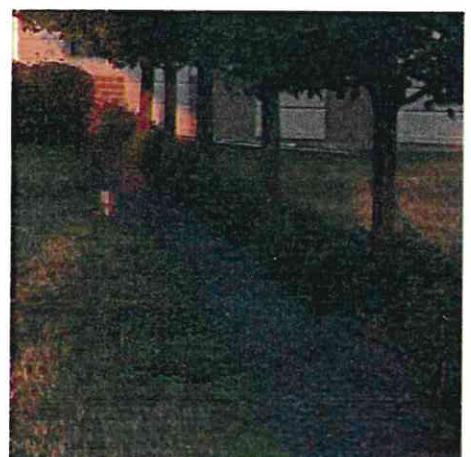
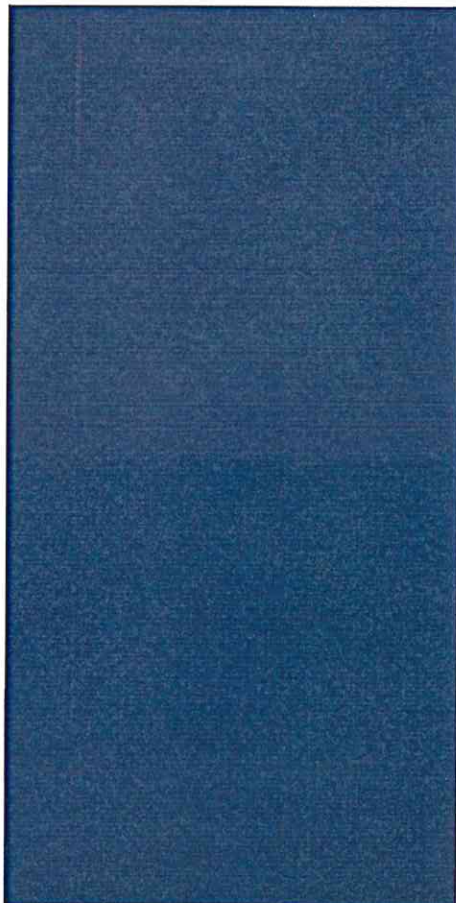
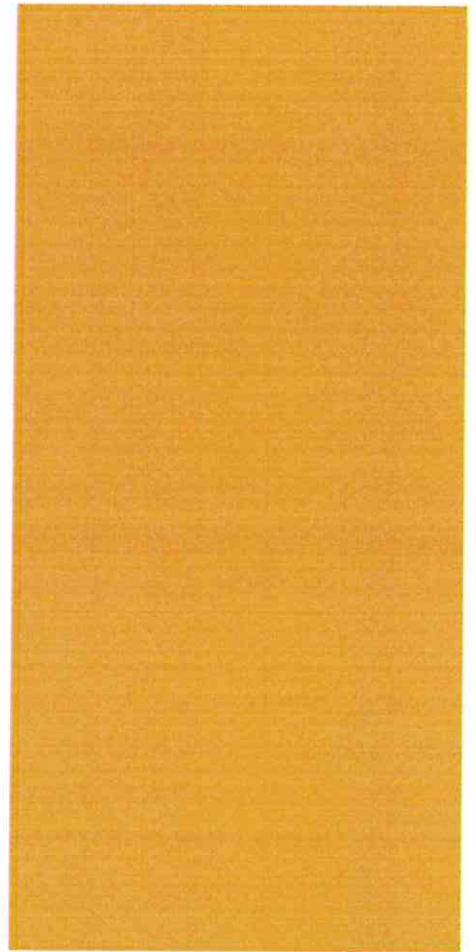


# Fiscal Year 2024/2025 Budget



2024

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### **City of Florence Public Documents: Links to Documents and News**

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Annual Comprehensive Financial Report  
<https://florence-ky.gov/forms-and-documents>

Annual Budget Document  
<https://florence-ky.gov/forms-and-documents>

City of Florence Updates  
<https://florence-ky.gov/news/>

June 30, 2024

Honorable Mayor and City Council:

Executive Summary – Fiscal 2025

### Operating Budget

The information in this document is to present the fiscal year 2025 operating budget for the City of Florence. The Department Heads and staff have worked very diligently to formulate a comprehensive budget for the operations of the City for the upcoming fiscal year.

Our budgeting process ensures rigorous management of expenses and revenues in departmental operating budgets. As always, we continue to closely review all of the city's expenditures and business practices to make certain that we are operating as efficiently as possible. The resulting budget follows our conservative budgetary principles, remains fiscally sound, and allows service delivery to occur in the manner our residents and businesses deserve and have come to expect.

The budget for fiscal year 2025 begins on July 1, 2024 and represents a comprehensive spending plan for all city funds. The budget reflects all known and estimated increases in costs as well as the estimated projections for the various sources of revenues. Our occupational license fees, insurance premium tax, payroll tax receipts, and real estate tax revenues are all dependent on economic conditions and as such these numbers will be subject to continued analysis and review.

The projected revenues for all funds total \$72,947,500 and the projected expenditures for all funds totals \$74,988,341. The projected revenues for FY 2025 represent a .10% decrease under the amended revenues from the FY 2024 budget. Increases have been made in property tax revenue, payroll taxes, insurance premiums and interest income revenue in the general fund. However, the removal of the telecommunications fiber grant funds in the amount of \$3.0 million coupled with a slight decrease in contractual services has produced a slight decrease in budgeted revenues. Road travel, which was impacted by the pandemic, appears to be back to normal and pushing gasoline tax revenue in the state back to normal levels including the City's apportionment. As a result, Municipal Road Aid Revenue in that fund has been projected to remain steady. The World of Golf has completed its renovations and has experienced an increase in revenues because of the improvements. Revenues for water and sewer services have been increased due to an April 1, 2024 rate increase of 2% and 3% for the water and sewer line items, respectively. In addition, more housing units are producing more residents which produces more water and sewer usage. The projected expenditures for FY 2025 represents a 19.99% decrease under the amended expenditures for the FY 2024 budget. The overall decrease is a result of the reduction of capital outlay expenditures in the General Fund outpacing the increase in personnel expenditures with the hiring of sixteen additional, an increase in the health and dental costs and a 3.2% Cost of Living Allowance (COLA). The planned expenditures in the FY 2023 budget that were carried over to the FY 2024 budget were for stadium clubhouse improvements, a new fire house on Dream Street, KY 18 overpass fencing, Phase II of the Main Street redevelopment and the Council Chamber refresh. The addition of the fourth fire station, the development of the Mall Road Connector to Cayton Drive, and new sidewalks added to New Buffington Road will be carried over to the FY 2025 budget through an amendment for the unfinished portion at June 30, 2024. There are a few new projects in the FY 2025 budget which includes the redevelopment of the Veteran's memorial area, more stadium improvements to the gift shop and former offices and a planned property purchase. There will eventually be some smaller budgeted projects in the FY 2024 that will be carried over as well in addition to the fire



station, Mall Road connector and sidewalks. Those amounts will not be determined until after the close of the FY 2024 financials. Any such carryovers will be addressed in the first budget amendment for FY 2025. Departmental capital requests have remained consistent with prior years and the five-year plan except for the traffic signal project.

At the end of the previous fiscal year, the City's government funds reported combined ending fund balances of \$112,966,349, a decrease of \$3,314,285 in comparison with the prior year. Approximately 63.09 percent of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is classified as nonspendable, committed to or assigned to indicate that it is not available for new spending because of constraints that have been placed on the use of these resources for specific purposes either internally or externally.

### **Short-Term Factors:**

There are a few pressing issues that were taken into consideration when preparing the fiscal year 2025 budget:

- Inflationary concerns continue to top the list of issues facing the City in preparation of the budget for a second year in a row.
- Staffing issues, as far as attraction and retention, continues to be an issue. The restructuring of the City's pay plan last fiscal year has aided this process. But this process will require annual analysis.
- Hazardous pension costs have decreased 11.62% for fiscal year 2025. Rates have traditionally increased 12% per year thru fiscal year 2023. In addition, non-hazardous rates for fiscal year 2025 rates have decreased 15.55% as well. This will significantly benefit all personnel costs including police and fire.
- Health costs will have slight increases but will attempt to be minimized by plan changes. Prescription costs continue to be a major concern. There was a plan change to try to remove specialty drugs costs from the plan. That change seems to have provided some relief but not to the extent expected.
- Capital needs in the form of vehicles continues to be an issue. The City will continue the course of action taken in preparing the fiscal year 2023 budget which will result in ordering police cruisers, fire apparatus and public service heavy equipment a year in advance of the actual need based on updated lead times if necessary.

### **Priorities for fiscal year 2025:**

- Complete the fourth Fire Station in January 2025.
- Complete the stadium improvements by April 2025 before the baseball season commences.
- Analyze the cumulative effect adding sixteen additional personnel will continue to have on the General fund balance in conjunction with core revenues continuing to increase slightly.
- Complete all capital rollover projects in fiscal year 2025 to determine the actual fund balance reserves. Continual amendments to account for rising costs on most capital projects allows the reserves to be a moving target.

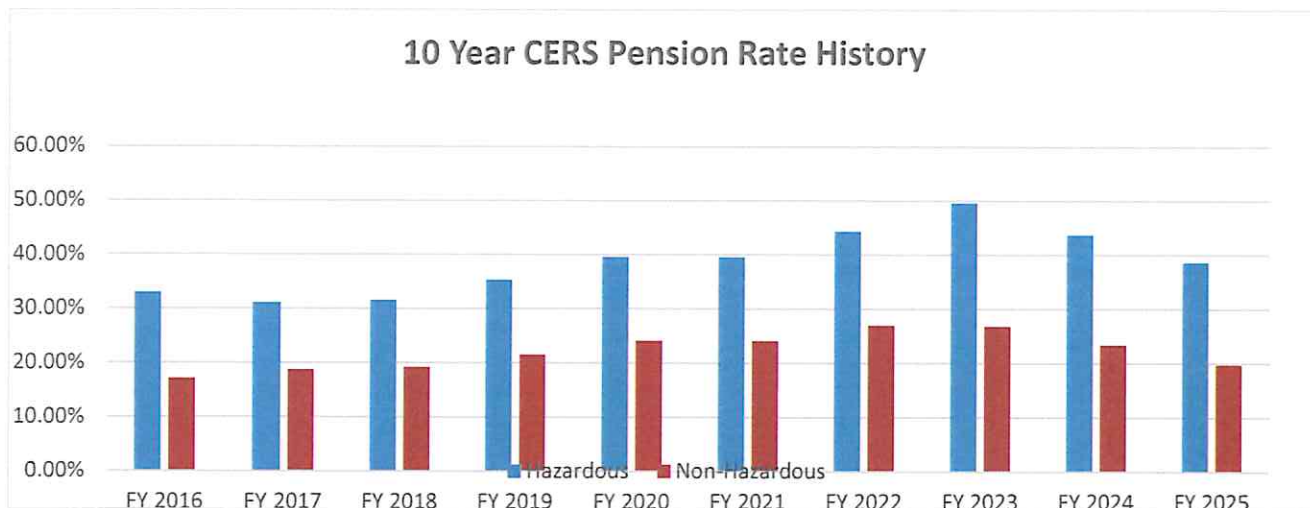
### **Priorities from fiscal year 2024:**

- Finalize the plans for the fourth Fire Station.
- Complete the stadium by clubhouse by March 2024 before the baseball season commences.
- Analyze the supply chain demand issues for vehicles and heavy equipment to determine if advance purchases can be scaled back to an updated vehicle replacement plan.
- Complete all capital rollover projects in fiscal year 2025 to determine the actual fund balance reserves. Continual amendments to account for rising costs on most capital projects allows the reserves to be a moving target.

