

May 27, 2014

Honorable Mayor and Commissioners:

I am very pleased to present the City of Covington's FY 2014-2015 Annual Budget recommendation. I am especially honored to present the City's first budget proposal of our Third Century that begins in February of 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)). Recommended budget appropriations total \$75,337,097, a 3% decrease when compared to the FY 2013-2014 Budget of \$77,909,225. Also, the FY 2014-2015 General Fund Budget is nearly the same at \$47,279,276, compared to the FY 2013-2014 General Fund budget of \$47,519,236. Of course, a budget is not only about numbers. Rather, it demonstrates what is important and what are our 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.

As you know, KRS 83A.150(7)(c) requires the City Manager to present a recommended annual budget no less than 30 days prior to the end of the fiscal year.

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 (Exhibit A in Addendum)

#### **Brief Overview of FY 2013-2014**

Before embarking on the FY 2014-2015 budget, it is worth recounting the progress and accomplishments of FY 2013-2014.

The following legislative enactments of 2013 guided the FY 2013-2014 Annual Budget, and continue to guide the development of the FY 2014-2015 Annual Budget:

- 1) Order Resolution O/R 43-13 approved in February of 2013, established "A Vision for Our Third Century (2015), (Exhibit B in Addendum)
- 2) Order Resolution O/R 166-13, approved in June of 2013, established a Five Year Community Investment Plan, (Exhibit C in Addendum)

- 3) Order Resolution O/R -173-13, approved in June of 2013, adopted the Covington Center City Action Plan (Exhibit D in Addendum)

## **Department Narratives, FY 13 – 14 Accomplishments, and FY 14 – 15 Goals/Objectives**

**Department: 101 Administration**

**Fund 101; 104: City Manager; Mayor & Commissioners**

### **Program Description**

The Administration Department is composed of the Mayor, City Commissioners, City Manager, Assistant City Manager for Development, Assistant City Manager/City Solicitor, Internal Auditor, IT & Data Manager, 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 propose 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.

### **2013 – 2014 Accomplishments**

1. Employee Performance Evaluation System
2. Non-Union Employee Classification and Compensation System
3. Five Year Community Investment Plan
4. Workplace Fraud Policy and Hotline

### **2014 – 2015 Objectives**

1. Continue Implementation of the Corrective Action Plan for State Auditor's Special Examination.
2. Annual Report to the City
3. Citywide Facilities Plan
4. Complete a City Wide Risk Assessment and Develop Audit Schedule for FY 2015
  - a. Develop risk based approach for Department functions, processes, revenues and expenditures
  - b. Track City corrective action concerning State and External Audit Findings
5. Complete reviews of higher risk audit projects as determined by the audit schedule
  - c. Complete Audit Plan
  - d. Implementation of Recommendations

6. Implement Workplace Fraud Hotline
  - e. Develop Hotline Policies & Procedures
  - f. Employee Education
  - g. Address Hotline incidence in timely manner
  - h. Develop regular reporting protocol
  
7. Develop Internal Audit Policy and Procedure Manual
  - i. Develop manual to outline work paper and reporting protocol, as well as, references to appropriate auditing standards
  
8. Develop Internal Audit page on the City of Covington's website
  - j. Post IA Reports Publically
  - k. Reference Internal Controls/Cash handling best practices
  
9. Facilitate the development of a City Travel Policy, Expenditure Policy and City Wide Desk Procedures
  - l. Adopt new Employee Travel Policy
  - m. Adopt new Administrative Policy for Miscellaneous Expenditures
  - n. Develop model job procedures to aid in desk procedure development

**Department: (#) Finance**

**Fund 702-706: Finance**

**Program Description**

The Finance Department is composed of the Finance Director, Assistant Finance Director, Tax Auditors, Accounting/Operations Manager, Staff Accountant, Purchasing/Office Manager, Revenue/Collections Manager, Accounts Payable & Receivable, 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 Staff Accountants. 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.

**2013 – 2014 Accomplishments**

1. Identified fraud and called it out to the public August 2013.

2. Coordinated for four months with the State Auditors to investigate the extent of fraud.
3. Implementation of Corrective Action Plan for State Auditor's Special Examination
4. Met the Department of Local Government deadline for financial statements, working with the new outside Auditors.
5. Realignment of Finance Department staff.
6. Prepared for new financial software upgrades to Springbrook.
7. Began the process of outsourcing payroll and automating the entire process.
8. Began to draft a complete Accounting Manual to be available on an intranet.
9. Began process to overhaul the revenue collection process: parking citation revenue; waste fee billing errors; real estate delinquencies; realigned the revenue collection staff into concentration areas.
10. Developed a new budget process, documents and procedures – working towards transparency and a structurally balanced budget.
11. Created checks and balances for all journal entries, bank transfers, utilizing the current software to reconcile cash accounts.
12. Opened the lines of communication among Finance staff and all other departments.
13. Began to find savings and efficiencies by changing the spending habits of the City.
14. Improved the communication with Legal Department – working together on collections.

#### **2014 – 2015 Objectives**

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. Implement Paycor Payroll Process.
4. Process all Financial Transactions through new Springbrook Software Modules.
5. Continue the Revenue Collection overhaul process.
6. Develop a Complete Policies and Procedures Accounting Manual.

**Department: (#) Legal  
Clerk; Marketing & Communications Director**

**Fund 201; 203; 303: City Solicitor; City**

### **Program Description**

The Legal Department is composed of the City Solicitor, two Assistant City Solicitors, the City Clerk, the Legal Assistant, and the Marketing and Communications Director. The Legal Department advises the Mayor, City Commissioners and City Manager about legal issues. It is also responsible for the City's self-insured legal claims fund, supervising all City litigation, writing ordinances, order/resolutions and zoning text and map amendments. It also investigates and processes claims for damages against the City. The City Clerk is responsible for records management for the City, and for organizing and publishing the agenda for City Commission meetings, and for updating the City's Code of Ordinances. The Legal Assistant manages the office, provides research and writing for ordinances and order/resolutions, and assists in processing and investigating damage claims against the City. The Marketing & Communications Director manages the reputation of the City as a whole. Duties include assisting in development of executive communications and press releases, promoting the City to the media and overseeing all media relations. This staff develops and maintains marketing and communication material, both electronic (web) based including the City website, and in print.

### **2013 – 2014 Accomplishments**

#### Legal

1. Implemented bankruptcy claims procedure. Established organized method of filing claims for City debt with the federal bankruptcy court.
2. Completed Covington/Austinburg mobile home park transaction. Real estate purchased; effectuated re-location of tenants; obtained releases of liability.
3. Implemented new contract intake procedure.
4. Researched and wrote transparency policy ordinance for the City as part of the Mayor's Task Force to Restore Public Confidence program.
5. Rental Dwelling License Appeals Board. Implemented ordinance; initial meetings held; rental licenses suspended.
6. Implemented new lien enforcement procedures.
7. *Anatomy of a Foreclosure* symposium. Successful program held to engage and educate the public about the foreclosure process.
8. Updated procedures and forms for the outdoor dining license and special event permits.
9. Implemented effort to obtain compliance with ABC regulations.

10. Processed transactional documents for the development of the Mutual Building.
11. Implemented better communication between Legal and other departments.
12. Drafted and implemented demolition ordinance. Establish procedures.
13. Certification for City Clerk. City Clerk completing certification process.
14. Helped develop and implement economic incentive programs in conjunction with Department of Development; i.e. including but not limited to Pike Star; Up-Tech; Market Lofts; Tier 1; Floyd's 7-11.
15. Evaluations of personnel.
16. Implemented contract filing system. They are now available on the Public Drive with the legislation.
17. Revised the ABC ordinance for compliance with state law.
18. Re-wrote tax incentive ordinance.
19. Helped develop and write salary classification ordinance.
20. Successful litigation, including but not limited to: Won the "Gang of Six" trial; successful appeal in the Sixth Circuit for the Scott case (wrongful arrest); favorable ruling in the Sam Droganes' (fire regulation) case.

#### Marketing & Communications

1. Creation of covingtonky.gov website re-design.
2. Creation of Press Release calendar and production of over 250 press releases.
3. Creation of City brand and completion of branding process.
4. Maintained and sustained positive reputation of City in media through increased coverage of positive news stories.
5. Creation of social media platform through Facebook and Twitter city pages.

## 2014 – 2015 Objectives

### Legal

1. Implement Improved City Policies
  - a. Procurement policy
  - b. Expense policy
  - c. Transparency policy
  - d. Diversity policy
  - e. Rules of civility
  - f. Whistleblower policy
2. Develop and Implement Templates and Improved Procedures
  - a. Development agreement template
  - b. RFQ/RFP template
  - c. Contract intake procedure
3. Improve City Debt Collection Procedures
  - a. City Economic Development loans
  - b. Foreclosures
  - c. Taxes
  - d. Code liens
4. Improve Interdepartmental Communication/Cooperation
  - a. Improve assignment of projects and internal organization
  - b. Engagement on the front end of projects
  - c. Enhance communication
5. Increase Accessibility of City Records
  - a. Code of Ordinance re-codification
  - b. Improved on-line access to City records
  - c. Centralized contract system
  - d. Additional legislation available on internal drive

6. Improve Internal Case/Project Management

- a. Improve claims data
- b. Case/project management software

Marketing & Communications

1. Nurture a customer-focused approach in City activities and services

- a. Grow established entry points via website, public relations strategy and social media strategy/policy
- b. Define brand roll out, staff engagement, Activate the brand

2. Enhance Relationships with Partners

- a. Strengthen relationships with journalists and television producers
- b. Administrate and facilitate City's role in all media conferences
- c. Execute the public relations calendar - identify and execute pre-determined set of releases
- d. Manage and grow contact lists
- e. Showcasing/empowering the City and City partners, development of promotional campaigns.

