. The City has applied for a grant to cover the difference. The money in the capital budget will either cover the match requirements or could be used to fund a smaller scale version of the project.	FY 14-15 Bond	\$ 330,000.00
Street Resurfacing	The City has a resurfacing program that utilizes CDBG and Municipal Road Aid money that we receive each year to resurfaces the worst roadway segments within the eligible geographic area of the City. The City has essentially been divided into 3 geographic areas and resurfacing is focused in one of these 3 areas on a 3 year rotating basis. This system provides for better coordination with utility companies, ensures all areas of the City are treated equally, and saves money because it decreases mobilization rates that the contractors charge when the work isn't close together.	FY 14-15 Bond	\$ 152,296.30
Devou Clubhouse & Hole Realignment portion	This project will replace the existing clubhouse at the Devou Park Golfcourse	FY 14-15 Bond	\$ 1,250,000.00
LRG PHASE II	Phase 2 of the LRG to add length of the existing paved levee trail. This would start at Clayton-Meyer Park at Thomas Street and continue north to Austinburg Park. Several grant applications have been submitted to leverage these funds to execute this phase and as much of Phase 3 (to Randolph Park) as possible.	FY 14-15 Bond	\$ 200,000.00

Project	Project Description	Fund Type	FY 15-16 Capital Budget Estimate
Riverfront Commons - Plaza Construction	These funds are set up to construct the section of Riverfront Commons between Greenup and Madison. We are trying to stretch this money as much as we can with various grant opportunities. Total project cost estimate is \$10M	FY 14-15 Bond	\$ 2,760,000.00
Sidewalk Improvements - North Covington	Based on the sidewalk survey that the NKAPC did for the City a few years ago, the worst blocks of sidewalk that were identified are being replaced. A similar project in Latonia and South Covington has already been completed and City staff is working on finishing the plans and bid documents for the northern half of the City. Project will be advertised this winter.	FY 14-15 Bond	\$ 1,446,630.45
Riverside Drive Design	Thelen and Woolpert will be working together to design a retaining wall that will stabilize Riverside Drive in a manner that will allow for the Riverfront Commons plans for this area to be developed in the future. The retaining wall will be down closer to the river and will not impact the parking lot at the old Mike Fink site.	FY 14-15 Bond	\$ 1,362.00
City Center Garage Repairs	The garage was designed and constructed with a fault that would allow a vehicle to run through the wall of the garage if it were hit at a high speed. The state developed plans to fix this issue several years ago and ended up not going through with the project. Since that time they gave the garage to the City. To avoid the liability associated with this fault, we will be upgrading the previous design to meet today's standards and then constructing the necessary repairs.	FY 14-15 Bond	\$ 247,582.25
2015 demos/forclosures/acquisition	The 2015 funding for demolition, foreclosure, and acquisition was lumped together to provide flexibility on how the money was spent. The goal is to not have to spend as much money on demo's as we have in the past because the worst of the worst have already been demo'd. New list will be developed early in 2015.	FY 14-15 Bond	\$ 480,000.00
Jeff Ruby Pub Imp	The City has money set aside per the lease agreement that was signed with Ruby when the plan was for the restaurant to go on the water. Plans have changed and the lease needs to be updated accordingly.	FY 14-15 Bond	\$ 1,500,000.00
Healthy Living Center portion	Conversations have been started with partners on the feasibility of a healthy living center to serve our residents. There currently is no such facility.	FY 14-15 Bond	\$ 1,000,000.00
Randolph Park	After winning a SDAT AIA sustainable design grant, the residents of the Eastside will have a plan for improvements of the park, goal would be to leverage funds to create a better community park.	FY 14-15 Bond	\$ 435,000.00
		<b>Total Bond Funds:</b>	<b>\$ 11,314,341.00</b>
<b>General Funds</b>			
Firehouse Critical Repairs	Neglecting to invest in the City-owned buildings has left them in disrepair. The Fire Department staff maintains 5 commercial structures to the best of their ability by performing repairs and maintenance internally but without consistent maintenance, we continually throw repair dollars into degrading structures. This request is to bolster the ability to maintain the firehouses.	FY 15-16 General Fund	\$ 35,000.00
Facilities Maintenance	Funding to address the facilities maintenance needs identified for the coming year.	FY 15-16 General Fund	\$ 125,000.00
		<b>Total General Funds</b>	<b>\$ 160,000.00</b>