For fiscal year 2025, a COLA coupled with anticipated step increases and a decrease in the State of Kentucky County Employees Retirement System(CERS) employer contribution percentages will have an effect on the numbers. The cost of the COLA (3.2%) and step increases will cost the City and estimated \$842,260 in additional salaries. In order to keep the pay plan competitive with local agencies, Council has enacted a minimum 2.0% COLA each July 1<sup>st</sup> starting July 1, 2018. The additional costs of benefits related to the salary increase is estimated to be an additional \$392,292. Twelve full-time fire personnel, one AMI Coordinator and three police officers have been added for fiscal year 2025. There was a slight decrease in the non-hazardous pension rate taking it from 23.34% to 19.71%(15.55% decrease) which will result in slightly decreased pension cost once the COLA has been applied to the salaries for fiscal year 2025. On the other hand, the decrease in the hazardous pension rate went from 43.69% to 38.61%(11.62% decrease) and will save the City an estimated \$55,000 after additional hazardous personnel are added. House Bill 362 passed during the 2018 legislative session caps state pension employer contribution rate increases up to 12% per year over the fiscal year period of July 1, 2018 to June 30, 2028. Minimal increases for benefit costs will include workers compensation, life insurance and short and long-term disability.

#### C.O.L.A. Increases

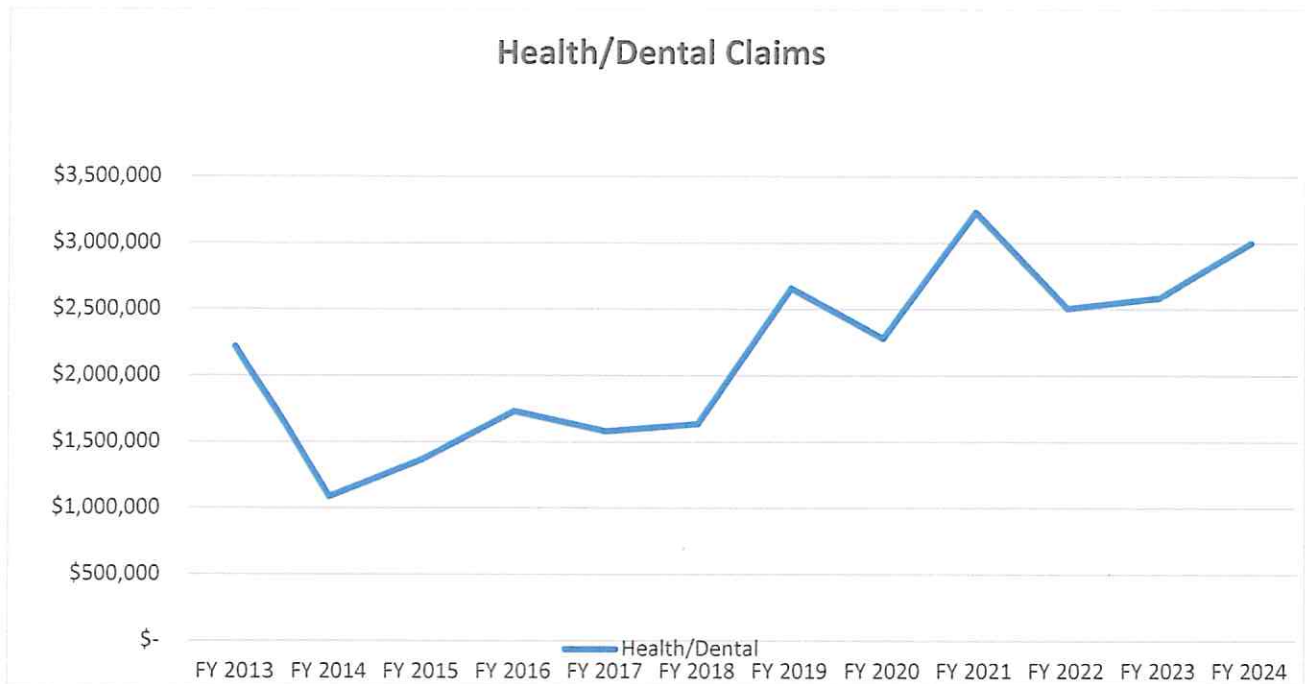
FY 2025	3.2%
FY 2024	6.0%
FY 2023	7.9%
FY 2022	2.0%
FY 2021	2.3%



The City is self-insured for health and dental insurance purposes. At the beginning of fiscal year 2018 the City switched its' employees to a reference based pricing plan. The full effect of that plan to reduce health insurance costs has been realized the last few years. The health insurance costs projected for fiscal year 2024 are estimated to be at \$3,000,000 for the fifth full year on the plan. This is consistent with the results from the prior fiscal year. A few plan changes have been made for fiscal year 2024 to try to control the rising costs of prescriptions and adjustments made to the maximum-out-of-pocket amounts. The City is anticipating a year with consistent claims again due to a few of the past high claimants coming off the plan in the past. A projected slight increase in health care costs will be offset with a decrease in rates for stop loss insurance due to lower claims the past two years. This will leave projected expenses at the same level as the fiscal year 2024 budget for fiscal year 2025. The dental insurance costs will remain stable for fiscal year 2025. The dental insurance claims do not vary a whole



lot from year to year due to the maximum annual capped payments per individual. The City switched dental insurance carriers in January 2024. The City offers a PPO plan with an annual payout of \$1,500 per individual.

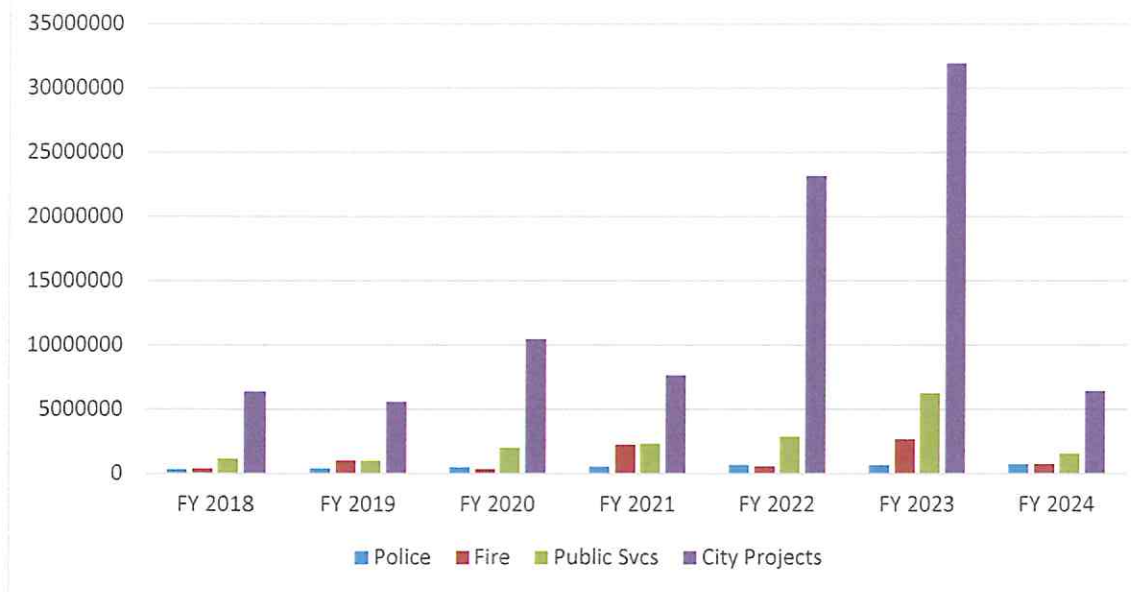


### Capital improvements:

For fiscal year 2023, the City had a significant increase in capital improvement projects mainly due to the preparation of replacing the baseball stadium clubhouse due to the deteriorating condition of the current one and the addition of a new firehouse to improve response time on the east side of the City. Both of these one-time projects had a combined budget of \$20.0 million. In addition, there were multiple one-time projects in the fiscal year 2023 budget in the amount of \$8.22 million that included Main Street improvements, property purchases, golf course renovation, US 42 fencing, KY 18 overpass and the final phase of the Kentaboo street and sidewalk project. The bulk of those projects had significant carryover amounts for the first budget amendment for the FY 2024 budget. For fiscal year 2025, there is a decrease of \$3.3 million or 41.96% in departmental capital requests. Most department requests have returned to an expected level for 2025. The traffic signal update grant project in the public services department was an exception in the prior year. Most departmental requests in the fiscal year 2025 budget will be completed by June 30, 2025.

The City projects has had a decrease of \$18.8 million. The main reason for the decrease is for the completion of the stadium clubhouse and the moderate completion of the new firehouse. The firehouse will carry over into fiscal year 2025 with the first budget amendment with completion anticipated to be January 2025. The expectation is to try to finish capital projects that have been rolled from year-to-year and understand where the reserves will end up. Construction overages the last two years have plagued the City.

## Capital Improvements



## General Fund:

The General Fund revenue budget totals \$50,495,000 in fiscal year 2025. This compares to \$52,436,000 in revenue for the fiscal year 2024 budget amendment. That is a decrease of \$2.0 million or 3.81%. There are slight increases in property taxes, insurance premiums, payroll taxes and interest income. These were all revenue categories that were conservatively projected going into fiscal year 2024 due to the uncertainty of rising interest rates and the suggestion of a possible recession. The recession never did materialize and although the rise in interest rates has affected economic development to a small degree, the economy in Florence has been pretty strong. The grant revenue account has decreased by \$3.0 million due to the reduction of the traffic signal grant project funded by the state. The project has been slowed by approvals still needed from the Kentucky Transportation Cabinet. Funds will be carried over to fiscal year 2025 through the first budget amendment in December 2024. There are not any notable decreases in revenue projections going into 2025. The table below demonstrates the amounts collected below for those main sources of General Fund revenues listed above and the recovery of taxes since the economic recession.

	Actual <u>2018</u>	Actual <u>2019</u>	Actual <u>2020</u>	Actual <u>2021</u>	Actual <u>2022</u>	Actual <u>2023</u>
Property Taxes	\$ 7,820,248	\$ 7,732,182	\$ 8,328,611	\$ 8,650,941	\$ 9,232,640	\$ 9,368,540
Payroll Taxes	\$18,730,631	\$19,728,618	\$19,674,388	\$21,000,471	\$21,948,045	\$24,863,770
Insurance Taxes	\$ 4,615,303	\$ 3,184,526	\$ 2,897,739	\$ 3,377,358	\$ 3,637,375	\$ 3,498,625
Occupational	\$ 2,554,307	\$ 2,765,864	\$ 2,589,960	\$ 2,573,592	\$ 2,896,896	\$ 3,719,796



The Property Tax rate has remained the same since 2008. Thus, the continuing increases in revenue since 2019 are related to additional development, both residential and commercial, in the City as well as the increasing values due to the reappraisal of the properties.

The Payroll Tax increases since 2018 are mainly due to additional business development and a couple of annexations of businesses in unincorporated Boone County into the City. Business incentives were used for the annexations. In addition, an overall increase in worker wages in the area have also contributed to this increase. The slight decrease in fiscal year 2020 was pandemic related.