**Program Description**

The Department of Public Improvements is composed of the Assistant City Engineer/Director of Public Improvements, a Business Manager, Facilities Maintenance Supervisor, Right-of-Way Supervisor, General Maintenance Supervisor, Solid Waste Coordinator, and a Fleet Management crew. The Department handles the following services for the City of Covington:

Beautification

- Street cleaning
- Leaf collection
- Lawn maintenance for City-owned property and right-of-way
- Alley maintenance
- Special area litter control
- Graffiti abatement

Devou Park Maintenance

- Lawn maintenance
- Restroom facilities maintenance
- Litter pick-up
- Park event coordination

Fleet Management Division

- Repair and maintenance of all City vehicles and equipment – 334 pieces total
- Administration of fleet policies from procurement to disposal of vehicles and equipment
- Oversight of all vehicle preventative maintenance programs
- Research and evaluation of new vehicle technology

Parks and Facilities Maintenance Division

- Maintenance of all City parks and facilities
- Parking garage maintenance, City Hall
- Maintenance and quarterly inspection of Covington flood protection system

**2013 – 2014 Accomplishments**

1. New retaining wall at flood levee completed with in-house staff which provided savings to the City
2. 8<sup>th</sup> and Madison – in house vs contracting – saved \$40,000

3. Replace RiverCenter garage lighting – saved \$200,000
4. Began recycling program at Department of Public Improvements, including a recycling program for metal wastes that will generate revenue to the City, and will expand these programs to City Hall and other City Departments.
5. Started the inmate program through the Kentucky Transportation Cabinet for monthly litter cleanups at and around the I-75 interchange at 4<sup>th</sup> and 5<sup>th</sup> Streets.
6. Improved and expanded the sweeping and leaf collection notices on the City’s website.
7. Removed trees along Holman Street and replaced with the “right tree in the right location” to prevent sidewalk damage, utility damage, and having to prune around overhead lines, utilizing a grant that the Urban Forestry Division was awarded by the state.
8. Planted 900+ tree seedlings at Sandrun Nursery in Boone County for future replanting in Devou Park and the entire City of Covington. Will allow for the “right tree in the right location” in the future for Covington.
9. Continued to improve and expand the Fleet Division programs and providing services with local municipalities to generate additional revenues to the City.
10. This winter brought 40 different days of accumulating snow; that is the most number of days with accumulating snow since records began in 1870 (average is 9.8 days). This means multiple days of preparation prior to the storm and removal/clean up during and after the storm. Also, this winter was the 2<sup>nd</sup> most snow accumulation on record with 47.5”; the average snowfall is 11.2”. DPI snow crews worked days, nights, weekends, and holidays, to fight snow and ice and provided excellent services to residents.
11. Planned and implemented multiple landscaped islands throughout the City.
12. Started and 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.
13. Implemented the purchasing policy of bidding materials (asphalt, concrete, dense grade aggregate, 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.

## **2014 – 2015 Objectives**

1. Promote DPI as a highly effective and efficient organization
  - a. Update website for DPI activities, schedules, and events
  - b. Promote significant achievements in the department
  - c. Maintain involvement at neighborhood meetings and community events
  - d. Maintain facilities and lots. Review alternatives for new/improved facilities and locations
  - e. Complete work orders in a timely and efficient manner
  - f. Install/add wifi and/or access to internal city drives (g: drive, etc) for Devou barn

2. Maintain street and sidewalk infrastructure in a sustainable fashion
  - a. Respond to pothole work orders within 24 hours
  - b. Prioritize work orders to expedite sidewalk repairs
  - c. Promote technical training of work crews
  
3. Improve appearance of major gateways
  - a. Establish gateway target crew and provide litter cleanup and general landscaping maintenance of major gateways
  - b. Address and respond to graffiti on public property in a timely manner
  - c. Improving signage and uniformity throughout the gateways
  
4. Zero Graffiti
  - a. Reported graffiti
  - b. Prevent graffiti
  - c. Create a graffiti team involving the Police Department and DPI staff
  
5. Promote goals of Sustainable Urban Forest as part of the Covington Urban Forestry Board's Mission
  - a. Update tree inventory to include GIS integration
  - b. Implement a proactive street tree pruning program on a 4-year recurring cycle and tree removal/planting program
  - c. Seek opportunities to implement additional green infrastructure
  
6. Increase Recycling/improve waste pickup in Covington
  - a. Educate community on benefits of recycling
  - b. Promote the new, larger recycling bins and encourage more participation
  - c. Observe, analyze, and track recycling trends using data for grant opportunities
  - d. Promote better trash collection with City cans
  - e. Review waste and recycling collection contract
  
7. Continue to grow Fleet Management Division
  - a. Promote services to additional municipal jurisdictions while maintaining/improving City of Covington fleet
  - b. Assure all mechanics maintain ASE certifications
  - c. Review potential relocation areas for expanded fleet garage
  - d. Review/implement life cycle vehicle/equipment replacement program
  
8. Establish DPI policies and procedures
  - a. Establish in writing procurement policies and procedures for DPI staff.
  - b. Establish in writing snow & ice policies and procedures for snow events
  - c. Establish in writing policies and procedures for inventoried items within DPI
  
9. Continue Efforts to improve compliance of the Storm Water Pollution Prevention Regulations
  - a. Keep ample supplies of spill cleanup materials on-site.
  - b. Inspect maintenance areas on a regular schedule.
  - c. Keep all areas cleaned and properly maintained.

10. DPI Personnel

- a. Administrative assistant to assist work orders/answer phone
- b. Begin renewal process for AFSCME contract
- c. Fill Vacant Fleet Manager position

**Department: (#) Human Resources**

**Fund 105: Human Resources**

**Program Description**

The Human Resources Department is composed of the Human Resources Director, Human Resources Assistant, and Risk Manager. The Human Resources Director develops policy and directs and coordinates human resources activities, such as employment, compensation, labor relations, 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. The Risk Manager administers the City's worker's compensation, workplace safety, and random drug and alcohol testing programs.

**2013 – 2014 Accomplishments**

- 1. Development and Implementation of Non-Union Employee Classification and Compensation System
- 2. Diversity Hiring Initiative for Fire and Police Departments
- 3. Police Exam given had a significant increase of minority applicants.
- 4. Employment Engagement
  - a. First employee benefit fair held.
  - b. "Lunch & Learn" - Nutrition
  - c. Safety Meetings
  - d. Safety Training
    - o Saved of over \$8,000 by partnering with SD1 to provide Traffic Control Classes and 10 hour OSHA Safety Training
  - e. Safety Recognition Awards
    - DPI consecutive 577 days, currently at 629 consecutive days without a lost time injury.
    - Police and Fire both had 4<sup>th</sup> quarter awards
  - f. Continued reduction in worker's compensation premium of approximately \$70,000 over last year and a total premium savings of \$591,800 over a \$1.2 million0 premium in 2008. Collected approximately \$160,000.00 in rebates over the last 3 years.

- g. Experience modification factor of .88 versus last year's 1.00 compared to 1.57 in 2008.
- h. Saved money by rebidding Life Safety Equipment
- i. Used competency based testing to fire and police that uses video to create realistic human interaction situations that provides a measurement of the applicants' personality, cognitive ability, judgment, integrity and other factors that impact job performance.
- j. The entry level police exam had the highest pass rate in recent years and the highest number of minority candidates pass.
- k. Implementation of Employee Performance Reviews
- l. Partnership with Kenton County, Toyota Tsusho in the opening of the Health and Wellness Center which has had great reviews from City employees.

### **2014 – 2015 Objectives**

1. Review and Rewrite complete Personnel Policies and Procedures FH to FHCloud Transition to provide greater access to data and reporting
2. Create Standard Operating Procedures (SOP) for Human Resource activities based Policies and Procedures
3. Staff Training
4. Customer Service Program
  - Program with a plan that last longer and beyond training
  - Planned activities and recognition
  - Requires on-going training, activities and recognition to become part of the culture
5. Increase use in CareHere Health Center
  - Reduces the cost of our Medical Plan
  - Benefit to employees through time and co-pay/deductible expenses
6. Safety and Worker's Compensation
7. Increase Safety Training
  - Reduces accidents
  - Makes safety a part of the work place
8. Safety Recognition Programs
  - Reduces the cost of our Worker's Compensation Premium
  - Encourages team work
  - Has proven to a part of the culture at DPI who had a run of almost 2 years without a loss time injury

- Implement Drug Testing for all safety sensitive positions savings of 5% (look to include in union negotiations again)

#### Implement Employee Engagement Activities

- Boost morale
- Encourages teamwork

#### Wellness Program Activities

- The best way to impact best medical cost savings after plan design versus network discounts
- Produces a healthier workforce which reduces absenteeism

#### Policies and Procedures

- Have not been updated in years
- Updates have been sporadic and hard to find
- Updated policies would ensure legal compliance which is constantly changing
- Reduces grievances and potential lawsuits
- Establish process and procedures for various HR activities such as requesting staffing changes, salary increases, etc.

#### Paycor HRIS system

- Update and automate New Hire Orientation
- Create a self-service approach to benefit management – employees will have immediate access to information and can make changes easily
- Creates a one-stop shop for benefits
- Can be used to communicate with employees regarding benefits, policies and procedures, forms library etc.
- HR Staff time can used more strategically versus clerical
- Less errors and issues due to employees not understanding their benefits
- Better tracking of employee records, personnel file is electronic and easily updated

#### Diversity Recruiting

- Important that our workforce is reflective of our community to the extent possible
- Diversity increases awareness and understanding within our employee groups
- Paycor will assist in allowing us better tracking of our applicant and employee data

#### Develop and Implement SOP's for HR Department

- Will assist in annual audit process
- Implementing annual eligibility audits of the health plan
- Allows less breaks in service if someone is out of the office

#### Performance Review

- Continue to review and update

**Department: (#) Fire**

**Fund 1001: Fire Department**

**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 department meets or exceeds most of the fire service standards set out by National Fire Protection Agency (NFPA). Covington Fire Department personnel are both firefighters and Emergency Medical Service (EMS) providers.

**2013 – 2014 Accomplishments**

The below statistics illustrate the Fire Department’s ability to achieve its mission.