Project	Project Description	Fund Type	FY 15-16 Capital Budget Estimate
<b>Grant Funds</b>			
HONK - 20th Street Rehab CHDO	This is a housing rehab of what will be an owner-occupied residence. We have a dedicated amount of funding in our federal budget that must be spent on CHDO rehabs like this one. HONK does great rehab work and helps us meet our match requirements.	HOME	\$ 84,910.00
Lincoln Grant	The City Currently owns the building at 824 Greenup and has a purchase option and development with Marian Development Group for a rehab/new construction on site for a Scholar House program, incollaboration with the NKCAC. Tax Credit application for LIHTC has been submitted. Notification will be in spring 2015.	HOME/CDBG	\$ 400,000.00
Urban Agriculture	Working with the Grow Covington group on mobilizing volunteers to reclaim vacant lands for use of urban gardens. These funds would contribute toward the material costs.	CDBG	\$ 17,000.00
BMX Complex	This project will construct a BMX track at the old impound lot location working with partners to construct and operate the facility.	CDBG	\$ 20,000.00
LRG PHASE II - design		CDBG	\$ 30,000.00
LRG PHASE II		Interact Grant	\$ 50,000.00
LRG PHASE II		RTP Grant	\$ 100,000.00
6th Street Streetscape (design)	City was awarded SNK funding for design and construction of a streetscape project on Scott from 4th to 6th and on 6th from Scott to R/R near Mainstrasse. Remaining time star commons money will be used for match requirement first and the rest will come from bond money. Project will put utilities underground, replace sidewalks, and include decorative lighting, mast arm poles for signals, street trees, etc.	SNK	\$ 25,200.00
6th Street Streetscape (construction)	See above	SNK	\$ 1,280,000.00
Riverfront Commons - West Walk Construction	This is the portion of Riverfront Commons that begins at the Madison Overlook area and runs west up to Highway Avenue. This also includes the section of the trail that goes up and over the levee near the Brent Spence Bridge to allow for connectivity to the hotel district. This portion of the project is being funded by state SNK money and will go to bid in the spring of 2015.	SNK / Bond	\$ 227,868.00
Highway Avenue Project (Sidewalk/Fence)	KYTC has money to install new sidewalk and fencing along Highway Avenue from Swain Court to the floodwall gate. This project is on hold until we can acquire the property owned by Larry Lawrence. A portion of the state money could go toward this acquisition and if not acquired, we would be building a sidewalk that dead ends into nothing. Decorative fencing along the north side of Highway Avenue would be included in this scope.	State Earmark (SP)	\$ 250,000.00
6th Street Streetscape (design)	See above	Times Star Commons	\$ 6,300.00
6th Street Streetscape (construction)	See above	Times Star Commons/ FY 14-15 Bond	\$ 320,000.00
Firehouse Grant	The State allocated funding for property acquisition to facilitate the replacement of the Company 2 Station. The Grant extension expires end of FY 16.	DLG HB 380 Grant	\$ 300,000.00
		<b>Total Grant Funds:</b>	<b>\$ 3,111,278.00</b>

Project	Project Description	Fund Type	FY 15-16 Capital Budget Estimate
<b>Devou Funds</b>			
Gus Sheehan Playground -Construction	Once the location of a neighborhood swimming pool, this now vacant area has plans for redevelopment that would include a new shelter, basketball courts, landscaping and new parking lot	Devou	\$ 78,000.00
Devou Clubhouse & Hole Realignment portion		Devou	\$ 150,000.00
		<b>Total:</b>	<b>\$ 228,000.00</b>
			<b>\$ 15,690,249.00</b>