The Insurance Tax had experienced steady increases during fiscal years thru 2018. In March of 2018, the City lowered the insurance premium tax rate from 8% to 5% for fiscal year 2019. That lowering of the rate produced the decrease in revenues of \$1.4 million for fiscal year 2019. The collected revenue was higher than anticipated based on the insurance companies not making the rate decrease on a timely basis. However, in fiscal year 2020, the revenue decreased another \$300,000 due to the insurance companies charging the 5% rate for the whole year and the pandemic was in process. The revenue source has rebounded. Increases in the revenue for fiscal year 2021 are the direct result of additional insurance policies and rising premium costs for which the tax is based. Recovery from the pandemic contributed as well. The budgeted revenue was increased to \$3.95 million for 2025 based on projected year-end revenue for fiscal year 2024.

Occupational license fees have been fairly steady over the last five years with a significant increase in 2023. During the pandemic years extensions were made for the Federal income tax filing due date from April 15, 2021 until May 15, 2021, and April 15, 2020 to July 15, 2020. As a result, occupational license due dates were pushed back as well. Occupational license revenue experienced a slight reduction in fiscal year 2021 due to the changing of the due date and uncertainty in the business environment with COVID cases continuing. With the increase in revenues in 2023, an increased budgeted amount of \$3.25 was set for fiscal year 2025 based on projected year-end revenue for fiscal year 2024.

General Fund expenditures in the proposed budget total \$48,093,031 which represents a decrease of \$20.6 million from the \$68,748,589 that was approved in the amended fiscal 2024 budget. This budget figure includes operating and capital expenditures. The operating expenditures are \$37.9 million, a 4.31% increase over those budgeted for fiscal year 2024. Salary and related benefits cost are contributing to the increase. However, the increase in motor fuel, utilities and supplies are also contributing factors. The city also has planned expenditures for capital items in the amount of \$10.1 million. The majority of these costs are reoccurring equipment and vehicle replacement, multiple street projects, and debt service for previous capital expenditures for all City departments. The City annually budgets major expenditures for the buildings. This year's planned expenditures are for lighting upgrades to LED, ceiling tile, replacement of heaters for cooling towers, Roof ladder access, painting, upgrade of the plymovent motors for the air handlers for a total of \$215,000. The City also plans annual expenditures for the stadium. This year's planned expenditures include renovation of the offices and gift shop, building, roof and superstructure painting, electrical improvements, ADA improvements and sidewalk replacement for a total of \$1,030,000. The City added a one-time project in the amount of \$1,100,000 for the Veteran's Memorial improvements. In addition, funds were added to start master planning 21 Girard Street, the Main Street strip center that was demolished, the Florence Nursery property and the US 42 properties that were purchased in the amount of \$450,000. There is a possible purchase of a parcel of property in the amount of \$565,000, a renovation of the Tanner facility structure in the amount of \$100,000 and city enhancements for banners, Christmas decorations, signage and traffic signals in the amount of \$200,000.

The City has a healthy balance of reserves. Those reserves are planned to be used again for this fiscal year to offset the rising costs of operations and planned capital expenditures.

The table below reflects historical data for General Fund expenditures for the last six years:

**GENERAL FUND**

<b>OPERATING EXPENSES:</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Administration</b>	\$2,233,441	\$2,472,018	\$2,660,430	\$2,938,440	\$2,663,451	\$2,792,966	\$3,379,030
Increase(Decrease)		\$238,577	\$188,412	\$278,010	-\$274,989	\$129,515	\$586,064
%age increase(decrease)		10.68%	7.62%	10.45%	-9.36%	4.86%	20.98%
<b>Public Services</b>	\$4,380,091	\$5,243,937	\$5,089,726	\$4,781,703	\$5,201,542	\$5,813,652	\$6,538,424
Increase(Decrease)		\$863,846	-\$154,211	-\$308,023	\$419,839	\$612,110	\$724,772
%age increase(decrease)		19.72%	-2.94%	-6.05%	8.78%	11.77%	12.47%
<b>Police</b>	\$7,304,822	\$8,122,940	\$8,233,198	\$8,412,136	\$8,764,785	\$9,973,167	\$11,084,299
Increase(Decrease)		\$818,118	\$110,258	\$178,938	\$352,649	\$1,208,382	\$1,111,132
%age increase(decrease)		11.20%	1.36%	2.17%	4.19%	13.79%	11.14%
<b>Fire</b>	\$7,041,104	\$7,779,757	\$8,299,298	\$8,449,842	\$8,719,153	\$9,633,131	\$11,496,410
Increase(Decrease)		\$738,653	\$519,541	\$150,544	\$269,311	\$913,978	\$1,863,279
%age increase(decrease)		10.49%	6.68%	1.81%	3.19%	10.48%	19.34%

The general fund is the chief operating fund of the City. At the end of the previous fiscal year, unassigned fund balance of the general fund was \$71,271,828 while total fund balance was \$82,945,473. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represented 128.99 percent of total general fund expenditures and transfers for that year, while total fund balance represents 201.36 percent of that same amount. The City also maintains a rainy day fund in the amount of \$8.3 million as a part of that fund balance.

**Municipal Personnel:**

A 3.2% cost of living adjustment (COLA) salary increase is budgeted for each employee of the City. As a result, all salary increases, upon approval, will take effect July 1, 2024. Employees will be considered for a step increase in accordance with the pay plan. Step increases would be effective January 1, 2025 if approved.

The County Employees Retirement System (CERS) approved rates for fiscal year 2025 with the nonhazardous rate decreasing to 19.71% of covered payroll for the third year in a row. The hazardous duty rate has decreased to 38.61% of covered payroll for the Second year in a row. Prior legislation passed by the 2018 Kentucky General Assembly in House Bill 362 (Pension Reform) was expected to stabilize CERS rates moving forward. Based on the actual 2023 rates, the increase for fiscal 2024 was expected to be 12.00% for each, respectively. There will be a cap of a maximum 12% annual increase moving forward until June 30, 2028 after this upcoming year.

The City introduced and rolled out a new reference-based pricing health insurance plan for fiscal year 2018 for the employees. The reference-based plan eliminates the PPO (Preferred Provider Organization) network and the plan design is all copays. The claims for fiscal year 2019 with the new plan option have not remained consistent with the claim amounts from fiscal year 2018. This was not the anticipated result however, there were run out claims from the traditional plan in effect for fiscal year 2018. In addition there were several high claimants in that fiscal year so the City was hopeful that the

amount of claims for fiscal year 2020 would have a reduction with the phase out of the traditional plan and finalization of high claimant claims. The claims ended the year \$377,000 less than 2019. The claims for fiscal year 2021 were \$950,339 more than 2020 with a repeat of high claimants and costs that were higher than 2021 which was still higher than originally budgeted. In fiscal year 2022 claims finally decreased and resulted in a decrease of \$724,000 of claims processed. Fiscal Year 2023 produced just a slight increase in claims from 2022. With the reduction of high claimants, the reference based pricing plan finally started to yield the results that were anticipated.

Slight plan design changes were made for fiscal year 2024. Costs for the current fiscal year are trending to be consistent with the prior year.

The City has a medical clinic on the campus of the Government Center as a way of cutting and controlling medical care costs of its employees.

#### **Personnel Costs**

<b>Departments</b>	<b>Actual</b>		<b>Budgeted</b>	
	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
General Fund:				
Administration	\$ 1,345,161	\$ 1,584,890	\$ 2,354,100	\$ 2,377,000
Public Services	\$ 4,315,540	\$ 4,684,212	\$ 5,198,100	\$ 5,288,500
Police	\$ 9,486,194	\$ 10,557,076	\$ 11,730,500	\$ 12,160,500
Fire	\$ 9,017,309	\$ 10,756,476	\$ 11,737,500	\$ 12,383,000
Water/Sewer Fund:				
Administration	\$ 488,665	\$ 468,487	\$ 512,400	\$ 518,900
Sewer	\$ 905,317	\$ 1,017,894	\$ 1,127,000	\$ 1,148,000
Water	\$ 1,000,202	\$ 963,393	\$ 1,246,000	\$ 1,374,000

#### **Capital Expenditures and Major Initiatives:**

There will be an overall reduction as a result of decreases in city projects that have reduced requests for capital items for the General Fund. Departmental budget amounts have remained consistent with years prior to the last fiscal year that contained a telecommunications project, a new clubhouse for the stadium, a new firehouse and the lead-time for vehicles to arrive resulted in ordering vehicles sooner than planned. The City projects have an overall decrease in budgeted funds but has two major initiatives. The first initiative is funding for the Veteran's Memorial improvements. The second project will be the construction and improvements of the former offices and gift shop at the stadium..

A number of other capital items and initiatives are also included in this year's General Fund budget which will serve to enhance the City's ability to operate effectively as well as serve the citizens responsibly.

Some highlights of these initiatives follow:

#### **Technology Initiatives:**

Annual computer replacement  
 Web site development  
 Annual environmental  
 Battery replacement backup/cooling  
 Security system upgrade  
 Wireless upgrade

Audio processor/laser projectors  
Aruba licenses  
Network switches/servers  
Senior Center/Aquatic Center AV refreshes

**Public Safety initiatives:**

Purchase of eleven SUV's  
Cruiser equipment  
Body camera project  
Flock cameras  
Tasers  
Replacement of firearms  
Office furniture replacement  
Staff vehicles  
Bunker gear  
Personal protective gear  
Ambulance  
Miscellaneous fire equipment

**Public Services Initiatives:**

Annual street and sidewalk replacement  
Annual street striping maintenance  
Mowers  
Major equipment  
Two ton dump truck  
Mini excavator  
Technology and software for infrastructure program  
Staff car  
Office furniture  
Facility parking lot striping  
Municipal building alterations

**Recreational Initiatives:**

Replacement of playground equipment  
Park projects including Phase II of the master plan  
World of Golf parking Lot mill and overlay  
Basketball court resurfacing Stringtown and Lincoln Woods  
Sculpture park  
Urban Forest annual tree initiative  
Veteran's commission

**Facility Initiatives:**

Stadium annual maintenance  
Building/equipment maintenance  
Main Street firehouse  
Property purchase  
Facility assessments  
City enhancements  
Veteran's memorial improvements



Urban beautification  
Master plan studies

### **Outside Agencies:**

The City Council has awarded the following amounts to outside agencies for the 2025 fiscal year.

Planning Commission – The budget request of \$385,000 represents a 4.05% increase over the approved 2024 expenditure of \$370,000 with most of the increase attributed to costs of personnel services.

Florence Community Chorus – The budget request of \$5,000 is the same amount of the budget request that was approved in the 2024 budget. Funds will be used for the compensation for the music, uniforms, the pianist and Director.

Florence Community Band – The budget request of \$6,550 and is a slight increase over the \$6,000 for the budget request that was approved in the 2024 budget. Funds will be used for music sheets, Director's fees, insurance and other various operating expenses.

### **OTHER FUNDS**

#### **Municipal Aid/LGEA Fund:**

The Municipal Aid expenditures for street materials and street resurfacing projects are proposed at \$545,000. This is an increase of \$10,000 from the amount requested in amended budget for fiscal year 2024. The amount of \$2.5 million in the fiscal year 2024 budget for ARPA street projects will have an anticipated carryover amount to the 2025 budget in addition to new projects that will be bid during the fiscal year to insure that all ARPA funds are committed by December 2024. Funds will need to be fully expended by December 2026.