	2012 YTD	June	2013 YTD
<b>Emergency Medical Services</b>			
Emergency Responses by Unit	2012 YTD	December	2013 YTD
Ambulance 1	4826	390	4671
Ambulance 2	3064	273	2945
Ambulance 3	456	38	380
Ambulance 4	421	31	357
Ambulance 6	340	22	281
Ambulance 8	331	27	243
	<b>9438</b>	<b>781</b>	<b>8877</b>

<b>FIRE</b>			
Emergency Responses by Unit	2012 YTD	December	2013 YTD
Ambulance 1	N/A	3	41
Ambulance 2	N/A	2	33

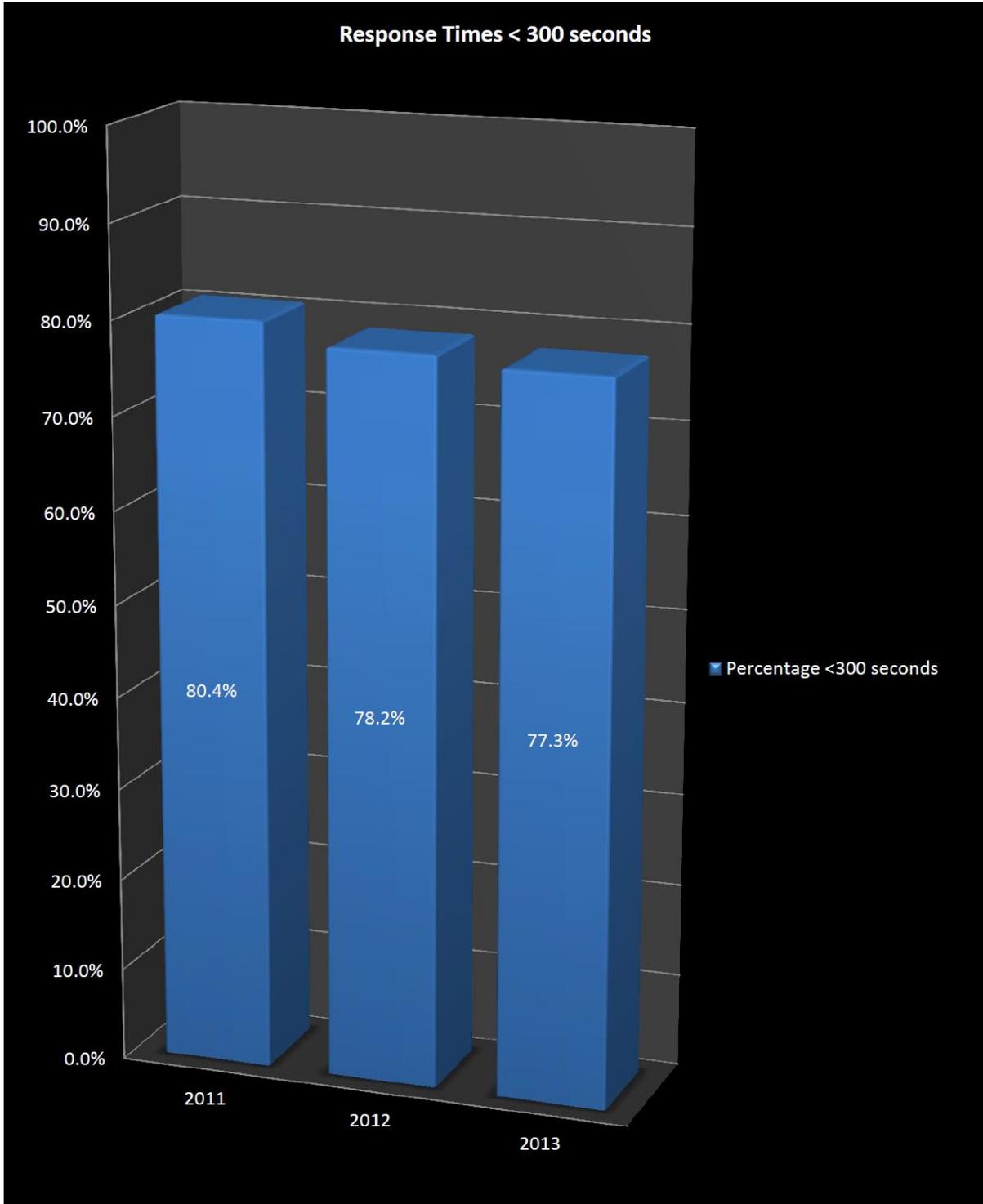
Ambulance 3	N/A	3	19
Ambulance 4	N/A	0	6
Ambulance 6	N/A	0	0
Ambulance 8	N/A	0	0
Car 1 (Fire Chief)	19	3	28
Car 2 (Battalion Chief)	835	78	922
Car 3 (Assistant Chief)	22	0	13
Car 4 (Assistant Chief)	22	1	5
Car 9 (Inspector/ Safety Officer)	175	25	286
Fire Boat 1	2	0	0
Pumper 1	217	9	160
Pumper 2	858	83	895
Pumper 5	239	14	238
Pumper 6	1122	124	1231
Pumper 8	759	58	817
Medic 1 (EMS Director)	8	2	12
Rescue 1	1048	107	1294
Truck 1	983	102	1092
Truck 7	251	27	356
<b>Responses by Type</b>	<b>2012 YTD</b>	<b>December</b>	<b>2013 YTD</b>
<b>100- Fire</b>	<b>309</b>	<b>17</b>	<b>280</b>
<b>Fires Extinguished by Fire Service Personnel</b>			
<u>111- Building Fire</u>	51	4	54
<u>113- Cooking Fire</u>	5	0	15

<u>114- Chimney Fire</u>	3	1	2
<u>118- Trash or Rubbish Fire</u>	0	0	3
<u>110, 112, 116, 117- Other Fires</u>	0	0	1
<u>120, 121, 122, 123- Fire in Mobile Property/ Fixed Structure</u>	1	0	0
<u>130s-170s Outdoor-Transport, Natural, Rubbish Fires</u>	114	6	94
	<b>174</b>	11	<b>169</b>
Occupancy Type <small>(excludes Outdoor fires)</small>			
Public Assembly	1	0	6
Educational Institution	1	0	1
Healthcare Facility	0	0	1
1 or 2 Family Residential	41	4	62
Multifamily Residential	13	2	10
Hotels and Motels	0	0	4
All Other Residential Structures	0	0	1
Commercial Business	2	0	8
Industrial and Manufacturing	0	0	3
Storage Facility	3	0	6
Other Non-Structures	0	5	42
<b>Fires Out Upon Fire Service Arrival</b>			
<u>111- Building Fire</u>	24	2	21
<u>113- Cooking Fire</u>	65	4	41
<u>114- Chimney Fire</u>	0	0	0
<u>118- Trash or Rubbish Fire</u>	4	0	1
<u>110, 112, 116, 117- Other Fires</u>	3	0	1

<u>120, 121,122, 123- Fire in Mobile Property/ Fixed Structure</u>	0	0	0
<u>130s-170s Outdoor-Transport, Natural, Rubbish Fires</u>	39	0	47
	<b>135</b>	6	<b>111</b>
<b>Occupancy Type</b> <small>(excludes Outdoor fires)</small>			
Public Assembly	5	0	3
Educational Institution	2	0	2
Healthcare Facility	4	0	1
1 or 2 Family Residential	27	4	36
Multifamily Residential	42	2	23
Hotels and Motels	0	0	2
All Other Residential Structures	9	0	7
Commercial Business	2	0	5
Industrial and Manufacturing	2	0	1
Storage Facility	1	0	0
Other Non-Structures	2	0	17
<b>Time of Day</b>			
00:00-02:59	14	1	23
03:00-05:59	7	1	22
06:00-08:59	11	0	6
09:00-11:59	14	1	33
12:00-14:59	20	2	39
15:00-17:59	25	7	54
18:00-20:59	41	4	59
21:00-23:59	27	1	45
<b>Day of the Week</b>			

Sunday	13	4	39
Monday	14	4	36
Tuesday	8	2	40
Wednesday	11	2	33
Thursday	7	1	48
Friday	15	2	33
Saturday	8	2	53
<b>"111" Building Fire Response</b>			
First Arriving Engine, Average Response Time	0:06:13	0:07:12	0:05:31
Second Arriving Fire Unit Average Response Time	N/A	0:09:29	0:06:12
1st Alarm Average Response Time	N/A	UNK	N/A
Total Estimated Fire Loss	\$1,255,365	\$77,500	\$1,824,683
Total Estimated Property Saved	N/A	UNK	\$155,268
<b><u>Fire Containment</u></b>			
Confined to object of origin	N/A	0	12
Confined to room of origin	N/A	3	27
Confined to floor of origin	N/A	0	5
Confined to building of origin	N/A	1	20
Spread beyond building of origin	N/A	1	4
<b>200- Overpressure Rupture, Explosion, Overheat w/o fire</b>	<b>5</b>	<b>0</b>	<b>5</b>
<b>300- Rescue and EMS Incident</b>	<b>1168</b>	<b>126</b>	<b>1359</b>
322- Motor Vehicle Accident w/ Injury	137	16	155
324- Motor Vehicle Accident w/o Injury	68	6	82
352- Extrication of Victim(s) from Vehicle	19	0	10
<b>400- Hazardous Condition w/o fire</b>	<b>206</b>	<b>13</b>	<b>207</b>

<b>500- Service Call</b>	191	<b>16</b>	<b>211</b>
<b>600- Good Intent Call</b>	284	<b>26</b>	<b>285</b>
622- No Incident Found	49	7	60
<b>700- False Alarm and False Call</b>	532	<b>49</b>	<b>504</b>
<b>800- Severe Weather and Natural Disaster</b>	12	<b>0</b>	<b>23</b>
<b>900- Special Incident Types</b>	5	<b>0</b>	<b>3</b>
<b>Total Fire Incident Responses</b>	2712	<b>247</b>	<b>2877</b>



Total “Response Time” is divided into three areas: Dispatch, Turnout, and Travel. Dispatch time is the amount of time that is given for call processing and notification. Turnout time is the time required immediately after notification until the unit leaves the station. Travel time is between

the station and arrival at the location of the call. This graphic illustrates that in 2013 the National Standards for response time were met 77.3% of the time.