**City of Covington - Budget Savings Ideas**

		Recommended	Not Recommended	Bucket
<b>Expenses</b>	<b>Savings</b>			
Closing the City Pools DPI Raw Material	\$ 110,000		\$ 110,000	
Closing the City Pool DPI potential reduction of staff	\$ 25,000		\$ 25,000	
Closing the City Pools PSP	\$ 105,000		\$ 105,000	
Closing the City Pools Utilities	\$ 30,000		\$ 30,000	
Closing the City Pools Police and Fire Runs/Training	\$ 5,000		\$ 5,000	
Cate Becker - Realignment	\$ 41,398	\$ 41,398		
Economic Development	\$ 200,000		\$ 200,000	
Lori Hill Retirement Three Month Gap	\$ 40,000	\$ 40,000		
Road Aide Money that will go into DPI from free up of CDBG funding	\$ 82,934	\$ 82,934	\$ -	
South Bank Removal	\$ 50,000		\$ 50,000	
Salary savings legal	\$ 10,000	\$ 10,000		
Foreclosure Saving of Legal Expense	\$ 10,000	\$ 10,000		
In House on our code enforcement attorney	\$ 2,000	\$ 2,000		
Using the Web for RFP savings	\$ 1,000	\$ 1,000		
Cancel a phone line	\$ 432	\$ 432		
<b>Total</b>	<b>\$ 712,764</b>			
<b>Revenue</b>				
Midtown Garage Increase	\$ 48,000	\$ 48,000		
Parking Meters in Mainstras	\$ 38,376		\$ 38,376	
Two Pay stations Mainstras	\$ 51,840		\$ 51,840	
9th and Madison Parking Lot	\$ 3,600	\$ 3,600		
New Revenue Focus on Debt Collection	\$ 100,000			\$ 100,000
Franchise Fee for Waste Fee Collection	\$ 100,000		\$ 100,000	
Speed up Fees for Late Special Event permits	\$ 1,000	\$ 1,000		
Charging for DPI Expenses for Special Events	\$ 60,000	\$ 30,000	\$ 30,000	
ABC License Fees	\$ 3,000		\$ 3,000	
Passport Photo Services	\$ 1,000		\$ 1,000	
Overtime Reimbursement for Police	\$ -		\$ -	
Ordinance for Inspection Program	\$ 40,000		\$ 40,000	
Rescue Billing through Intermedix Auto Accidents	\$ 60,000	\$ 10,000	\$ 50,000	
Recovery misappropriated funds	\$ 30,000			\$ 30,000
Making Banners and Signs	\$ 1,500		\$ 1,500	
Charging for Banner Hanging	\$ 1,500		\$ 1,500	
Procesing Fees for Selling Surplus	\$ 1,000	\$ 1,000		
Handicap Signs - Annual come in to renew	\$ 500		\$ 500	
Naming Rights to Garages	\$ 1,000		\$ 1,000	
Adopt a Fire Fighter	\$ 1,000		\$ 1,000	
Adopt a Police Dog	\$ 1,000		\$ 1,000	
Advertising on the Fire Trucks	\$ 1,000		\$ 1,000	
Riverfest booths/rental areas	\$ 1,000		\$ 1,000	
Increase Rates for Ambulance Runs	\$ 10,000	\$ 10,000		
Fire and Policy board - out on contract administer	\$ 500	\$ 500		
St E Business Health Transfer to Health and Wellness				
Room Rental - Holmes, One Stop, Gateway	\$ 1,600		\$ 1,600	
<b>Total</b>	<b>\$ 558,416</b>			
<b>Additional Expenses</b>				
Promotionals	\$ (2,500)	\$ (2,500)		
HR - Advertising	\$ (1,000)	\$ (1,000)		
Muni Testing	\$ (500)	\$ (500)		
Summer Recreation Programing	\$ (40,000)		\$ (40,000)	
<b>Total</b>	<b>\$ 2,498,360</b>	<b>\$ 287,864</b>	<b>\$ 809,316</b>	<b>\$ 130,000</b>