#### **Infrastructure Fund:**

The Infrastructure Fund is the fund used by the City to carry out major street, sidewalk, and right-of-way maintenance and construction activities. The proposed revenues for fiscal year 2025 are \$4,695,000 which includes 15% of the estimated annual payroll tax collections along with storm water receipts. The proposed expenditures include the annual street, sidewalk, and storm sewer maintenance projects for the fiscal year according the five year plan in the amount of \$2,680,150.

The proposed revenues are a slight decrease from fiscal year 2024 as a result of two sidewalk grant projects that were awarded in the prior year. The Weaver Road sidewalk project has been completed but the Center Street sidewalk project will carryover into 2025 in the amount of \$489,000. The expenditures are an increase from fiscal year 2024 due to the addition of two major projects. The first project is the widening and improvements being made to US 42 for the addition of a Publix grocery store. The cost of this project is \$3.5 million. The second project is to mill and overlay Mall Road in the amount of \$1.0 million. The intent is to have both of these projects finished by June 30, 2025 so there are no more carryover projects. The revenues and expenditures for the Center Street project will be carried over into fiscal year 2025 during the first budget amendment.

#### **Asset Forfeiture Fund:**

The Asset Forfeiture Fund accounts for all funds received from seized assets and purchases made with those funds. The budgeted revenues have been decreased slightly to \$85,000 under the amount that was budgeted in fiscal year 2024. Receipt approval at the Federal level for the release of funds has literally been non-existent for unexplained reasons but the City's drug task force unit continues to have seizures at the local level that have been providing funding the last three fiscal years.. With the

uncertainty as to the reason and not knowing when the approval process will begin again, a conservative approach was taken for the upcoming year again. The budgeted expenditures total \$200,000 which will be used for miscellaneous equipment and the Narcotics units overtime, buy money and the evidence bay remodel. This compares to the same \$200,000 budgeted in fiscal year 2024 which had several planned equipment expenditures. Reserves will be used to fund the expenditures.

#### **Aquatic Center Fund:**

The Aquatic Center Fund is used to account for the operations of the City's pool facility. Revenues are always weather sensitive but usually remain somewhat consistent from year to year. The aquatic center was not open for the 2020 and 2021 pool seasons due to the pandemic. The aquatic center did re-open for the 2022 pool season on May 28, 2022. The pool season for the 2024 season will run from May 25 - August 11, 2024 and will include weekends thru Labor Day. The season will split fiscal years 2024 and 2025. The revenues are projected to be the same as fiscal year 2024. The center made a change in how pool passes are being sold. Only individual pass memberships are being sold with the same requirement that someone over the age of sixteen must accompany any pass holders under the age of thirteen. The budgeted operating expenditures total \$1,256,700 compared to \$1,073,700 for the amended fiscal year 2024 budget. This is an increase of \$183,000 or 17.04%. The reason for the increase is the capital outlay needed to fix some of the pool features that have started to have water rot and structural issues.

#### **Golf Course Fund:**

The World of Golf Fund is responsible for the operations of the golf course facility. Just like the Aquatic Center, the revenues are weather sensitive as well. Due to the longer golfing season though, revenues will tend to fluctuate. The golf course has been affected by the COVID-19 pandemic in a good way. Because of the resurgence of golf and golf entertainment activities, the City has completed an update of the facility with a cost of \$5.0 million. A new outdoor range with Toptracer technology has been added with an expanded patio and a new restaurant. Total estimated revenues of \$2,355,500 are a slight decrease from the prior year due to budgeting revenues on a conservative basis until several months of operations have been completed to make sure weather will not have a significant impact. The revenues coupled with a transfer in of \$100,000 are projected to cover the estimated operating costs of the facility and are estimated to produce a basically breakeven situation. Total projected expenses will total \$2,651,600 including depreciation in the amount of \$300,000..

#### **Water and Sewer Fund:**

The Water and Sewer Fund accounts for the activities of the government's water and sewer sales and services to residential and commercial users. The projected revenues of \$12,021,000 for fiscal year 2025 is a decrease of \$277,000 compared to the projected revenues of \$12,298,000 for fiscal year 2024. The increase in water and sewer services can be attributed to the rate increase that went into effect on April 1, 2024, the increase in housing projects adding more residents and the fact that a portion of residents are spending more time at home due to the working remotely from home due to the previous pandemic years. In addition, there is an offsetting decrease in capital contribution due to ARPA grant funds being used for water and sewer projects declining.

Total projected expenses of \$10,790,300 are a slight increase over the fiscal year 2024 expenses of \$10,551,958. The result of this increase is due to salaries and benefits, supplies, water purchases and utilities having an increased budget over the 2024 amendment.

**WATER/SEWER FUND****REVENUES**

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Water sales	\$5,907,922	\$5,783,482	\$5,646,538	\$5,840,974	\$5,962,771	\$6,344,189	\$6,718,443
Sewer receipts	2,277,021	2,285,304	2,363,449	2,531,458	2,584,737	2,652,064	2,746,225
Tap fees	194,814	77,538	88,064	175,200	152,500	101,779	200,300
Penalties	99,314	102,195	137,925	72,265	49,641	99,944	135,045
Meter installations	76,443	42,263	48,411	53,393	38,407	36,960	75,819
Other	110,658	93,431	105,560	92,986	74,800	90,568	150,588
Interest	63,181	101,747	138,472	111,100	22,649	475	94,847
<b>TOTAL</b>	<b>8,729,353</b>	<b>8,485,960</b>	<b>8,528,419</b>	<b>8,877,376</b>	<b>8,885,505</b>	<b>9,325,979</b>	<b>10,121,267</b>

<b>Net Income(loss)</b>	<b>\$ 628,106</b>	<b>\$ 2,913</b>	<b>\$ (339,526)</b>	<b>\$ (503,525)</b>	<b>\$ (503,525)</b>	<b>\$ 254,995</b>	<b>\$3,086,595</b>
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**WATER/SEWER FUND****OPERATING EXPENSES:**

	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Administration</b>	\$654,819	\$755,237	\$722,231	\$699,235	\$700,105	\$812,918	\$892,311
Increase(Decrease)		\$100,418	-\$33,006	-\$22,996	\$870	\$112,813	\$79,393
%age increase(decrease)		15.34%	-4.37%	-3.18%	0.12%	16.11%	9.77%
<b>Sewer</b>	\$1,202,105	\$1,323,918	\$1,286,801	\$1,223,512	\$1,293,224	\$1,304,354	\$1,456,516
Increase(Decrease)		\$121,813	-\$37,117	-\$63,289	\$69,712	\$11,130	\$152,162
%age increase(decrease)		10.13%	-2.80%	-4.92%	5.70%	0.86%	11.67%
<b>Water</b>	\$4,614,417	\$5,167,337	\$5,060,150	\$5,142,786	\$5,128,312	\$5,367,888	\$5,614,813
Increase(Decrease)		\$552,920	-\$107,187	\$82,636	-\$14,474	\$239,576	\$246,925
%age increase(decrease)		11.98%	-2.07%	1.63%	-0.28%	4.67%	4.60%

**Summary of Department/Fund Relationships**

Departments	Funds						
	Major Funds		Non-Major Funds				
	General	Infrastrucrure	Municipal/ LGEA	Asset Forfeiture	Aquatic	Golf Course	Water/ Sewer
Administration	X				X	X	
Public Services	X	X	X				X
Police	X			X			
Fire	X						
Aquatic					X		
Golf						X	
Water/Sewer							X

## Fund Balance/Retained Earnings:

The following tables show the changes between the proposed and adopted fund balance and retained earnings changes for the fiscal year 2025 budget:

### Proposed FY 2024

	General Fund	Municipal Aid Road Fund	Infrastructure Fund	Asset Forfeiture Fund	Aquatic Center Fund	Water and Sewer Fund	World of Golf Fund
Est. Revenues/Transfers	\$ 50,495,000	\$ 825,000	\$ 6,195,000	\$ 85,000	565,500	\$ 12,021,000	\$ 2,455,500
Est. Expenditures/Transfers	51,318,031	695,180	7,180,150	200,180	1,256,700	10,790,300	2,651,600
Reserves Utilized	<u>(823,031)</u>	<u>129,820</u>	<u>(985,150)</u>	<u>(115,180)</u>	<u>(691,200)</u>	<u>1,230,700</u>	<u>(196,100)</u>
Beg. Fund Balance	<u>59,269,534</u>	<u>1,413,601</u>	<u>29,165,207</u>	<u>274,136</u>	<u>2,099,232</u>	<u>29,458,568</u>	<u>11,991,867</u>
Percentage Change	\$ <u>-1.39%</u>	\$ <u>9.18%</u>	\$ <u>-3.38%</u>	\$ <u>-42.02%</u>	\$ <u>-32.93%</u>	\$ <u>4.18%</u>	\$ <u>-1.64%</u>

### Adopted FY 2024

	General Fund	Municipal Aid Road Fund	Infrastructure Fund	Asset Forfeiture Fund	Aquatic Center Fund	Water and Sewer Fund	World of Golf Fund
Est. Revenues/Transfers	\$ 50,495,000	\$ 825,000	\$ 6,195,000	\$ 85,000	\$ 565,500	\$ 12,021,000	\$ 2,455,500
Est. Expenditures/Transfers	51,318,031	695,180	7,180,150	200,180	1,256,700	10,790,300	2,651,600
Reserves Utilized	<u>(823,031)</u>	<u>129,820</u>	<u>(985,150)</u>	<u>(115,180)</u>	<u>(691,200)</u>	<u>1,230,700</u>	<u>(196,100)</u>
Beg. Fund Balance	<u>59,269,534</u>	<u>1,413,601</u>	<u>29,165,207</u>	<u>274,136</u>	<u>2,099,232</u>	<u>29,458,568</u>	<u>11,991,867</u>
Percentage Change	\$ <u>-1.39%</u>	\$ <u>9.18%</u>	\$ <u>-3.38%</u>	\$ <u>-42.02%</u>	\$ <u>-32.93%</u>	\$ <u>4.18%</u>	\$ <u>-1.64%</u>

DISCLOSURE: The proposed fiscal year 2025 summary budget presented above is for comparative analysis only to show how the budget process was originally started. However, the budget numbers presented throughout this document for fiscal year 2025 are the adopted budget numbers as of July 1, 2024. They do not include any amendments. The fiscal year 2025 numbers may change after this document is presented if any budget amendments are approved by Council.

Differences between the proposed and adopted are as follows:

There were no differences this fiscal year.

The General Fund decrease in reserves is due to the increases in personnel costs including annual increases in wages, health and dental coupled with additional personnel added. In addition, increases in motor fuel, supplies and utilities costs are also affecting the budget. Those increases combined with planned capital expenditures for all departments and city projects are resulting in a projected decrease of \$823,031.

The increase in reserves for the Municipal Aid Fund of \$129,820 is due revenues outpacing expenditures in the current fiscal year.



The Infrastructure Fund decrease is the result of additional funding for increasing annual expenditures above the anticipated revenue stream. There is the intent in the infrastructure Fund to build up reserves to provide a basis to insure the availability of funds for street, sidewalk and storm sewer replacements as the City ages.