## **2014 – 2015 Objectives**

1. Improve Operational Efficiency (technology and SOPs)
  1. FH to FHCloud Transition to provide greater access to data and reporting
  2. iPad Initiative that will enhance field reporting for life safety and building inspection data
  3. Update Standard Operating Guidelines
  4. Update Policies and Procedures
2. Improve Safety (equipment, reporting)
  1. Create a plan for purchase and maintenance of Firefighting Personal Protective Equipment
  2. Develop a near miss reporting system
3. Improve Response (Mutual Aid)
  1. Foster relationships, develop pacts and auto-aid agreements, and overcome the distinct challenges associated with neighboring departments to provide the manning necessary to effectively mitigate emergency incidents
4. Improve Fire Prevention and Life Safety Efforts
  1. Life Safety/ Fire Prevention and Building Code Inspection Coordination
  2. Investigate use of a full time fire marshal
  3. Increase presence in the community through fire prevention education, fire extinguisher training, CPR training and first aid training.
5. Define the needed fire department model and required staffing
  1. Continue to progress toward the completion of a Standard of Cover (risk assessment document created by the Center for Public Safety Excellence) for the Covington Fire Department and potentially in the future seek accreditation.
6. Train the department for success
  1. Increase training in the department to provide for opportunities necessary to effectively and efficiently do the work of the fire department.
  2. Train-the-trainers
  3. Provide opportunities for employees to complete IFSAC (International Fire Service Accreditation Congress) certifications.
7. Improve Facilities
  1. Develop a solid facilities management and maintenance plan
8. Capital Equipment Upgrades and Replacement
9. Hydrant testing and identification
  1. Identify, test as necessary, and mark all fire hydrants for the purposes of firefighting in the City

10. Pursue Grants
  1. Apply for and utilizes the available monies from grants
11. Improve the Health and Wellness of the department to decrease injury and illness
12. Work with IAFF Local 38 on departmental goals affected by the labor contract
  1. Create a sustainable plan for the hiring of paramedics.
  2. Create a paid time off plan that promotes accountability and incentivizes employees to use paid time off in a responsible and smart manner.
  3. Create a joint staffing plan that promotes unity of purpose will benefit the city and the department

**Department: (#) Police**

**Fund 811: Police Department**

**Program Description**

The Covington Police Department is composed of five major bureaus:

- **Patrol:** Responds to calls for assistance; provides patrol/traffic enforcement; performs auto accident investigations.
- **Criminal Investigation:** Investigates all crimes; operates Crime Lab; responsible for Juvenile section.
- **Crime Suppression:** Performs vice investigations from sale of illegal drugs to prostitution.
- **Community Relations:** Administers Community Oriented Policing and Problem Solving (C.O.P.P.S.); provides civilian housing specialist; operates Citizen’s Police Academy.
- **Administration:** Responsible for administrative support; records maintenance; public information services.

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 up through and including the rank of Captain.

**2013 – 2014 Accomplishments**

In addition to the statistics below, the Police Department saw several accomplishments this year:

1. 605 arrests for narcotics related crimes resulting from the D-Team focused efforts on detection, investigation and neutralization of drug trafficking.
2. Seven SWAT missions, with no loss of life.
3. Obtained free military vehicles: a Humvee and a MRAP.

4. Crisis Intervention Team: 11 new trained officers to provide service to citizens in mental health crises; handled 134 calls.
5. Began CALEA (The Commission on Accreditation for Law Enforcement Agencies Inc.) accreditation, which aims to: improve the delivery of safety services by maintaining a body of standards, developed by public safety practitioners, covering a wide range of up-to-date public safety initiatives and court decisions.
6. Obtained grant monies to replace and upgrade the ballistics vests for the SWAT team.
7. Criminal investigations Bureau opened 1,680 evidence and property files in 2013.

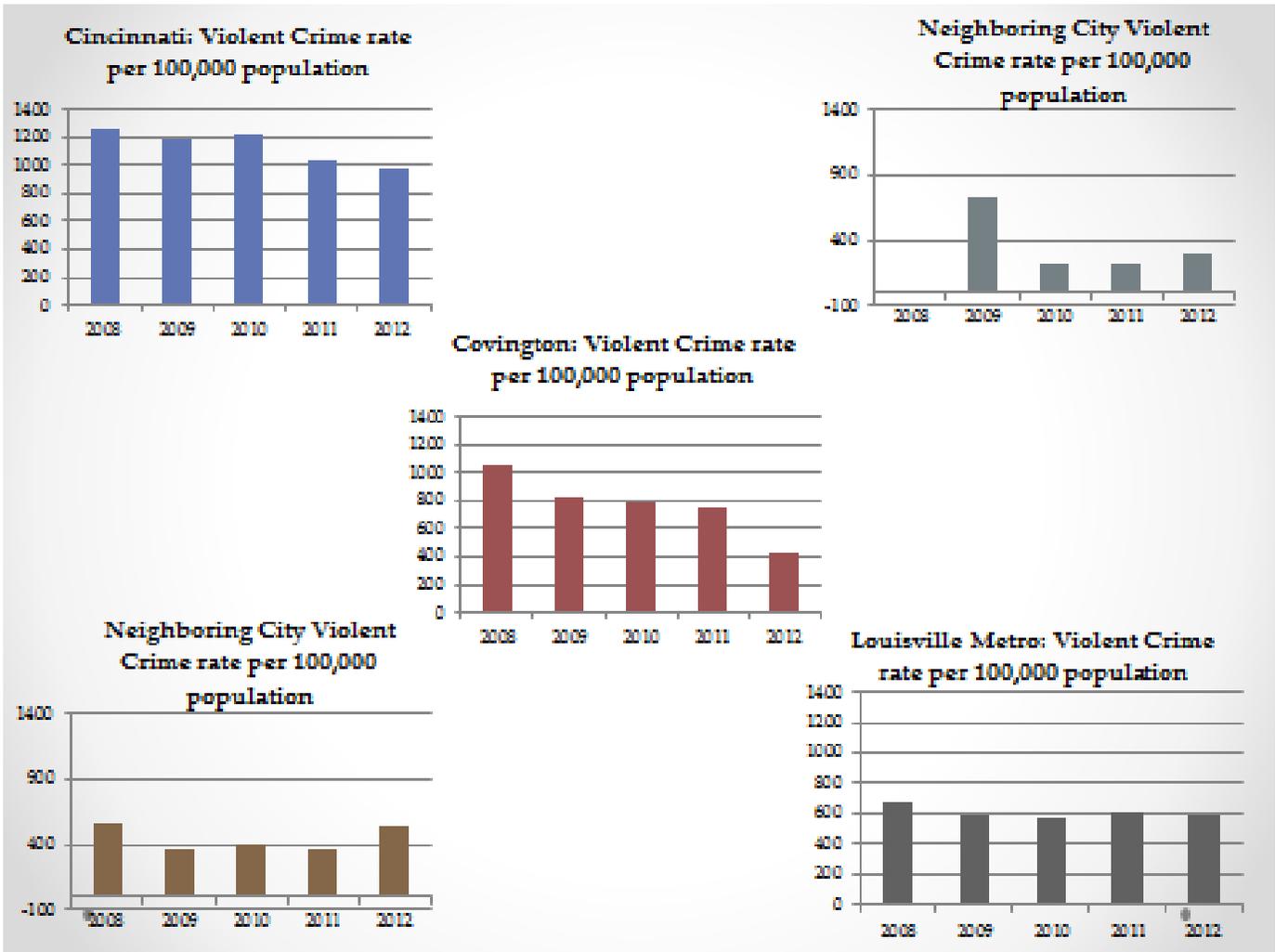
<i>FBI Crime Category</i>	<i>2011*</i>	<i>2012</i>	<i>2013</i>
<i>Part I Crimes</i>			
<i>Homicide</i>	9	4	2
<i>Rape</i>	34	20	18
<i>Robbery</i>	149	130	144
<i>Aggravated Assault</i>	145	90	83
<i>Burglary</i>	742	563	742
<i>Larceny</i>	1500	1134	1434
<i>Motor Vehicle Theft</i>	206	89	99
<i>Arson</i>	17	23	23
<i>Totals:</i>	2802	2053	2545

<i>Traffic Statistics</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Total traffic collisions	1,834	1,764	1,830
Total injury collisions	238	211	240
Total fatal collisions	5	2	1
Total, Police issued City citations	6834	4,284	3,443
Total state traffic citations	6190	6,052	5,591

- *These numbers could potentially represent single offenders with multiple charges or a single investigation with multiple offenders.*
- *These crime statistics are based on cases investigated, arrests-made or calls-for-service as disposed by case investigators by 1/22/14. As cases are investigated over time, charges can be adjusted,*

initiated or invalidated from those charges as initially reported to the FBI via the Kentucky State Police. These statistics reported to you here (during and after investigations), reflect updates from the original statistics which KSP reports on our behalf to the FBI, prior to our initiation of investigations.

- Many of our strategic objectives are derived via tactical operations that in many cases are law enforcement sensitive and should not be published.



### 2014 – 2015 Objectives

1. Move towards the 2017 goal of completion for CALEA
  - a. Align internal policies to comply with CALEA standards, making use of best practices
2. Facility Infrastructure
  - a. Incident operations center improvements
  - b. Repair damaged roof and subsequent water damage to offices
  - c. Augment building security
3. Reduction in Part One crimes
  - a. Focus on crimes directly confronting neighborhoods
  - b. Increase police staffing

**Program Description**

The Department of Development is comprised of five divisions: Community Services, Business Development, Programs and Strategic Projects, and the Housing Consortium. The department is predicated on four values: Customer Service, Communication, Collaboration and Creativity.