# Fiscal Stability

Meeting the City's Business Needs

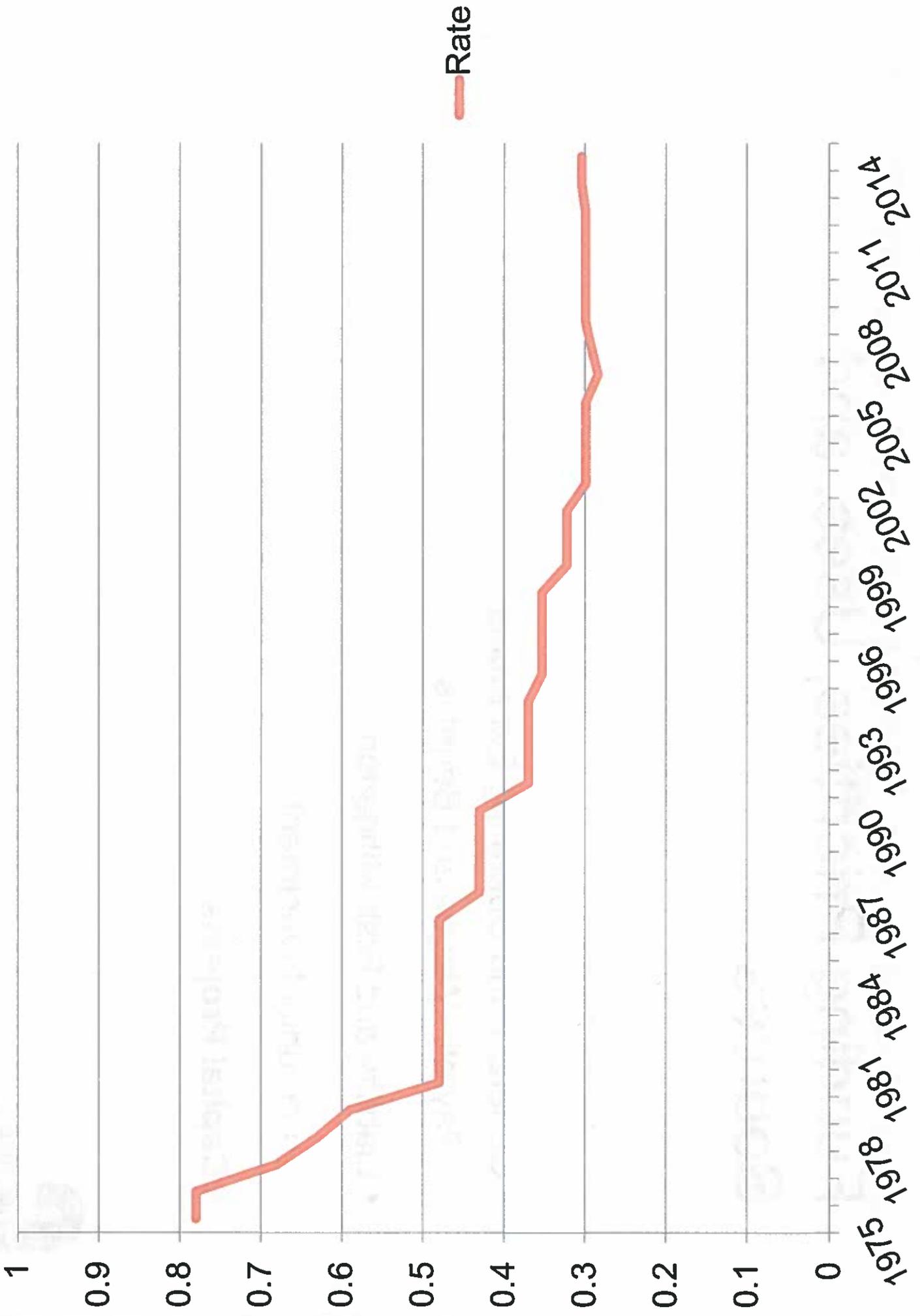
March 19, 2015



# Annual Budget Process Challenges

- Statutory Requirement to have a structurally balanced budget
- Current Year Revenues must be equal to or greater than Current Year Expenses
  - Flat Revenues
    - Both Payroll and Property Tax
  - Accommodating new positions and ongoing contractual pay increases
  - Reduction in Municipal Road Aid (gas tax) from the State approximately \$384,000 due to lower gas prices
- BUT!
- It's a work in progress, as it is every year.
- Departments working as a team to identify options for additional savings / revenue generation to produce a structurally balanced budget as required.

# Property Tax Rate History By Ordinance



# Why?

- Responsible
- Disciplined
- Fiscally Sound

# Funding Uses and Sources

## Priorities



## Uses

- Tax Anticipation Note Payment
- Old City Pension Funds

## Sources

- General Fund

# Funding Uses and Sources

## Priorities

Legal Obligations

## Funding Uses

- Tax Anticipation Note Payment
- Old City Pension Funds

## Funding Sources

- General Fund

General Fund Operating Expenses  
(Meeting Bi-Weekly Payroll and Benefits)

- Minimum Cash Flow Balance Reserve Fund  
(Goal \$3.5M)

- One Time Sale of Assets  
(Hotel, etc)

Liability & Risk Mitigation

- General Liability and Medical Claims  
(City is Self Insured)

- General Fund

Community Investment

Capital Plan Projects

# Funding Uses and Sources

## Priorities

General Fund Operating Expenses (Meeting Bi-Weekly Payroll and Benefits)

- Minimum Cash Flow Balance Reserve Fund (Goal \$3.5M)

- One Time Sale of Assets (Hotel, etc)