The Asset Forfeiture Fund decrease in reserves is a reduction to the fund based on a conservative approach to budgeting revenues since Federal release of funds have been non-existent in the last two fiscal years and the amount of one-time capital items under the strict guidelines for allowable expenditures of seized funds.

The Aquatic Center Fund has a decrease in fund balance due to the upkeep of the pool and the amount of capital out that is involved for that purpose. The City does recognize that most recreational venues for parks and recreation are provided for the enhancement of the community.

The City's Water and Sewer Fund is an enterprise fund and is expected to at least break even or make a profit for future operations and infrastructure needs. The increase in reserves of \$1,230,700 is due to ARPA capital contributions for water and sewer projects that will be capitalized and eventually depreciated. This will outpace the increase in personnel costs, motor fuels, utilities, supplies and water purchase costs. The water and sewer fund is currently debt free with the last debt service payment being made July 1, 2023. The City has passed various new rate increases that will go into effect on April 1, 2019 or April 1, 2020 for the next five years.

The World of Golf Fund is the City's second enterprise fund. There is an anticipated decrease in reserves in the amount of \$196,100 after transfers. This is due to annual depreciation expense of \$300,000 and a conservative approach to revenue estimates during the weather dependency of the facility. The golf course is currently debt free.

# BUDGET SUMMARY

FY 2024

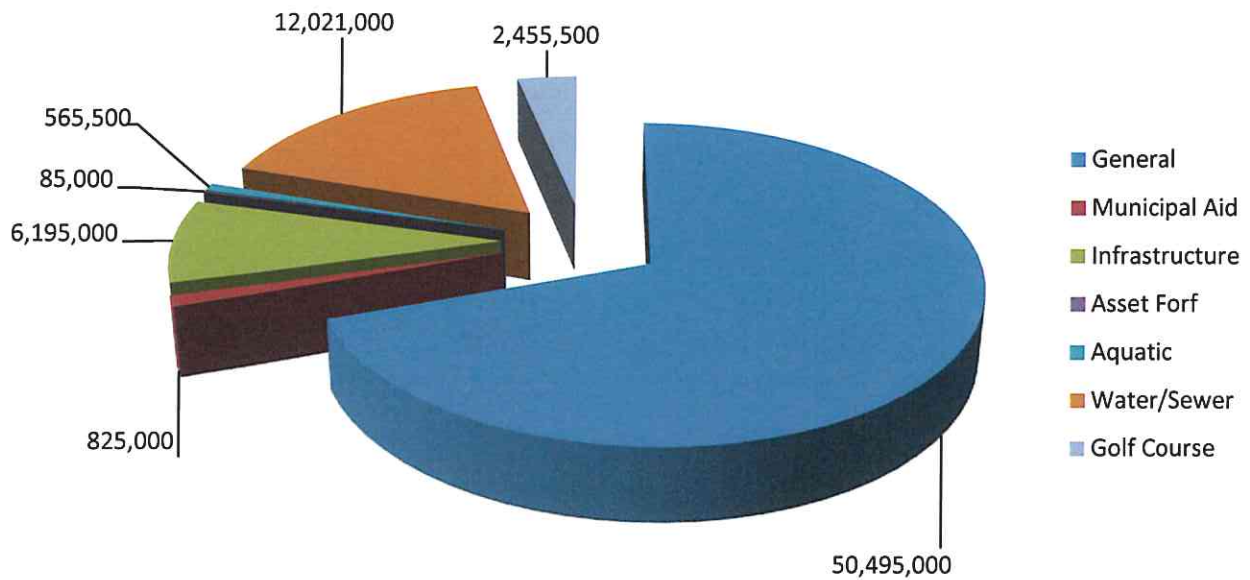
	General	Municipal	Infrastructure	Asset	Aquatic	Water and	World of	GRAND
	Fund	Aid Road	Fund	Forfeiture	Center	Sewer	Golf	TOTALS
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
<b>Beg. Fund Balance</b>	<b>82,945,473</b>	<b>1,293,601</b>	<b>25,780,207</b>	<b>339,636</b>	<b>2,607,432</b>	<b>27,712,526</b>	<b>12,156,367</b>	<b>152,835,242</b>
Taxes	10,475,000	-	-	-	-	-	-	10,475,000
Licenses and Permits	28,575,000	-	3,200,000	-	-	-	-	31,775,000
Intergovernmental	3,828,000	680,000	1,799,000	-	-	11,000	-	6,318,000
Fines and Forfeitures	385,000	-	-	-	-	-	-	385,000
Charges for Services	7,173,000	-	490,000	-	565,500	9,637,000	2,405,500	20,271,000
Other Services	-	-	-	-	-	-	-	-
Uses of Property	-	-	-	125,000	-	-	-	125,000
Interest	1,800,000	-	700,000	9,500	-	150,000	-	2,659,500
Miscellaneous	200,000	-	-	-	-	-	-	200,000
<b>TOTAL REVENUES</b>	<b>52,436,000</b>	<b>680,000</b>	<b>6,189,000</b>	<b>134,500</b>	<b>565,500</b>	<b>9,798,000</b>	<b>2,405,500</b>	<b>72,208,500</b>
<b>Transfers</b>	<b>-</b>	<b>2,625,000</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>2,500,000</b>	<b>100,000</b>	<b>6,725,000</b>
<b>FOR APPROPRIATION:</b>	<b>135,381,473</b>	<b>4,598,601</b>	<b>33,469,207</b>	<b>474,136</b>	<b>3,172,932</b>	<b>40,010,526</b>	<b>14,661,867</b>	<b>231,768,742</b>
Administrative	4,356,100	-	-	-	-	-	-	4,356,100
Public Services	6,693,600	-	4,304,000	-	-	-	-	10,997,600
Police Services	12,277,600	-	-	200,000	-	-	-	12,477,600
Fire / E.M.S. Services	12,497,209	-	-	-	-	-	-	12,497,209
Parks / Recreation	-	-	-	-	1,073,700	-	-	1,073,700
Capital Outlay	32,358,080	3,185,000	-	-	-	-	-	35,543,080
Other Agencies	625,000	-	-	-	-	-	-	625,000
Debt Service	579,350	-	-	-	-	-	-	579,350
Water and Sewer	-	-	-	-	-	10,551,958	-	10,551,958
Golf Course	-	-	-	-	-	-	2,670,000	2,670,000
<b>TOTAL EXPENDITURES</b>	<b>69,386,939</b>	<b>3,185,000</b>	<b>4,304,000</b>	<b>200,000</b>	<b>1,073,700</b>	<b>10,551,958</b>	<b>2,670,000</b>	<b>91,371,597</b>
Transfers	6,725,000	-	-	-	-	-	-	6,725,000
<b>TOTAL</b>	<b>76,111,939</b>	<b>3,185,000</b>	<b>4,304,000</b>	<b>200,000</b>	<b>1,073,700</b>	<b>10,551,958</b>	<b>2,670,000</b>	<b>98,096,597</b>
<b>End. Fund Balance</b>	<b>59,269,534</b>	<b>1,413,601</b>	<b>29,165,207</b>	<b>274,136</b>	<b>2,099,232</b>	<b>29,458,568</b>	<b>11,991,867</b>	<b>133,672,145</b>

# BUDGET SUMMARY

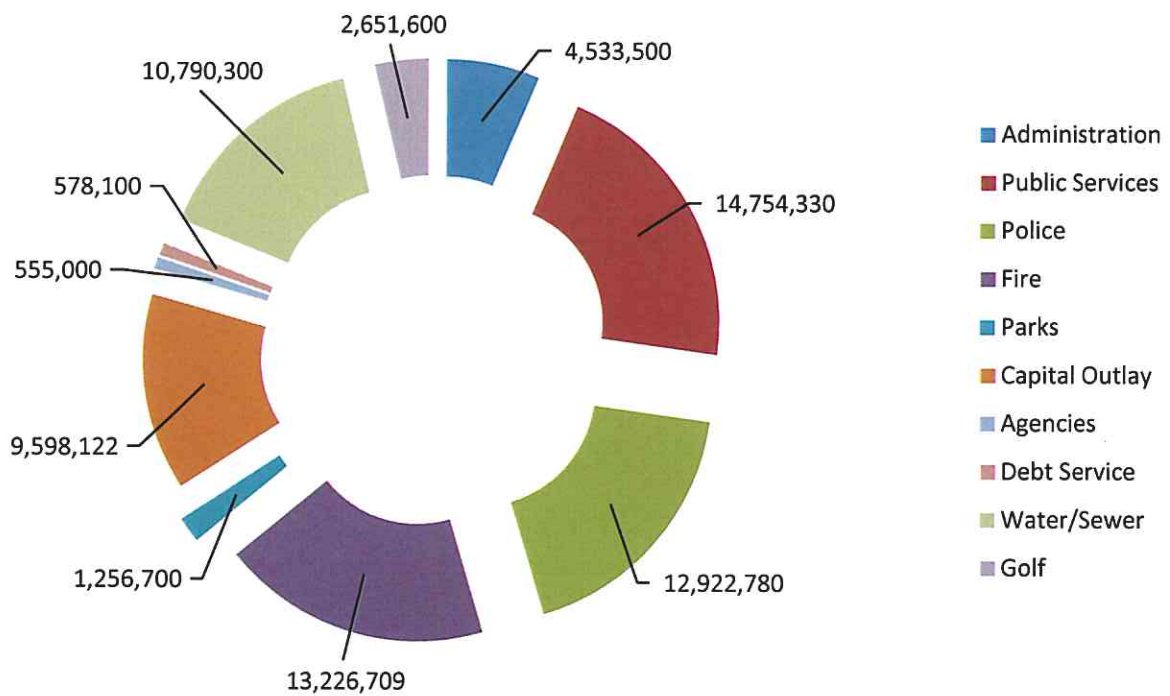
FY 2025

FY 2025	Municipal			Asset	Aquatic	Water and	World of	
	General	Aid Road	Infrastructure	Forfeiture	Center	Sewer	Golf	GRAND
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	TOTALS
Beg. Fund Balance	59,269,534	1,413,601	29,165,207	274,136	2,099,232	29,458,568	11,991,867	133,672,145
Taxes	10,880,000	-	-	-	-	-	-	10,880,000
Licenses and Permits	29,360,000	-	3,500,000	-	-	-	-	32,860,000
Intergovernmental	928,000	700,000	-	-	-	-	-	1,628,000
Fines and Forfeitures	425,000	-	-	-	-	-	-	425,000
Charges for Services	6,817,000	-	495,000	-	565,500	10,321,000	2,338,000	20,536,500
Uses of Property	-	-	-	75,000	-	-	-	75,000
Interest	1,900,000	-	700,000	10,000	-	200,000	17,500	2,827,500
Miscellaneous	185,000	-	-	-	-	-	-	185,000
TOTAL REVENUES	50,495,000	700,000	4,695,000	85,000	565,500	10,521,000	2,355,500	69,417,000
Transfers	-	125,000	1,500,000	-	-	1,500,000	100,000	3,225,000
FOR APPROPRIATION:	109,764,534	2,238,601	35,360,207	359,136	2,664,732	41,479,568	14,447,367	206,314,145
Administrative	4,533,500	-	-	-	-	-	-	4,533,500
Public Services	6,879,000	-	7,180,150	-	-	-	-	14,059,150
Police Services	12,722,600	-	-	200,180	-	-	-	12,922,780
Fire / E.M.S. Services	13,226,709	-	-	-	-	-	-	13,226,709
Parks / Recreation	-	-	-	-	1,256,700	-	-	1,256,700
Capital Outlay	9,598,122	695,180	-	-	-	-	-	10,293,302
Other Agencies	555,000	-	-	-	-	-	-	555,000
Debt Service	578,100	-	-	-	-	-	-	578,100
Water and Sewer	-	-	-	-	-	10,790,300	-	10,790,300
Golf Course	-	-	-	-	-	-	2,651,600	2,651,600
TOTAL EXPENDITURES	48,093,031	695,180	7,180,150	200,180	1,256,700	10,790,300	2,651,600	70,867,141
Transfers	3,225,000	-	-	-	-	-	-	3,225,000
TOTAL	51,318,031	695,180	7,180,150	200,180	1,256,700	10,790,300	2,651,600	74,092,141
End. Fund Balance	58,446,503	1,543,421	28,180,057	158,956	1,408,032	30,689,268	11,795,767	132,222,004

## TOTAL REVENUES/TRANSFERS



## EXPENDITURES





## **Concluding Comments:**

The preparation of the budget and the approval by the City Council is one of the most important functions that occurs at the end of every fiscal year. The budget is the initial structure of guiding the City starting the upcoming year by laying out anticipated operating and planned capital expenditures. The preparation process starts at the department level and proceeds through the review, final preparation and submission process to the Mayor and Council.