**2013 – 2014 Accomplishments**

1. Implementation of the reorganization of what was previously Code Enforcement, Housing, Economic Development, Recreation and Engineering. Implemented goals and objectives (work plan), performance measurement tracking, and administered employee evaluations. Held annual departmental retreat.
2. Several key economic development projects were managed including:
  - a. Creation of the Tax Increment Financing District. All parties signed the Participation Agreement (City, County, NKAPC).
  - b. Continued dialogue on the development of Hotel Covington and the disposition of 638 Madison Avenue.
  - c. Managed the Brownfield Cleanup Grant and the Economic Development Initiative funding to rehabilitate the Stewart Iron Works Building, and facilitate the swap of this property with 1324 Madison Avenue (former Robke) for the future location of the Life Learning Center.
  - d. Managed the construction draw process for 1324 Madison Avenue (former Robke) with Corporex and the Life Learning Center. The City will take ownership of this property and manage the lease with the NKADD and the Kentucky Career Center. Property Management firm was also selected.
  - e. Selected a developer for the Lincoln Grant School, for a Scholar House program. Assisted with the submission of an application to the Kentucky Housing Corporation for Low Income Housing Tax Credits. The project will be submitted again this year, and the application process is underway.
  - f. The sale and negotiation of economic development incentives for the redevelopment of the Mutual Building. This project will net 15 new market rate apartments and ground floor commercial space.
  - g. Moving City Hall: liaison for new City Hall rehab and organized the move.
3. Community Investment Plan Projects were implemented including:
  - a. Madison Avenue Streetscape
    - i. Phase III was taken over starting from a really difficult position

- ii. Plans were tweaked to meet current goals while staying within given scope and budget
  - iii. Strategies to save money and avoid basements were utilized
  - iv. Communicated with businesses ahead of time and minimized disruption to access during construction
  - v. Adjusted tree locations based on feedback from businesses
  - vi. Fixed drainage issues from past phases
  - vii. Implemented underground utilities
  - viii. Construction project went smoothly. Saved money by doing inspection in house.
- b. Sidewalk Improvement Project
    - i. Inventoried damaged sidewalks throughout the City and created bid documents for project construction.
    - ii. Created system for dividing up areas of City for construction and cost estimates, maps to be used for construction, field work, and for public information regarding project.
    - iii. Implemented \$2.4 million Phase I of sidewalk improvements in South Covington and Latonia
  - c. Martin Luther King Boulevard landscaping completed
  - d. Southern and Latonia street reconstruction project
    - i. By delaying the project we were able to secure funding for 80% of the project
    - ii. No money was wasted by resurfacing the road as that would have only been a band-aid
    - iii. Saved money on inspection costs by doing it in house rather than contracting
    - iv. Worked well with consultant and communicated with stakeholders and residents to minimize number of complaints/questions
  - e. Lake Park Drive street reconstruction completed
  - f. Caroline Underpass improvement and repair after slide completed
  - g. Pike Street Triangle sidewalk, parking and rain garden
  - h. Improvements (at Market Lofts) were completed
  - i. Riverfront Commons Design documents were completed and submitted to the Corps of Engineers. An USDOT TIGER Grant application was submitted for \$13.2 Million.
  - j. Eastern Avenue landslide completed
  - k. Parkway Bridge improvements completed
  - l. Annual resurfacing completed (42 roads); coordinated well with utility work and ADA curb ramp replacements
  - m. Demolitions

- i. 52 residential demolitions throughout the City completed plus mobile home park; 47 more identified for next phase
- ii. Vacant properties that have been problems for years were removed
- iii. Safety issues abated, reduced maintenance costs, removed blight and crime from neighborhoods.
- iv. Completed asbestos inspections and remediation

## 2014 – 2015 Objectives

1. Implement priority projects
  - a. Riverfront Commons Development
  - b. Brownfields
  - c. Lincoln Grant Redevelopment
  
2. Improve Administrative / Operations in the department
  - a. Create a cross-contact list of who does what
  - b. Cross train staff, to share knowledge, resources
  - c. Improve accessibility and organizations of data
  - d. Increase overall project communication and involvement
  - e. Work more closely with legal and finance on communicating and coordinating projects
  - f. Improve upon performance measurement tracking, and employee evaluation process.
  
3. Work cross-departmentally on priority issues
  - a. Increase business interest through infrastructure and design (guidelines and implementation of CIP) such as
    - i. Streetscape: buried utilities, trees, lighting, pedestrian amenities (trash cans, benches, pavers, bike racks, public art, wayfinding, cigarette butt receptacles, etc.
    - ii. Improved parking lots/landscaping
    - iii. Increased business input
    - iv. Strategic public spaces
    - v. Façade improvements
  
  - b. Housing and Neighborhood Revitalization
    - i. Housing Strategy Implemented
    - ii. Continue demo/foreclosure program
    - iii. Dispose of/ reuse City owned lots
    - iv. Rehab/dispose of City owned structures
    - v. Identify next steps in regard to a land bank and strategically identify next set of priority properties
    - vi. Properly utilize City funds for gap financing as necessary
    - vii. Work with partners to actively market the neighborhoods to businesses and new residents

**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, maintaining the City's GIS data, parking, infrastructure improvements, traffic signals, signs, and right of way encroachment permits. The Department will also be responsible for administering 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.

**2013 – 2014 Accomplishments**

1. Visible improvements resulting from code enforcement efforts. New focus on proactive enforcement and follow through, along with demo's, foreclosures and the emerging strategy for City properties has given neighborhoods a boost.
  - a. Able to save money on staffing and still provide as much or more on street code enforcement
  - b. 441 Notices of Violation, 133 Citations, 1,094 compliance cases,
  - c. Pulled hundreds of "street spam" signs.
  - d. 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.
  - e. Maintained online accessible eviction lists
  - f. Improved Code Enforcement Board process
2. 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. 406 inspections, 2 revoked licenses
3. Vacant Property Maintenance
  - a. Saved money (half of previous budget) by maintaining property with 1 full time staff member and 3 seasonal employees rather than by using contractors.
  - b. 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
  - c. Developed procedure for creating, updating, and maintaining a list of vacant and abandoned properties and lots. Database is updated weekly, and is used throughout Department of Development, Police Department, etc.

4. Criminal Activity Process in rental properties
  - d. Maintained Good working relationship with Police
  - e. Ordinance allows us to force eviction when multiple police issues occur.
  
5. Geographic Information Systems
  - a. Fostered strong data sharing relationships with Catalytic Development Fund, LINK-GIS, Kenton County PVA, CAGIS, and OKI in order to ensure data availability and seek other information resources for facilitating development within the City
  - b. Developed system for implementation of regular quarterly updates from LINK-GIS, to ensure the most up-to-date information is available and metadata are updated to reduce confusion.
  - c. Creation of map books for construction crews, Fire Department, Code Enforcement, and other departments as needed to assist any field workers with wayfinding.
  - d. Created Code Enforcement reference books for Code Areas, including a map and street listing, enabling staff to look up a street address in the book and identify the Code Officer.
  
6. Zoning Administration / ABC
  - a. 275 Zoning Permits Issued
  - b. Board of Adjustment: 2 Variance Cases, 7 Conditional Use Cases
  - c. Organized Two (2) Northern Kentucky Board of Adjustment Training Sessions
  - d. Helped to bring City of Covington Board of Adjustment members into compliance with required Continuing Education hours
  - e. Reviewed Four Zoning Ordinance Text and Map Amendments
  - f. Updated and amended the City Alcoholic Beverage Control Ordinance to be consistent with Senate Bill 13 which updated and amended State of Kentucky Alcoholic Beverage Control statutes
  - g. ABC Board: 1 City 2:30 a.m. Permit Suspended, 2 City 2:30 a.m. Permits Approved
  - h. Administrative Hearing for Liberty's Show Lounge for Revocation/Suspension of License
  - i. Floodplain Administration: Successfully assisted in submitting a Letter of Map Amendment with a resident to have property removed from a flood zone
  
7. Historic Preservation
  - a. COAs Cases- 124 COA from July 2013-April 2014
  - b. UDRB Cases- 25 UDRB cases from July 2013-April 2014
  - c. Living History: The Architecture of Northern Kentucky video
  - d. Ritte's East National Register Nomination: completed almost 700 Historic Resource Inventory forms and a National Register nomination.
  - e. Peaselburg Survey: received a grant to prepare Historic Resource Inventory forms for the Peaselburg neighborhood including the survey of over 500 properties.
  - f. NKY Restoration Weekend: two day event drawing 300 people. Included over 20 classes and hands on demonstrations.
  - g. Historic Plaques: 10 plaques.
  - h. Historic Tax Credit Projects: Facilitated 7 Historic Rehabilitation Tax Credit projects.
  - i. Northern Kentucky Home Builders association seminars
  - j. Licking Riverside designated by the American Planning Association as a 2013 top 10 of America's Great Places
  - k. Covington Historic Design Guidelines update nearing completion

1. Martin Luther King Jr. Boulevard Rain Garden and Interpretive Park completed

## 2014 – 2015 Objectives

1. Improve blighted structures, increase property maintenance to strengthen neighborhoods, reduce vacancies
  - a. Demolish / determine end use for vacant properties (residential)
  - b. Provide Code Enforcement Services
  - c. Update Vacant Property database, implement and monitor vacant property tax
  - d. Improve bank relationships
  - e. Staff, Manage and Educate Code board
  - f. Prioritize and implement code Foreclosures/ use HB 135
  - g. Provide code enforcement hardship program
  - h. Improve Customer Service
2. Improve Quality of Rental Property
  - a. Improve the rental inspection program
  - b. Provide eviction lists
  - c. Advertise land lord training
3. Proactive Code Enforcement
  - a. Engage neighborhood groups to report violations. Educate public on code enforcement process/ programs
  - b. Track complaints, proactive cases, compliance
4. Ensure Codes and Regulations are Streamlined and Appropriate for Development
  - a. Continue to evaluate the need for zoning code updates
  - b. Implement Design Guidelines
  - c. Provide Consistent Zoning and HPO Assistance / Permitting (BOA & UDRB)
  - d. Coordinate with NKAPC on Building Permitting
  - e. Promote Development Hand Book
  - f. Make use of GIS effectively throughout City Hall
  - g. National registers nominations/ 106 Reviews
  - h. Coordinate with and support ongoing planning efforts in the neighborhoods and the County – Comp Plan / Small Area Studies
5. Make improvements to the City's infrastructure
  - a. Implement the 5 year Community Investment Plan
  - b. Find ways to stretch infrastructure budget
  - c. Coordinate with KYTC to ensure key state road projects are built
  - d. Coordinate infrastructure with key economic development initiatives