Legal Obligations

- Tax Anticipation Note Payment  
- Old City Pension Funds

- General Fund

Liability & Risk Mitigation

- General Liability and Medical Claims (City is Self Insured)

- General Fund

Community Investment

- Covington Economic Dev. Fund (Strategy to Grow the General Fund)

- Program Income  
- Lease Income  
- General Fund  
- CDBG

Capital Plan Projects

- Public Safety Equipment  
- Fleet  
- Facilities  
- Infrastructure  
- Technology

- Proposed Insurance Premium Tax  
- Capital Budget  
- Road Aid  
- CDBG  
- Devou

## Uses

## Sources

# Positive Impact of Policy Decisions

- Two years ago the City Commission made a conscious policy decision to start reinvesting in Public Infrastructure and other Projects that support Private investment.
- The premise of this decision was that these investments would grow the base of the City's Economy, and that the longer we wait, the higher the cost.
- The City's focus began to move from addressing only short term needs, to influencing long term growth.
- The City has accelerated that policy decision, utilizing Bond funding, and over the last two years, has completed or begun most of the projects identified as priority at that time.

# Completed Capital Projects

12. 1324 Madison Sidewalk
13. 5th Street Property Acquisitions
14. Lake Park Drive
15. Martin Luther King Jr. Boulevard Median Landscaping
16. Fleet Upgrades (550 Truckupfits, plow, etc)
17. Eastern Avenue Landslide
18. Purchase of 901 Madison Parking Lot
19. Latonia Playground
20. Goebel Park Improvements
21. Parkway Bridge

Investment = \$10.3 M



# Current Capital Budget

## Projects in Progress

9. 2014 Demolitions
10. 2014 Foreclosures of Abandoned Properties
11. City Center Garage Repairs
12. 8th Street Parking Lot Improvements
13. Gus Sheehan Playground in Devou Park –Construction
14. Volpenhein Playground in Devou Park
15. Behringer Crawford Museum Rear Driveway - Construction
16. Haven-Gillespie Realignment - Construction
17. Ambulance Remount (2)
18. Department of Public Improvements Critical Equipment



**Investment = \$3.4 M**

# Current Capital Budget

## Projects In Planning

8. Sidewalk Improvements - North Covington
9. Healthy Living Center (portion)
10. Randolph Park
11. BMX Complex
12. Devou Clubhouse & Hole Realignment
13. Urban Agriculture
14. Ladder Fire Truck (Match for Grant)



**Investment = \$13 M**

# Capital Improvement Plan: Asset Categories

## Inventory

- Infrastructure (Public)
  - Roads / Bridges / etc.
  - Levees
  - Parks and Recreation
- Facilities (Internal)
  - Systems
    - HVAC, Electric, Plumbing, Technology, etc.
  - Buildings
    - Long term facility replacement/rehab
- Fleet (Internal)
- Technology (Internal)
  - Internal
  - Hardware
  - Software

# Capital Needs

## Inventory – Unfunded Projects

- Facilities (Internal)
- Inventory, Evaluation and Initial Analysis are Underway
  - Systems
    - HVAC, Electric, Plumbing, Technology, etc
  - Buildings
    - Firehouse Replacement
      - \$300,000 Grant for acquisition only

# Capital Needs

## Inventory – Unfunded Projects

- Fleet (Internal)
  - Initial estimates over the next 5 years

Apparatus	Age	Estimated Replacement Costs
Pumper 2	18	\$ 650,000
Pumper 5	17	\$ 650,000
Truck 1	20	\$ 1,000,000
Rescue 1	17	\$ 1,000,000
23 New Cruisers	Var.	\$ 600,000
		\$ 3,900,000

# Request

- Increase in the Insurance Premium Tax from 10% to 12%, beginning July 1, 2015.
- Estimated to add \$1M per year.
- Uses would be for projects identified through the Capital Improvement Program, as approved by City Commission.
- Taking the increase now would allow some time for the process to progress, and the fund to build up.

# Example 2

## One car "renter"

- One car:
  - Current Annual Tax = \$67
  - New Annual Tax = \$81
  - Difference = \$13
- Total Household Impact = \$13

# What are we getting?

- A more reliable financial plan for maintaining public safety and infrastructure assets.
- Without additional funding source, City will be forced to rely on grants or other unreliable sources of funding
- City has no General Fund dollars available at this time for any Capital Improvement Plan items
- City currently has no additional debt capacity for any Capital Improvement Plan Items