The budget brings with it a continuing conservative approach for the revenue amounts. The City of Florence has experienced some economic growth during the last two years and seems to have had a decent recovery in the areas of payroll tax and insurance premium taxes and occupational license fees during the current and past fiscal year. The City has been successful in dealing with budget realities in a positive manner to remain financially sound. The budget for the 2025 fiscal year calls for slight increases in core revenues in comparison to budgeted and projected results for fiscal year 2024. This is wholly due to coming out of the effects of the pandemic and waiting for all businesses to get back to normal operations. It is anticipated that property tax revenue will increase with minimal delinquencies and that Council will not adopt a property tax increase for the sixteenth year in a row. The City has taken an extremely conservative approach to our expenditures to be able to continually provide the highest level of service for the residents. The City will once again reinforce the philosophy about only purchasing that which is deemed to be a necessity in order to provide services at the lowest possible cost. The anticipated continued growth in the community is projected to be steady. The rising cost of all types of insurance, including liability, worker's compensation, and health and dental continues to be an annual struggle. In addition, health care reform costs, state mandated retirement contributions and rising motor fuel, supplies and utility costs are continuing to increase the annual growth of the City's expenditures. The City continually evaluates the personnel costs and adjusts benefits offered to try to maintain a balance between a competitive pay package and the associated costs.

The City is constantly looking for ways to operate the departments more efficiently and effectively. There is a constant emphasis on managing current year expenditures while still trying to add to the reserves at the same time. However, the City's budgets for the fiscal years 2024 and 2025 both utilize reserves to balance the budget mainly due to capital projects. As stated before, the City has a healthy balance of reserves but continual usage of those reserves to balance the budget will only last so long. With 83% of the General fund budget consisting of personnel costs, any additional hires will have a cumulative effect on the budget moving forward.

The Council does continue to follow a rolling three-year strategic plan and monitor the economic conditions to maintain a conservative approach to the City's finances. Those plans include projecting out the salaries and benefit costs which make up 83% of the general fund operating expenditures at an 8% annual increase. Due to the pension crisis in the State of Kentucky, pension rates have increased 12% for fiscal years 2022 and 2023. However, as previously stated, the rates for fiscal years 2024 and 2025 have decreased on both the non-hazardous side and hazardous side. The health and dental costs did decrease in fiscal year 2022 after three years of high claimants. Fiscal year 2025 has been budgeted at slightly higher amounts than the 2024 projected costs. Since the City is self-insured, we have implemented a new plan design every three years. After the implementation of the second year of the three-year plan, the City monitors the effects of the changes as well as the annual changes occurring in the market place to have an idea of where the plan changes need to be made for the next three-year plan. The City also opened its own health care clinic in December of 2013 to contain third party costs. We continue to monitor how to keep the clinic operating efficiently and in unification with our insurance plan to achieve the highest return on that investment. All additional contractual and operating and maintenance expenditures are projected out using an annual 4% increase. The basis of the three year projections is to monitor the fund balance position as the City continues to move forward into the future.

## Long-range Financial Plan

The City needs to make sure that it has the resources to provide the services expected by the residents and to maintain the infrastructure and all of the City amenities that have been constructed over the previous years. Without a plan in place to continually forecast revenues and expenditures, the City will not remain viable in the long-term and when the next economic downturn occurs. The City plans to fund capital items/projects with current year revenues and a portion of reserves to not issue any more debt. With the City in the middle of the largest retail hub in Northern Kentucky, we need to be able to maintain and provide services that we currently have to continually attract and retain the businesses. Without those businesses and the resulting property and payroll tax base from them, the City will struggle to be able to provide the core services at the current levels with the annual increases of personnel costs. When personnel costs are practically eighty three percent of the general fund budget, it becomes a fine line of attracting and maintaining quality employees with annual COLA increases coupled with rising health care cost and required pension plan costs passed on to the City from the Kentucky Retirement Board. The City has passed a Resolution to provide the employees with a COLA increase in the amount of the February CPI index percentage or two percent, whichever is greater in order to provide for competitive compensation rates in a tight labor market.

The Pandemic landed its punch in early 2020 and inflicted a loss of nearly 280,000 jobs—17 percent of Kentucky's private sector employment—in just two months. By mid-2022, however, Kentucky, the competitor states, and the U.S. had employment totals equal to their pre-pandemic levels of February 2020. Nonetheless, while the jobs have returned, the pandemic fundamentally altered the economy, and, because of this, businesses, workers, and consumers are still adapting to these changes. Many workers who left their jobs during the pandemic, particularly parents of young children and those close to retirement, have not returned to the labor force. Nationally, the employment-population ratio declined from 61.2 percent to 59.9 percent, a decrease of 1.3 percentage points from February 2020 to November 2022. Kentucky's ratio decreased by 0.8 percentage points, from 56.2 percent to 55.4 percent, during this period. Economic momentum from the prior year has carried forward into the current fiscal year despite fears of a recession. Taking all of the above into account, with Florence being the retail hub that it is, the City has continued to see increases in payroll taxes and occupational license fees collected since the height of the pandemic as well. However, supply chain disruptions have limited access to many key inputs and have contributed to higher prices. Workers who left jobs during the pandemic have not returned to work in the City as well. To combat that issue, employers have raised wages trying to attract and retain workers leading to the payroll increases the City has experienced.

The City continues to implement its rolling three year plan updates to upgrade the City's infrastructure. Contractors were hired and are replacing certain sidewalks and curbs and are repaving City streets. The City has continuing plans to upgrade the water and sewer system as well as the storm water infrastructure during the upcoming year. In addition to the three year plan, the City maintains a rolling five-year capital plan for infrastructure, equipment and vehicles. The plan is in place to address departmental needs and determine capital funding needs for the future. Major infrastructure improvements such as streets, water and sewer have \$50,000 annual increases. All other amounts are at estimated actual costs. In order to provide for these ongoing capital needs at the current levels, the City is projected to dip into the general fund unassigned reserves according to the five year plan. With a healthy reserve base, the City can maintain status quo for a few years while planning on how to restructure the budget to once again use current year revenues as well as reserves for funding. The three year plan continues to show healthy reserves past the fiscal year 2025 budget. The hiring of additional personnel in the future will have a cumulative effect on the budget plan moving forward more so than the occasional capital project. The City continues to have revenue growth in the core revenue line items. That growth is helping to offset the costs mentioned above and leave the City with healthy reserves for all funds moving forward for several years.

The City does have a couple major projects planned for fiscal year 2024 that will carry over into fiscal year 2025. The carryover projects from fiscal year 2024 will be the new firehouse on Dream Street. This firehouse is being designed and constructed to be the main station of the four. The other two major projects for 2024 that will carry over into fiscal year 2025 include the Mall Road connector to Cayton Road and the sidewalks on New Buffington as previously discussed.

All projects and operations in the rolling five-year plan have been provided for with the City's current year revenues and reserves. The recent addition of additional personnel and wage and pension increases as part of operations will have an impact on reserves moving forward but are inclusive in the plan. There are not any major future capital projects or operational plans that will have a significant impact on the budget past the five-year plan. The final debt service amount will be retired in June of 2027. In addition, the bond issues for 2011 and 2012 were paid off in fiscal year 2023 once the bond issues were callable. The City has paid off four of its five bonds issues over the last two fiscal years. As stated above, the City is focused on being in "maintain" mode to be able to attract the business and resident mix necessary to preserve this viable community. Without the continuous upkeep of the many features, infrastructure and amenities, this community will suffer and that could potentially have a measurable impact on the long-range plans of the City. The City has always looked past the five-year plan to assess what future maintenance needs will transpire for the City as a whole and how will we be able to fund those needs. That is one of the reasons that the City has accumulated a projected fiscal year 2024 balance of \$59.2 million in reserves for the General Fund knowing the importance of having a future funding mechanism for financial stability.

The following table demonstrates the long-range projections for the General fund, Infrastructure fund and Water and Sewer fund revenues and expenditures based on current trends and Council's long-term goals. The table also demonstrates the effect the projections will have on the City's reserves.

# GENERAL FUND

	Actual				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
REVENUES:	REV. & EXPEND.	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Taxes	9,368,540	9,500,000	9,900,000	10,098,000	10,299,960
Franchise Taxes	444,002	525,000	530,000	520,000	520,000
Bank Deposit Taxes	478,553	450,000	450,000	400,000	400,000
Payroll Taxes	21,115,255	21,500,000	22,000,000	22,165,000	22,331,238
Insurance Premium Taxes	3,719,796	3,650,000	3,950,000	3,979,625	4,009,472
Business Occupational Licenses	3,498,625	3,250,000	3,250,000	3,274,375	3,298,933
Other Licenses and Permits	180,279	175,000	160,000	175,000	175,000
Fines and forfeits	737,463	385,000	425,000	285,000	285,000
Intergovernmental-Operating	5,342,829	3,828,000	928,000	725,000	725,000
Charges for services	400,537	423,000	452,000	450,000	450,000
Rental Income Stadium	75,000	75,000	75,000	100,000	100,000
Fire Protection District	2,763,598	3,785,000	3,250,000	3,315,000	3,381,300
Emergency Medical Services	2,260,000	2,150,000	2,300,000	2,346,000	2,392,920
Storm Water Charges	657,168	650,000	650,000	654,875	659,787
Contractual Charges	90,000	90,000	90,000	90,000	100,000
Interest	1,233,786	1,800,000	1,900,000	975,000	900,000
Miscellaneous	422,082	200,000	185,000	130,000	150,000
<b>Total Revenues</b>	<b>52,787,513</b>	<b>52,436,000</b>	<b>50,495,000</b>	<b>49,682,875</b>	<b>50,178,609</b>
<b>EXPENDITURES:</b>					
Administrative Department	3,237,047	4,356,100	4,533,500	4,630,209	4,775,705
Public Services Department	6,175,026	6,693,600	6,879,000	7,158,985	7,421,317
Police Department	11,084,300	12,277,600	12,722,600	13,634,469	14,107,870
Fire / E.M.S. Department	11,496,412	12,497,209	13,226,709	13,148,073	13,592,839
Planning Commission	363,399	385,000	385,000	408,447	420,700
Senior Center	141,983	140,000	170,000	148,526	152,982
Tree Commission	95,928	100,000	100,000	80,000	85,000
Cap-Administrative Department	296,618	862,480	1,025,550	567,000	567,000
Cap-Public Services Department	1,671,907	5,620,500	2,040,500	2,494,500	2,494,500
Cap-Police Department	616,291	720,000	809,000	864,000	894,000
Cap-Fire / E.M.S. Department	2,641,070	718,500	680,072	533,000	558,000
Cap-City Projects	14,134,515	24,436,600	4,943,000	2,325,000	2,575,000
Debt Service	574,650	579,350	578,100	579,350	578,088
<b>Total Expenditures</b>	<b>52,529,146</b>	<b>69,386,939</b>	<b>48,093,031</b>	<b>46,571,558</b>	<b>48,223,000</b>
Transfers to Other Funds	2,725,000	6,725,000	3,225,000	225,000	225,000
<b>Total Expenditures &amp; Transfers</b>	<b>55,254,146</b>	<b>76,111,939</b>	<b>51,318,031</b>	<b>46,796,558</b>	<b>48,448,000</b>
<b>Excess(deficit) Revenues/ Expenditures</b>	<b>(2,466,633)</b>	<b>(23,675,939)</b>	<b>(823,031)</b>	<b>2,886,317</b>	<b>1,730,609</b>
<b>Fund Balance, Beg of Year</b>	<b>85,412,106</b>	<b>82,945,473</b>	<b>59,269,534</b>	<b>58,446,503</b>	<b>61,332,820</b>
<b>Fund Balance, End of Year</b>	<b>82,945,473</b>	<b>59,269,534</b>	<b>58,446,503</b>	<b>61,332,820</b>	<b>63,063,429</b>