**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.

**2013 - 2014 Accomplishments**

1. Relationship building and realignment of CDBG/HOME funding to increase efficiency and reduce findings by HUD– increased good standing with HUD. The ‘Housing Team’s’ efforts to rectify past errors and move forward with strategic initiatives to meet the needs of the City has shown benefits.
  - a. HOME and CDBG monitoring findings dropped significantly
  - b. In good standing with HUD

- c. Created policies and procedures to ensure sustainability of future grants/program management
  - d. NRSA Approved
  - e. Communication Plan Approved
  - f. Consolidated Plan Approved
2. CDBG/HOME Programs
- a. Increased funds for Home Buyer Assistance Program – approximately 60 new homeowners
  - b. Small Business program fully used-8 businesses approved, 4 more pending, for rent subsidy or Fixtures, Furniture and Equipment Grant.
  - c. First successful implementation of the upper floor residential rehab program
  - d. 12 applicants for the new Code Hardship Repair Program
  - e. 3 of rehabs/3 repairs/11 facades completed
  - f. 4 Community Housing Development Organization (CHDO) single family housing rehabilitations
  - g. Created City of Covington Single Family Housing Rehabilitation Standards
  - h. Identified a process and strategy for disposition of city owned residential lots and buildings.
3. NSP Program
- a. 6 NSP homes sold: 618 E 17<sup>th</sup>; 334 E 18<sup>th</sup>; 912 Banklick; 914 Banklick; 118 E 15<sup>th</sup>; 120 E 15<sup>th</sup>
  - b. NSP Grant program closeout
4. Licking River Greenway
- a. Current trail distance – working on design for final paved levee trail phases
  - b. Habitat restoration – 1,080 saplings planted, several hundred volunteer hours donated, finished large honeysuckle removal
  - c. Gatewell structure murals completed
5. Devou Projects
- a. Approval of plan for \$400,000 of improvements to the park
  - b. Completion of Rotary Grove Improvements, Behringer-Crawford Museum and Painting project, design for Gus Sheehan Playground
6. Covington Center City Action Plan (3CAP)/Challenge Grant
- a. Working toward successful close out of the HUD Community Challenge Grant
  - b. Completed the Branding Effort, Target Properties Strategy, NKU CEAD Database created
7. Awarded an AIA Sustainable Design Assessment Program grant for Randolph Park

8. Appealing Public Realm
  - a. 5<sup>th</sup> & Scott artworks mural
  
9. Recreation Programming
  - a. Successful offering of 10 events
  - b. Successful pool season 8,000 pool passes
  - c. NKB Partnership for scheduling of Complex
  - d. CycloCross event in Devou Park
  - e. Successful Softball Season
  - f. Over 250 park permits issued
  
10. Renaissance Covington
  - a. Successful implementation of Haile Foundation Grant for a Pop-up Shop symposium followed by 3 holiday pop-ups grossing. One shop became permanent storefront, other two looking for permanent locations.
  - b. New Farmers Market Management
  - c. CoSign business engagement process successful
  - d. 2014 Annual Plan complete with in-place measures
  - e. Renaissance Covington re-designated as a National Program, again ranking in top 10 of Kentucky Main Street programs
  - f. RoeblingFest preparation and fundraising
  - g. Monthly Food Truck Frenzies- At the height of the events, over 400 people showed up for lunch at Covington Landing
  - h. Covington-opoly - Widespread appeal, sold 500 games in 30 days, raised \$7,000 for Renaissance Covington.
  - i. 7<sup>th</sup> Street Makers Market, 30 vendors
  - j. Pop-up Performance Park- Won Grand Prize in Place from Space Competition. Won Place Matters Grant in partnership with KCB and BLDG. Transforms 7<sup>th</sup> and Washington lot into an outdoor events space.
  
11. Covington Arts District
  - a. Achieved approximately 500,000 social media impressions, sent 82 press releases and 372,350 individual emails; managed a contact list of approximately 7,200 opt-in emails.
  - b. Hosted 76 events: achieved overall attendance of 6,866 people at Covington Arts Center.
  - c. Supported the arts and culture community stakeholders in the City, an industry that represents more than \$7.2 million operational budget with annual overall attendance of 2.1 million people.
  - d. Built and launched new Covington Arts website, [www.covingtonarts.com](http://www.covingtonarts.com).
  - e. Doubled Full Spectrum's (City Fall arts and cultural celebration of the arts) attendance and audience with overall attendance reaching approximately 111,100 for 18 events.
  - f. Launched new brand identity: activation via full Spectrum, website and new signage for Covington Arts Center.
  - g. Creation of 14 new public art murals bringing a total of \$163,000 of community investment, including two new ArtWorks Murals (Kerry Toyota Collision Center & Licking River Greenway) and youth employment summer programs, 10 London Police

- murals, hosted by BLDG, in various locations throughout downtown and the ‘LovtheCov’ mural (on MKSK’s building) sponsored by Art Off Pike.
- h. Significantly grew social media presence with introducing Twitter and doubling likes, from 600 to 1367 on Covington Arts Facebook page.
  - i. Exploration and implementation of new funding sources, totaling approximately \$10,000 through direct donations and new sales of \$6,000.

## **2014 – 2015 Objectives**

1. Streamline Grants Administration Process
  - a. Creation of policies & procedures for HUD and expand process mapping/ work flow chart/ responsibilities
  - b. Creation of Ad Hoc Grants Committee for City-wide usage
2. Implement Master Plans
  - a. Devou Park
  - b. Licking River Greenway
  - c. Covington Center City Action Plan (3CAP)
3. Strategically Plan/Use CDBG & HOME Funds
  - a. Community Participation - Obtain input from focus group of key leadership within City staff and partners organizations for plans and programs
  - b. Implement 5 year Consolidated Plan, and annual Action Plan including program development of annual incentives and programs, adopt guidelines.
  - c. Implementation of Consolidated Plan - Action Plan/CAPER. Effective and timely grants administration
  - d. Strategically leverage CDBG/HOME funds for more grant dollars
  - e. Increase data collection on impact and reporting
4. Improve the quality of life for the residents, businesses, and visitors of Covington
  - a. Provide Quality events for social engagement
  - b. Provide and improve existing green space and parks, maintain an appealing public realm
  - c. Provide quality recreation programming
  - d. Enhance Farmer's Market
  - e. Advance efforts of Move. Breathe. Grow. Covington healthy living initiative
5. Progress in the Arts initiative
  - a. Sustain quality programming at the Covington Arts Center
  - b. Evolve re-brand
  - c. Maintain & Develop State-level certification
  - d. Evolve the website
  - e. Engage Director with City Hall Projects ex: Parks, Public Art Displays
  - f. Sustain and strengthen relationships with the steering committee

**Program Description**

This division works City wide with new, existing, expanding and startup businesses. It provides technical assistance, ombudsman services and serves as an ambassador for businesses to work through the City's various approval processes. This department is tasked with business recruitment, business recognition, retention programming and business assistance (classes, referrals, etc). This division is charged with working one-on-one with regional economic development entities such as Tri-ED, the Catalytic Development Funding Corporation, Southbank, etc, to recruit/assist new economic development ventures. Staff administers the City's incentives; tracks available sites and buildings; and manages other economic development tools such as Tax Increment Financing, HUD Section 108 Loan pool, and other special financing programs.

**2014 – 2014 Accomplishments**

1. Covington Business Excellence 2014, Business Recognition Program and Event
2. Conducted 103 Pro-Active Business Retention Visits
3. Assisted and encouraged expansions which resulted in job creation and over \$5 million dollars of investment into the community.
4. Recruited primary and secondary businesses:
  - a. CitiLogics, 800K in investment and 2 jobs
  - b. Xcelerated Learning Dynamics, \$3.7M in investment and over 50 jobs
  - c. Clear Measures, \$3.7M in investment and over 60 jobs
  - d. Prolocity, 10 jobs
  - e. 3DLT, 20 jobs
  - f. Scooter Media, 4 jobs
  - g. Spotted Yeti, 3 jobs
  - h. Greenline, 5 jobs
  - i. Nuvo, 10 jobs
  - j. Crystal Clear
5. Provided support to business incubators and accelerators.
  - a. Recruited UpTech to Covington which last year created 7 businesses with at least 2 jobs per business.
  - b. Actively supported and marketed the businesses and opportunities through BioLogic
  - c. Directly assisted the NKY Kitchen Incubator and the 11 affiliated businesses.
  - d. Developed, supported and implemented an annual event, UpStart, for entrepreneurs to network and learn which brought 400 people to Pike Street.
  - e. Continued to network and market the City to entrepreneurs and investors with the state and partners.
6. Developed, implemented and administered tax incentives, loans and grants for development and businesses, bringing in new tax dollars and investment.
7. Marketed development opportunities to potential developers.

8. Marketed business opportunities to new and existing businesses.
9. Worked with Tri ED, the Northern Kentucky Chamber of Commerce, and the Cincinnati USA Chamber to create better relations and promote opportunities in Covington.
10. Covington Economic Development Program: Created and implemented the City's Economic Development Program incentives (loans, and grants), and facilitated the review of proposals through the City's Loan Committee and the Covington Economic Development Authority;

**2013-14**

**CEDA Projects**

**Budget Approved:  
\$500,000**

<b>Location/Name</b>	<b>Use</b>	<b>Awarded Amount</b>	<b>Type</b>	<b>Job Creation</b>	<b>Commercial / Residences Created</b>
<b>Approved Projects</b>					
629 Madison /Mutual Building	Façade	\$ 125,000.00	Grant		6/15
12 Pike / Chako LLC	Upper Floor Residential/ Mixed Use	\$ 80,000.00	Grant	2	1/4
12 Pike / Chako LLC	Technical Assistance	\$ 2,000.00	Grant		
625 Main / Commonwealth Bistro	Restaurant	\$ 150,000.00	Loan	12	1/0
112 Pike	UpTech (Nov 2013 - 2018)	\$ 57,225.00	Subsidized Lease	40	2/0
209-211 Pike Street / Market Lofts	Technical Assistance	\$ 2,000.00	Grant		
230 Pike	Façade	\$ 7,221.00	Grant	2	1/0

701 Scott / Doctors Bldg	Technical Assistance	\$ 2,000.00	Grant		
478 Kuhrs Ln	Technical Assistance	\$ 2,000.00	Grant		
Total		<b>\$ 427,446.00</b>			

## 2014 – 2015 Objectives

1. Recruit/Retain Business
  - a. Create a comprehensive business recruitment/retention plan.
  - b. Implement quarterly BRE program
  - c. Effectively respond to new business inquiries
  - d. Make more efficient use of sales force
  
2. Foster positive business environment
  - a. Conduct or participate in business roundtables
  - b. Implement business recognition program
  - c. Provide/facilitate networking opportunities and business engagement (Futurecraft)/pop-up shops/entrepreneur)
  
3. Fill Vacant Spaces
  - a. Work with partners to consistently identify properties for sale/lease, owner/ agent, underutilized
  - b. Engage developers
  - c. Maintain and sell City owned commercial properties
  - d. Strategically provide incentives to fill vacant spaces, based on priority sites
  
4. Spur the real estate market and occupational tax base in the City
  - a. Develop/promote/implement state, City and federal incentive programs
  - b. 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.
  - c. Continue to monitor the various incentive programs that are offered by the City and identify improvement that can be made (taax abatements, tax moratoriums, grants, loans, etc). Begin to identify an ongoing source of funding to maintain the programs for which limited funding is available.
  - d. Continue to monitor real estate valuation and business tax base for purposes of identifying Tax Increment Financing (TIF) revenues available for project investment.

