

City of Covington, Kentucky

FY 2014-2015

Updated City Manager
Recommended Budget

June 24, 2014

City Manager Budget Goals for FY 2014-2015

- Structurally Balanced Budget (Kentucky Constitution & KRS)
- Grow General Fund Revenues
- Reduce General Fund Expenditures
- Community Investment Plan
 - Reinvest + Grow
 - Improve + Sustain
 - Return on Investment
 - Improve Quality of Life
- Tax Anticipation Note (TAN) Reduction
- Rebuild Financial Reserves
- Economic Development Project Funding

Changes to Budget Since May 27

- City Administration had several individual meetings with the Mayor and Commissioners about the City Manager Recommended budget that was presented on May 27, 2014.
- A great deal of good feedback, questions, suggestions and concerns, was shared between the City Commission and City Administration.

Changes to Budget Since May 27

- A majority of City Commission want to continue staffing with full time positions in the Community Services Division, which is responsible for the residential rental inspection program, rather than staffing with part time positions.
- The \$99,031 per year that would have been saved from staffing with part time positions instead of full time positions has to be made up elsewhere in the budget.

New Assumptions for Budget

- The following assumptions are recommended to compensate for the additional \$99,031 expense to retain full time staffing.

Assumption	Savings
Utility Savings from Sale of former City Hall Property (Assumes October 1, 2014 Transfer Date)	\$ 50,000
Property Insurance Savings from Sale of former City Hall (Assumes October 1, 2014 Transfer Date)	\$ 10,962
Initiate FY 15 Capital Projects August 1 not July 1	\$ 40,000
Total	\$100,962

Other Changes to Budget Since May 27

- A five year contract to update software used by the Fire Department has resulted in an annual additional expense of \$2,321.
- Police and Fire, and City Employee Pension Funds
 - The Police and Fire Pension Board approved a 1.5% cost of living increase at their June Board meeting. The City Employee Pension Board is expected to do the same at its July meeting.
 - The respective annual cost to the City from both cost of living increases is \$21,404 and \$8,136 for a total of \$29,540.
 - The annual expense for both of these cost of living increases is recommended to come from the City's annual contribution to both pension funds that was intended to fully fund the pension funds over a period of 25 years.
 - This reduction in the annual contribution will cause that 25 year period to be extended.

Additional Supplemental Information

Director of (City) Public Officials FY 2014 – 2015

City of Covington, Kentucky General Information

City of Covington, Kentucky Miscellaneous Data

City of Covington, Kentucky Appointed Boards and Commissions

City Staffing Plan: FY 2014 – 2015

City Organizational Chart

City Employee Wage Increase History: 2001 – 2015

City of Covington, Kentucky FY 2014-2015 Departmental Goals
(modified from May 27, 2014 Budget Transmittal Letter)

2014-2015 Recommended Budget				Non-Major Government	General Fund	Combined
	General Fund	Housing Voucher Program	Capital Improvement	CDBG, Home	Restricted	Funds Total
Estimated Fund Balance Beginning of the Year 2015	\$ 796,560	\$ 899,192	\$ -	\$ 627,694	\$ 229,319	\$ 2,552,765
Estimated Revenue						
Payroll Taxes	22,090,209	-	-	-	-	22,090,209
Property Taxes	6,716,664	-	-	-	-	6,716,664
Insurance Premiums Tax	5,759,752	-	-	-	-	5,759,752
Franchise Taxes	2,028,888	-	-	-	-	2,028,888
Net Profit Taxes	2,706,317	-	-	-	-	2,706,317
Waste Collection	2,330,908	-	-	-	-	2,330,908
Parking and Rental	1,926,366	-	-	-	-	1,926,366
Income From Squad Runs	1,332,835	-	-	-	-	1,332,835
Licenses, Permit Fees, Penalty and Interest	558,698	-	-	-	-	558,698
Net Court Revenue	75,967	-	-	-	-	75,967
Employee, Police & Fire Pension Investments	-	-	-	-	2,126,386	2,126,386
All Other	609,944	363	15,000,000	-	1,516,114	17,126,421
Receipts from Other Governments	1,142,729	5,995,144	-	3,739,076	901,339	11,778,288
Total Estimated Revenue	47,279,276	5,995,507	15,000,000	3,739,076	4,543,839	76,557,699

Estimated Expenses						
Administration	851,460	6,292,749	-	3,739,076	1,048,264	11,931,550
Human Resources	323,644	-	-	-	-	323,644
Development Department	1,918,634	-	-	-	-	1,918,634
Legal Department	610,384	-	-	-	-	610,384
Finance Department	1,335,894	-	-	-	-	1,335,894
Police Department	12,645,476	-	-	-	661,560	13,307,035
Fire Department	12,308,718	-	-	-	478,311	12,787,029
Public Works Department	9,045,937	-	-	-	-	9,045,937
Parking Garage	779,940	-	-	-	-	779,940
Capital Outlay	160,000	-	15,000,000	-	-	15,160,000
Debt Service Including TAN payment	5,314,527	-	-	-	-	5,314,527
Self Funded Liability Insurances	1,110,481	-	-	-	-	1,110,481
City Hall	458,018	-	-	-	-	458,018
Employee, Police & Fire Pension Contribution/Expenditures	396,405	-	-	-	2,126,386	2,522,791
Total Estimated Expenses	47,259,518	6,292,749	15,000,000	3,739,076	4,314,520	76,605,864
Net Revenue Less Expenses Current Year	19,758	(297,242)	-	-	229,319	(48,164)
Estimated Fund Balance End of Year 2015	\$ 816,318	\$ 601,950	\$ -	\$ 627,694	\$ 458,638	\$ 2,504,601