# **INFRASTRUCTURE FUND**

	Actual				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>REVENUES:</b>	<b>REV. &amp; EXPEND.</b>	<b>PROJECTED</b>	<b>PROJECTED</b>	<b>PROJECTED</b>	<b>PROJECTED</b>
Taxes	3,748,515	3,200,000	3,500,000	3,500,000	3,600,000
Intergovernmental	-	1,799,000			
Charges for Services	485,000	490,000	495,000	500,000	505,000
Interest	249,638	700,000	700,000	500,000	400,000
Transfer In	-	1,500,000	1,500,000	1,500,000	-
<b>Total Revenues</b>	<b>4,483,153</b>	<b>7,689,000</b>	<b>6,195,000</b>	<b>6,000,000</b>	<b>4,505,000</b>
<b>EXPENDITURES:</b>					
Public Services Department	3,972,425	4,304,000	7,180,150	3,500,000	4,000,000
<b>Total Expenditures</b>	<b>3,972,425</b>	<b>4,304,000</b>	<b>7,180,150</b>	<b>3,500,000</b>	<b>4,000,000</b>
<b>Excess(deficit) Revenues/ Expenditures</b>	<b>510,728</b>	<b>3,385,000</b>	<b>(985,150)</b>	<b>2,500,000</b>	<b>505,000</b>
<b>Fund Balance, Beg of Year</b>	<b>25,269,479</b>	<b>25,780,207</b>	<b>29,165,207</b>	<b>28,180,057</b>	<b>30,680,057</b>
<b>Fund Balance, End of Year</b>	<b>25,780,207</b>	<b>29,165,207</b>	<b>28,180,057</b>	<b>30,680,057</b>	<b>31,185,057</b>

## Water and Sewer

	Actual				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
<b>REVENUES:</b>	<b>REV. &amp; EXPEND.</b>	<b>PROJECTED</b>	<b>PROJECTED</b>	<b>PROJECTED</b>	<b>PROJECTED</b>
Water fees	6,718,443	6,630,000	7,050,000	7,191,000	7,334,820
Sewer Charges	2,746,225	2,760,000	2,950,000	3,009,000	3,069,180
Penalties	135,045	95,000	140,000	90,000	90,000
Tap in Fees	200,300	50,000	50,000	70,000	70,000
Meter installations	75,819	25,000	35,000	35,000	35,000
Other Service Charges	60,806	40,000	50,000	45,000	4,500
Inspection fees	7,700	2,000	5,000	1,000	1,000
Credit Card Fees	9,078	7,500	8,500	6,000	6,000
Boone Florence Reimbursement	41,072	17,500	17,500	17,000	17,000
Miscellaneous	31,932	10,000	15,000	10,000	10,000
<b>Total Revenues</b>	<b>10,026,420</b>	<b>9,637,000</b>	<b>10,321,000</b>	<b>10,474,000</b>	<b>10,637,500</b>
<b>EXPENDITURES:</b>					
Administrative Department	892,312	960,300	966,800	950,580	978,594
Sewer Services Department	1,456,516	1,629,000	1,650,000	1,723,409	1,775,351
Water Department	5,614,813	5,853,000	6,066,000	5,980,473	6,076,206
Depreciation	1,565,708	2,100,000	2,100,000	1,700,000	1,750,000
<b>Total Expenditures</b>	<b>9,529,349</b>	<b>10,542,300</b>	<b>10,782,800</b>	<b>10,354,462</b>	<b>10,580,151</b>
<b>Operating Income(loss)</b>	<b>497,071</b>	<b>(905,300)</b>	<b>(461,800)</b>	<b>119,538</b>	<b>57,349</b>
Interest Income	94,847	150,000	200,000	150,000	100,000
Interest Expense	(27,983)	(9,658)	(7,500)		
Non-operating income	66,864	140,342	192,500	150,000	100,000
Capital Contributions	22,660	11,000	-	-	-
Transfers	2,500,000	2,500,000	1,500,000	-	-
<b>Net Income(Loss)</b>	<b>3,086,595</b>	<b>1,746,042</b>	<b>1,230,700</b>	<b>269,538</b>	<b>157,349</b>
<b>Net Position-Beg of Year</b>	<b>24,625,931</b>	<b>27,712,526</b>	<b>29,458,568</b>	<b>30,689,268</b>	<b>30,958,806</b>
<b>Net Position-End of Year</b>	<b>27,712,526</b>	<b>29,458,568</b>	<b>30,689,268</b>	<b>30,958,806</b>	<b>31,116,155</b>

## Economic Update

According to the 2020 census, the residential population of Florence was 31,946. The City will have a new, official count of our residential population in the year 2030. The 2020 census versus the 2010 census represents a 7.5% increase over the decade. New schools, residential developments, and parks have been planned for or expanded to accommodate the growth. This residential census data, while important to the city's overall story, is only a fraction of the growth narrative. The City of Florence is known as an employment, industrial, office, retail, and dining hub of Northern Kentucky. When analyzing traffic patterns, the City is a center of activity from Southeast Indiana and some areas of Southwest Ohio, as well. This means the number of people coming to Florence daily to eat, shop and work, far exceeds our residential population. Being this center of activity has allowed the City to realize the successes it has over the years. Over the last few years the City has have generated more than \$600 million in new private sector investment from a wide array of industries, expanding our tax base and creating hundreds of new jobs for our citizens.

Concern remains nationwide about the future of brick and mortar retail stores and large urban malls. While there is no denying that the brick and mortar world is changing, staff discussions with some of the national retailers have assured the City that they recognize that as needs in the retail arena shift, so must their focus. They view the changes as an opportunity to recreate and reinvent the retail experience for the next generation. For those brick-and-mortar stores that look to the future – those retailers around the world that are increasing their data analytics effort in the physical shopping realm, are improving their operations and customer experiences.

While we are on the topic of retail, we would be remiss if we did not discuss the Florence Mall. One of the largest properties and highest assessed real estate in Boone County, underwent a change in ownership last year. Malls, in general, are dealing with shifting consumer preferences, as well. We have been in discussions with Brookfield Properties, owners of the mall, and they have successfully redeveloped malls around the country. However the mall went into receivership with Key Bank in January 2021. The City's challenge to them was to explore streetscape improvements, a diversity of tenant spaces, and thinking to the future for diverse possibilities. These thoughts are currently on hold as we await the outcome of the situation. The Mall was sold to Florence Mall Realty, LLC in March 2022. They have not shared any information with the City concerning their future plans for the mall.

The City just annexed 272 acres of the former Marydale in April of 2021. The property is owned by Vinings Trace, LLC. A TIF district was created in the amount of \$600 million to incentivize the annexation and assist in funding capital construction costs. The expectation is for a mixed-use space for office buildings, apartments, restaurants, medical facilities, educational institutions and more. We expect development to begin in the next few years. The current inflationary conditions will continue to push the development plans back.

One of the major issues on everyone's mind is the ramp up to the Amazon Prime Air Hub, which plans to be fully operational on the campus of the Cincinnati/Northern Kentucky International Airport in 2023/2024. The City continues to engage with representatives from Boone County, the Airport, traffic consultants, the Kentucky Transportation Cabinet and Amazon, as well as working with members of the Northern Kentucky Legislative Caucus as we try to determine the potential impact to traffic flow in and around the city. Amazon and the spin off development it creates will offer challenges to the City's infrastructure, housing and employment base. Working together can minimize the negative impacts and focus on the many opportunities that will occur for all of the City's residents and businesses.

The City encourages all to read the City's latest Development Update published quarterly on our website. It contains details about all the new development occurring in Florence. The economic strategy continues to focus on creating a diverse economy that supports long-term sustainability and building stronger relationships. Working with the existing business community and reaching out to the start-up

and entrepreneurial communities will ensure that the City continues to be the region's most sought after community to grow a business.

The successful enactment of the budget includes the commitment, support, and encouragement of the Mayor, City Council, residents, businesses, visitors, employees and volunteers combined. The best way to continue to grow is to make sure the City lays the foundation for a strong future: sound city finances and second-to-none public services. The state of our city is strong and will continue to get better.

The City has so many people who work hard to keep us safe, so many people who work hard to protect us and take care of us, so many people who care about the way things develop and are maintained . . . and so many people who live here and appreciate it all.



## STRATEGIC PLAN FISCAL YEARS 2024-2029

The City of Florence is the retail hub for the Northern Kentucky area. Our focus on financial management and economic development has established the city as a center of commerce in the Greater Cincinnati and Northern Kentucky region.

### Our Goals 2024-2029

The City of Florence engaged in a strategic planning process with Management Partners during calendar year 2019 and ending in January 2020. The planning effort began with an examination of the previous strategic plan and the progress made to achieve those objectives to date. This was followed by an evaluation on what the next strategic plan update should take into account to align the most current City goals with the annual budget processes.

Strategies are the means to achieve multi-years goals. They are measurable, with specific resources assigned, timeframes allotted and responsibilities determined. The implementation action plan helps to ensure accountability for accomplishing the goals and strategies including resources required to carry out the goals and strategies.