**Department: (#) Housing Consortium/Section 8**

**Fund: \_\_\_\_\_**

**Program Description**

This rental assistance program in Kenton County provides affordable, decent, and safe housing for 1,089 low-income families who pay 30% of their income for housing costs. The program supplements the tenants' portion of rent with a monthly subsidy that is paid directly to the private landlord. The program ensures quality rental housing through annual property inspections by skilled professionals from the Department. Such assistance creates a stable environment for families to thrive economically as well as provide solid, useable housing.

**2015 – 2014 Accomplishments**

1. Authority Holdings, LLC replaced Model Property Development Group in the General Partnership for Academy Flats and Eastside Revitalization I.
2. Selected the Michaels-Model Group - 10 Year Repositioning Strategy.
3. HOPE VI, Phase IV – Homeownership. This project has been successful largely due to the persistence of staff and the additional financial resources provided through the HOPE VI grant which allowed us to secure the legal assistance needed to clear up the titles on the privately owned properties.

**2014 – 2015 Objectives**

1. Complete the successful revitalization of Covington's East Side through the use of the HOPE VI grant developing Phase III 120 units of mixed income rental housing and Phase IV up to 34 scattered site homes for new owner occupants.
2. Develop and Implement a 10 Year Plan to Reposition Public Housing in Northern Kentucky.
3. Administer the programs included in the Community Housing Resource Group in a manner that insures compliance with HUD's and other regulators rules and regulations and inspires staff ownership of these programs.

As you can read, much has been accomplished in short time with the City's renewed focus and effort on growth and improvement. Now, it is time to go the next level. The City must become even more focused and determined to improve property values, retain and attract residents, businesses, investment and jobs, in a financially responsible and sustainable manner. The City must continue its Community Investment Plan that was adopted in 2013. The City must continue strong code enforcement efforts and to remove blighted and abandoned properties that depress

property values and detract new residents, investment and jobs. The City must continue to pursue development of our riverfront taking advantage of our location in a thriving and successful region. The City must invest in its own infrastructure which leads to improved property values and a higher quality of life. 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, where our services and programs are funded. It also means more fiscal stability so that 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 to sustain what we have begun. The City must be as patient as it is determined. The City's vision and plans for success require constant vigilance, support, and patience, and staying the course.

### **FY 2014-2015 Annual Budget Goals, Format and Process**

In addition to the legislative enactments of 2013 referenced earlier, the following was considered in developing the FY 2014-2015 Annual Budget:

#### City Manager Budget Goals

- 1) A Structurally Balanced Budget
- 2) Grow General Fund Revenues
- 3) Reduce General Fund Expenditures
- 4) Community Investment Plan
  - Reinvest + Grow
  - Improve + Sustain
  - Return on Investment
  - Improve Quality of Life
- 5) Tax Anticipation Note (TAN) Reduction
- 6) Rebuild Financial Reserves
- 7) Economic Development Project Funding

#### Transparency Policy (Exhibit E in Addendum)

At the recommendation of the Mayor's Task Force to Restore Public Confidence, the City Commission unanimously approved a Transparency Policy by City Ordinance (Commissioners Ordinance No. 06-14) in April of 2014 committing itself to several aspects of transparency, including budgetary and financial. City staff has attempted to make the FY 2014-2015 Annual Budget very transparent, in format and in process to a level of detail for the public not provided before. The budget format includes details of every fund, department and line item of the total City budget all of which will be 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 Budget Process (Exhibit F, Budget Calendar; and Exhibit G, Supplemental Budget Request Form)

City staff has attempted to make the budget process transparent as well. Operating from an internal budget calendar, City staff began working on FY 2014-2015 Annual budget and a new more transparent format in January of 2014, six months in advance of the new budget year that begins July 1, 2014. Directives to each Department were made on how to submit their respective annual operating and capital budget requests for FY 2014-2015. For the annual operating budget, Departments were instructed to submit a “status quo” budget request, meaning that to use their FY 14 budgeted amounts, inclusive of any built-in changes in expenditures such as pay increases, employer pension contributions, health care, etc. This process caused each Department to analyze each and every line item in their budgets to justify each dollar of each expense, much the same as is done on a continuous basis in private businesses. It also allowed each Department flexibility in establishing their own priorities in spending. A Memorandum from each Department was submitted to describe the impact on level of services from submitting a status quo budget.

There was some skewing of these results for the Department of Development as some budget data was erroneously omitted from their FY 14 budget that resulted in a disproportionate share of expense reductions falling on that Development. To adjust for that, a second round of directives was given to Department Directors to look for expenditure reductions based on each department’s proportionate share of the General Fund budget. This process resulted in a more balanced and equitable distribution of cost reductions in order to meet estimated annual revenue projections for FY 15.

Requests above and beyond the “status quo” budget were made through a Supplemental Budget Request process which, along with the Memorandums describing the impacts on levels of service, allowed Department Directors, City Management and City Commission to better evaluate how the City’s resources could best be utilized, all of which led to better and more informed decision making, as resources are almost always limited, meaning that needs and wants exceed available resources. All Supplemental Budget Requests are included as Exhibit H.

Department Directors and other key staff met several times to brainstorm how to increase revenue and reduce expenditures. Many good ideas were listed. Many were considered and many were incorporated in the FY 15 budget proposal. Further detail on these items is provided later in this Memorandum.

City Administration also met with individual members of the City Commission for several hours on two occasions and provided a binder of information for their reference and review, asking for feedback.

## **Recommended FY 2014-2015 Annual Budget**

### Basic Assumptions

- 1) Property Taxes. The City adopted a compensating tax rate of .3045 per \$100 of assessed valuation in 2013. It is anticipated that the City will adopt a rate in 2014 that yields at least the same amount of revenue, the compensating rate. When the tax roll is certified by the state in August of 2014, further discussion will occur concerning the adoption of the actual tax rate for 2014.
- 2) Property Tax Assessment. It is anticipated that the City's total property tax assessment for 2014 will decrease slightly perhaps requiring the current compensating rate of .3045 to increase.
- 3) Salaries and Wages: The FY 2014-2015 Annual Budget includes wage increases for the FOP, Local 38, and AFSCME collective bargaining units of 3% effective January 1, 2015. The FY 2014-2015 does not include wage increase for non-union employees at this time. It is recommended to revisit wage increases for non-union employees if revenues increase beyond what is budgeted.
- 4) Kentucky Retirement – Hazardous Duty Employees: The City's current employer contribution rate of 35.70% will decrease to 34.31% for FY 15 effective July 1, 2015, for all salaries and wages for Police Officers and Fire/EMS personnel. See Exhibit I in Addendum for Pension Contribution History.
- 5) Kentucky Retirement – Non-Hazardous Duty Employees: The City's current employer contribution rate of 18.89% will decrease to 17.67% for FY 15 effective July 1, 2015 of administrative, managerial, and supervisory personnel. See Exhibit I in Addendum for Pension Contribution History.
- 6) Health and Dental Insurance. See City Employee Health and Dental Plan as Exhibit J in Addendum. The City funds the City employees' health and dental plans from the General Fund.

### **KEY RECOMMENDATIONS**

- 1) Grow the City's General Fund revenue. Increasing property values and private investment increases property tax revenue to the City. (See Exhibit K in Addendum for example of Additional Property Tax Revenue generated from increased property value) Eliminating unsafe and blighted properties through aggressive code enforcement, and demolition in some instances, improves both property values and public safety. Increasing jobs in the City increases payroll and net profit taxes to the City.
- 2) 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.(See Exhibit I for Pension Contribution History and Exhibit L in Addendum for City Employees Health and Dental Plan Costs)

- 3) Continue Community Investment Plan. 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. (See Capital Project Fund Exhibit M in Addendum)
- 4) Initiate a plan 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 needs to do this. The FY 15 budget recommendation includes an initial payment of \$350,000 on the TAN that will put the City on a trajectory to pay it off in ten years. This action will also demonstrate the City's commitment and self discipline. Also, an aggressive effort at collecting delinquent property taxes, waste fees, and occupational license fees, should be initiated and a process formalized by adoption of an Order Resolution by the City Commission to dedicate these one time payments to pay down the TAN further and quicker than the City's 10 year plan to pay it off, in addition to using any funds recovered from embezzlement from the City.
- 5) Continue to rebuild the City's financial reserves toward a minimum goal of 5%. The City should adopt by ordinance a minimum fund balance reserve of 5%. The City last achieved this goal in 2008 when combined reserves reached a total of \$2.5 million. That amount at end of FY 2012-2013 was less than \$800,000. Any proceeds from sales of City properties, such as the former City Hall at 638 Madison Avenue, should be committed toward reaching this goal of a 5% minimum fund balance reserve. Also, an aggressive effort at collecting delinquent property taxes, waste fees, occupational license fees, should be initiated and these one time payments to rebuild the City's financial reserves, in addition to using any funds recovered from embezzlement from the City. Delinquent taxes and fees are an asset to the City that we must pursue and put to good use.
- 6) Grow and direct funding toward the City's Economic Development Investment Fund. Using the City's lease proceeds from the Kentucky Career Center, 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.
- 7) In the City's next waste and recycling contract, consider option to allow contractor to direct bill property owners for this service. The City currently loses 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.
- 8) Pursue a long term physical and financing plan for replacement of City facilities including a permanent City Hall, Public Improvements facility, fire and police stations.

## All City Funds Budget Summary

### 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

- 101 City Manager – Established to account for expenditures of the Office of the City Manager, Assistant City Manager, and administrative support, salary and fringe benefits, and department operational costs.
- 104 Mayor & Commissioners – Established to account for expenditures of the Mayor and Commissioners including salary and fringe benefits, and operational costs.
- 105 Human Resources – Established to account for the expenditures of the Human Resources, Assistant Human Resources and Risk Management, salaries, fringe benefits, and operational costs.
- 201 City Solicitor – Established to account for the expenditures of the City Solicitor, Assistant Solicitor, two attorneys, administrative support, Marketing and Communications Director’s salaries and fringe benefits and 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, GIS specialist and Zoning, Code and Inspector Specialists’ salaries and fringe benefits and operational costs.
- 303 Marketing and Communications Division– Director’s position has been transferred into the Legal Department and Arts District Manager transferred to the Program and Strategic Projects Division.
- 304 Program and Strategic Projects Division- Established to account for the expenditures of the 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 operational costs.
- 306 Economic Development – Established to account for the investment the City makes in new business development.
- 501 Department of Public Improvements Engineering Division – Established to account for the expenditures of the Director of Public Improvement (DPI) salaries and fringe benefits and operational costs.
- 502 Department of Public Improvements Administration Division – Established to account for the expenditures of the DPI Business Manager and administrative support salaries and fringe benefits and 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 operational costs.
- 506 Department of Public Improvements Parks and Facility Management Division– Established to account for the Recreational and Facilities Maintenance Division Supervisor, Laborers, Technicians and seasonal workers' salaries and fringe benefits and 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 6 mechanics salaries and fringe benefits and 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, 2 equipment operators, 3 drivers, 4 seasonal and one laborer's salaries and fringe benefits and operational costs.
- 510 Department of Public Improvements Devou Park Maintenance Division– Established to account for the 2 equipment operators, one laborer and two seasonal 's salaries and fringe benefits and 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, and the Republic/CIS waste and recycling collection contract.
- 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.
- 601 Communications – this account is no longer being used because these costs are now allocated specifically to each Department in the current budget
- 702-706 Finance – Established to account for the Finance Director, Assistant Finance Director, two accountants, one Payroll Specialist, one Accounts Payable clerk, three tax auditors and one administrative assistant’s salaries and fringe benefits and operational costs.
- 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 excluding the pension debt.
- 1901-1905 Parking – Established to account for various City parking garages and surface lots and metered parking spaces’ income and expenses.

## Fund

- 06 City Hall – Established to account for the expenses incurred to rent and occupy City Hall.
- 14 Supplemental Capital Request General Fund Money – Establish to set aside General Fund Revenue for Capital Projects
- 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.
- 35 Pension 2004 Obligation Debt – Established to account for principal and interest payments on the bond debt incurred to fund the City Employee, and Police and Fire Pension Retirement Plans. All current City employees are enrolled in the state’s County Employees Retirement System (CERS).
- 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.
- 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.

## 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.
- 09 Renaissance Grant – Established to account for expenditures related to sidewalk and streetscape work funded by grant funds.
- 10 Community Reinvestment Fund – Established to account for expenditures relating to the reinvestment of funds generated from the investment property owned by the City.

- 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.
- 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.

### **A Focus on General Fund**

Revenue and Expense History (Exhibit N in Addendum)

**FY 15 Revenue Projection** (Reference Exhibit N in Addendum)

## **All City Fund Budget Detail (Exhibit O in Addendum)**

### **Key Changes to General Fund Revenue and Expense**

#### **Revenue**

##### **Included in Budget Recommendation**

Increase Daily Parking Rate at Rivercenter Garage from \$8 to \$10 yields \$22,500 in additional revenue

Increase Metered Parking Rates by 10 cents per half hour from 25 cents to 35 cents yields \$48,000 in revenue

Increase Park Shelter Rental Rates for Resident and Non-Residents - \$2,500

##### **In Progress**

Implement New Procedure to Collect Parking Citations Issued by Police Department

##### **Potential**

Increase Ambulance Billing Fees (Hard Bill Residents)

Implement Life Safety Inspection Fees in Fire Department (additional cost to businesses)

False Alarm Fees

Riverfest – Lease Public Spaces to Vendors

Lease City Commission Meeting Space

##### **Considered but Not Recommended**

Establish Billing for Rescue Services to Auto Insurance

Charge for Parking at Mainstrasse Public Parking Lot

#### **Expenditures**

##### **Included in Budget Recommendation**

Suspend Pay Increases for Non-Union Employees on January 1, 2015 yields savings of \$150,000

Increase Amortization Period for Two City Pension Funds from 20 years to 25 years, yields annual savings of \$126,860

Reconfigure Snow and Ice Removal Staffing Plan yields \$40,000 in savings

Revise Employee Cell Phone Reimbursement Plan saves \$25,000

### **Potential**

Incentivize Early Retirements

Change Employee Health Care Plan to State Plan

Pooling and Sharing of City Vehicles

Eliminate 10 Hour Day in Police Department

Annual Waste Fee Direct Bill potential savings of \$200,000 (future)

### **Considered But Not Recommended**

Close City Swimming Pools saves \$220,000

Close City Swimming Pools for one week saves \$9,000

### **Other Changes to General Fund Revenue and Expense**

Citywide Departmental Staffing Changes

Approximately six full time positions eliminated or converted to part time.

Approximately three part time positions eliminated.

Mayor and Commissioner

- 1) \$1,000 for Travel and Training for each of Mayor and City Commissioner
- 2) Reduced Dues and Subscriptions by \$9,000

City Manager

- 1) Workplace Fraud Hotline at \$2,250
- 2) \$25,000 funding for Keep Covington Beautiful
- 3) \$25,000 funding for COV200, the City's official Bicentennial Committee (2015)
- 4) Reduced Southbank Contribution to \$25,000
- 5) Renewed memberships for Kentucky League of Cities, NKADD, and Northern Kentucky Chamber of Commerce, \$11,000

## Finance

- 1) Eliminated a full time staff accountant position
- 2) Eliminated a full time tax auditor position
- 3) Added Paycor, an external payroll service

## Fire

- 1) Eliminated \$25,000 in Unscheduled Overtime
- 2) Eliminated a full time Captain rank position only. Total staffing number remains same
- 3) Added Personal Protective Equipment (PPE) turn out gear acquisition to replace all front line and reserve gear
- 4) Replace full time administrative position with part time position

## Human Resources

- 1) Added Paycor Human Resources component for open enrollment, automation, time and record keeping, \$18,000
- 2) Eliminated newspaper advertising, use web based sources only
- 3) Eliminate promotional testing for Police and Fire for FY 15, \$8,000

## Legal

- 1) Transferred Marketing and Communications Director position to Legal
- 2) Added one full time attorney to assist with legal work brought in house and delinquent tax, fee and loan collection project.
- 3) Eliminate a part time paralegal position, \$26,000

## City Clerk

- 1) No Changes

## Development Department

- 1) Eliminate one part time intern

### Community Services Division

- 1) Eliminate one full time supervisor code position saves \$80,000
- 2) Reduce two full time code enforcement officers to two part time saves \$98,000.

### Programs and Strategic Projects Division

- 1) Eliminated one full time Grants Coordinator position \$88,000
- 2) Transferred Arts Director from Marketing and Communications Division to Programs and Strategic Projects Division

### Business Development Division

- 1) No Changes

### Marketing and Communications Division

- 1) Transferred Director position to Legal Department
- 2) Transferred Art Director position to Programs and Strategic Projects Division

### Public Improvements

- 1) Added one new full time mechanic position that had been vacant for four years
- 2) Replace full time administrative position with part time position
- 3) Current Chief Mechanic promoted to fill vacant Fleet Manager position

### School Crossing Guards

- 1) No Changes

### Police

- 1) Reduce Overtime by \$100,000 (2,461 annual service hours), from \$750,000 to \$650,000, and redeploy a full time Sergeant (2,080 annual service hours) from Information Technology assignment to Patrol Division to reduce supervisor overtime. Redeploy a full time Lieutenant (2,080 annual service hours) to Crime Bureau to reduce supervisor overtime.

## **A Focus on Capital Project Fund (Exhibit M)**

The proposed Capital Project Fund of \$45,561,520 utilizes a \$15 million bond issue by the City and approximately \$30 million in funds from other non-City sources such as CDBG, Devou Properties, Inc, and 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.

## **City Manager Budget Goals 5 - 7 (cont'd)**

### 5) Tax Anticipation Note (TAN) Reduction

- Make initial payment of \$350,000 from City reserve funds as part of ten year plan to eliminate the TAN.
- Collection of One-Time Fund (described below) can be used to expedite elimination of the TAN.

### 6) Rebuild Financial Reserves

- Adopt Minimum Fund Balance Ordinance
- Collection of One-Time Funds:
  - Delinquent Property Taxes
  - Delinquent Waste Fees
  - Delinquent Occupational License Fees
  - Collection of \$400,000 of Unpaid City Issued Parking Citations
  - Recovery of Embezzled Funds

### 7) Economic Development Project Funding

- City's Economic Development Reinvestment Fund (lease proceeds from Kentucky Career Center)
- Pursue Non-Performing Loans to Replenish Fund
- Other Sources, Federal, State, Local and Private

## **Next Steps in the FY 2014-2015 Annual Budget Process**

May 27 - June 24	Commission and Community Feedback
June 24	Scheduled First Reading of Budget Ordinance
June 26	Scheduled Second Reading of Budget Ordinance
July 1	FY 2014-2015 Budget Begins