To develop the action plan, Management Partners met with the Department Heads, Mayor and Council individually, held several strategic planning workshops for public outreach, and concluded with a planning workshop. The results of the process were put into the following implementation action plan:

#### **Goal 1: Improve transportation infrastructure and coordinate with regional and state partners to ensure efficient traffic flow.**

Recommendation	Implementation Steps
Partner with the Ohio, Kentucky, Indiana Regional Council of Governments (OKI), Kentucky Transportation Cabinet (KTC), Boone County Fiscal Court, and local and regional partners to improve traffic flow on major arterials.	Explore viability of forming the partnership and which groups will participate. Identify funding mechanism for contributions from partners or grants to perform traffic studies and future project costs.
Promote the use of innovative engineering, technology and best practices to improve traffic flow.	Identify areas where there is high traffic volume and stacking issues. Engage partners in traffic studies of specific areas identified. Identify which projects make sense to proceed and which to put into a 3-5 year plan to determine resources necessary in the Infrastructure Fund. Finalize capital funding plan to perform infrastructure projects identified. Secure budget resources.

**Goal 2: Identify and stimulate opportunities for existing and emerging business sectors.**

Recommendation	Implementation Steps
Create area-specific redevelopment plans for the Main Street District and the area surrounding the UC Health Stadium and Mall Road.	Develop an Economic Development Program perhaps with regional collaboration and engagement of community leaders. (Boone County, NKADD, Cabinet for Economic Development).
Develop a plan for future retail-focused development.	Develop outreach program for current businesses to insure their needs are being met.
Explore options for developing properties where public-private partnerships are necessary to drive employment growth.	Economic development incentive for business expansions including grants, state funding and private-sector leveraging annually. Establish funding amounts for incentives.
Develop programs to promote business retention and expansion of primary and non-primary industries.	Develop outreach program for current businesses to insure their needs are being met.

**Goal 3: Enhance the quality of life and community amenities for Florence residents and stakeholders**

Explore the feasibility of a new recreation center	Explore need and location. Identify multi-purpose uses for center. Identify operation manager. Quantify capital and operations costs. Determine if this is where City recreational funds should be spent in the 3 year plan.
Collaborate with Boone County Library District to identify alternative locations and associated costs for an additional library location.	Find a new location or rebuild in the current location. Identify master plan in FY 2025.
Develop a plan to reduce visual clutter caused by overhead wires, signs, etc., along major corridors.	Establish a priority on what areas to focus. Study the area and develop a strategy with cost estimates to implement the underground initiative. In process.
Identify tools and incentives for upgrading existing housing and improving the quality of life in neighborhoods (i.e., rental registration, and loan/grant programs for improvements).	Develop policies and procedures for new programs. Update Ordinance to enforce new programs. Evaluate staffing/equipment needs to fulfill this Initiative and funding needs.



## STRATEGIC PLAN FISCAL YEARS 2024-2029

### **Goal 4: Foster sustained fiscal health through continued long-term planning, staff development and employee recruitment efforts.**

Evaluate City services to evaluate efficiency and ROI.	Identify the specific departmental services and develop performance measures/index/metrics to establish a base-line. See departmental structure table for each department.
Determine future City workforce needs.	The base-line as well as departments looking towards future City growth and preservation of current services. Annual assessment.
Conduct a review of classifications and compensation to ensure the City can attract and retain needed staff.	Reviews of job classifications and compensation can be made using the KLC Wage and Salary biennial reports/NKCCMA Compensation and Benefits annual report/City pay plans in NKY and City pay plans of comparable size. Annual updates.
Support talent management with effective employee development, succession planning to cultivate and grow leadership, excellent performance, and attracting and retaining outstanding employees.	Once the personnel structure gains knowledge/skills and gets promoted leadership, performance and retention should follow. We have a say in the salary and benefits but we rely on their skills, performance and execution and certifications. Revisit pay plan, benefits and costs.
Review and improve processes for recruiting, hiring and promotions to encourage a strong candidate pool of talented individuals for City of Florence jobs (from entry level to managers and directors).	Evaluate the need to use recruitment software and/or onboarding software for recruiting and hiring. Bamboo software secured and started in FY 2024. Enhancements ongoing in FY 2025.

### **Goal 5: Build strong connections with community partners, residents and employees.**

Diversify and enhance communication practices and tools for disseminating information to the community	Enhance City website. In process FY 2025. Make app more mobile friendly. Have app be location driven for alerts and news. Contract with/hire social media person.
Create partnerships with schools and local organizations to increase community engagement and outreach.	Quality of schools has a significant influence on Florence's future economic competitiveness. Schools can be one of the most important determinants of neighborhood quality, local growth and change and quality of life.

# STRATEGIC PLAN FISCAL YEARS 2024-2029

Improve the customer experience by diversifying and enhancing self-service and online options for payments, registrations, scheduling, etc.		Water bill flyer with suggestions on paying a water/tax bill on-line, downloading the app for advisories and alerts, park, nature park and shelter reservations. Kiosks. Analyze FY 2025. Costs for upgrades and initiatives.		
Strategic Priority	Desired Outcome	Key Outcome Indicator	Target	Strategic Initiative
<b>Goal 1: Efficient Traffic Flow</b>	Partnership with KTC, OKI and Boone County	Future capital infrastructure plan for high traffic areas	Five year capital plan is adopted and funded. Continue annually.	Develop partnership and 5-year infrastructure funding plan
<b>Goal 2: identify Business Sectors</b>	Identify Economic development targets to attract and retain businesses for the retail and Main Street districts	Regional collaboration program with Tri-Ed containing funding amounts for incentives	Timing, costs, prioritization in place and completed. Annual update in process.	Develop collaboration and identified specific areas of concentration and have funding in place
<b>Goal 3: Enhance Sense of Community</b>	Core services meet community expectations	Resident and stakeholder feedback	Defined areas of focus and initiatives with funding needs agreed upon. In process.	Develop strategy including policies and procedures to forward the initiatives
<b>Goal 4: Sustained Fiscal Health</b>	Evaluate City services, workforce needs and reserves	Identify service need along with performance measures.	Maintain reserves equivalent to 30% of General Fund operating and capital expenditures. Current.	Perform annual comprehensive reserve analysis.
<b>Goal 5: Build Community Partners</b>	Improve customer service, communication and community engagement	Enhance City social media, strengthen outreach with the schools and local organizations	City website and app enhancements, targeted meetings with Stakeholders. FY 2025.	Community service feedback programs/projects



## Enduring Objectives

The City of Florence, in partnership and communication with residents, businesses, and schools is dedicated to:

- Providing a safe, healthy, welcoming atmosphere where people choose to live
- Promoting economic vitality and strategically positioning Florence for the future
- Supporting planned growth and influencing decisions that impact the city
- Building an inclusive informed city with opportunities for all
- Meeting service demands through high quality customer service, innovation, a positive work environment, and a commitment to excellence
  
- **Providing a safe, healthy, vibrant community**
  - Promote safety, health, and security through effective communication and service delivery
  - Facilitate successful neighborhoods through community involvement
  - Encourage and partner in the development of quality housing choices for people of all ages and income levels
  - Promote a walkable, pedestrian and bicycle-friendly city with complete streets, trails, and connections between neighborhoods and community focal points
  - Provide opportunities for communities to be better prepared for emergencies
  - Provide adequate police enforcement to deter theft, burglaries and assaults. See Police Department performance measures
  - Provide adequate fire and EMS services. See Fire Department performance measures
- **Promote economic vitality and strategically position Florence for the future**
  - Promote Florence as the progressive, opportunity- rich city
  - Capitalize on opportunities through bold and creative economic development strategies
  - Recruit and retain businesses to ensure a dynamic, diversified employment base
  - Nurture entrepreneurship and foster successful partnerships with businesses and community leaders
  - Leverage public/private resources to focus development on economic centers
- **Support planned growth and influence decisions that impact the city**
  - Foster development of vibrant, sustainable, attractive, mixed-use neighborhoods in urban centers
  - Uphold a high standard of design and property maintenance
  - Advocate Florence's interests through state and federal lobbying efforts, regional partnerships and other organizations
  - Pursue transportation and other regional improvements and services that improve quality of life
  - Balance development with environmental protection
- **Building an inclusive informed city with opportunities for all**
  - Improve access to city services and programs and make residents and businesses aware of opportunities to be involved with their community
  - Build connections with ALL communities that reflect the breadth and richness of the diversity in our city
  - Provide critical and relevant information on a timely basis and facilitate two-way dialogue between city government and the community
  - Encourage volunteerism, participation and civic engagement
- **Meet service demands and provide high quality customer service**
  - Plan, develop, and maintain quality services, infrastructure, and amenities
  - 
  - Provide services timely that affect residents. See Public Services Performance measures

- Prioritize services at levels that can be sustained by revenue
- Develop and maintain collaborative partnerships and investment strategies that improve services

### **Strategic Direction**

The Mayor and Council defined a specific strategic direction for the City to take over the next 5-10 years. The identified strategic direction envisioned the type of community they desire Florence to be in the future. In establishing the framework for the strategic direction, the elected officials obtained input from staff, consultants, and from Florence residents through a number of methods including a Recreation Survey conducted in conjunction with the Boone County Fiscal Court followed by a Florence Citizen Survey that measured citizen sentiment regarding a broad range of City programs and services. The strategic direction identified by the Mayor and City Council established a blueprint for budget decisions and clear direction for staff on the types of programs, projects and services to provide or work toward implementing. The comprehensive strategic direction focused on the following areas of concentration:

- Parks and Recreation Amenities and Green Space
- Community Beautification (Including Urban Forestry)
- Community/Economic Development
- Code Enforcement
- Core Services
  - Police Services
  - Fire/EMS/ALS Services
  - Public Services
  - Water & Sewer Services

In developing the strategic direction, they recognized the importance for potential residential and business prospects to see that the City offers a full range of essential police, fire, and EMS/ALS services. The strategic direction considered the importance for the City to demonstrate its capacity to supply and maintain water, sewer, and road infrastructure sufficient to meet the needs of a stable community. The strategic direction also recognized that successful sustainable communities allocate resources to ensure the community is an attractive place to live and work with an ample supply of quality recreational resources. Economic development prospects also consider it vital that a city is an attractive and comfortable place to locate with ample recreational opportunities for the prospects, employees, and customers.

With the strategic direction established, the Mayor and Council instructed the Finance and Administration staff to develop a long term budget strategy to ensure the implementation of the strategic direction and to provide the blueprint for the long term financial viability of the City. Long range plans were developed by each of the core service areas (that are updated annually) to identify the financial resources needed to implement the strategic direction. The core service long range plans were referenced in developing the long range finance strategy. The long range fiscal strategy utilized the full scope of financing and revenue generating options available to the City. The long range fiscal strategy allows the City to demonstrate our financial stability which provides confidence to potential development prospects that our community is capable of fulfilling commitments made to them.

### **Community/Economic Development Program**

The City's community/economic development program utilizes the established Boone County Comprehensive Plan, the Boone County Zoning Regulations, and the Boone County Zoning Map as a



framework to guide future development decisions. These documents contain special targeted zoning requirements for various segments or study areas of the City. Some of these study areas include:

- Houston-Donaldson Study (2013);
- Central Florence Strategic Plan (2008);
- Main Street Zoning District (2022);
- Mall Road District Zoning Study (2012);
- Boone County Zoning Regulations Update (2020)

Other plans or studies frequently referenced in the context of making economic development decisions include:

- Boone County Transportation Plan
- OKI 2040 Regional Transportation Plan
- Parks & Recreation Needs Assessment and Park Land Evaluation Study
- Florence Retail District Market Trending Analysis, Marketing Developments Inc.
- Mall Road Traffic Study
- Traffic Regulations Update (2022)

The City established several Tax Increment Financing (TIF) districts to enhance development of certain areas of the City. The two types of TIF's that are offered in the districts are the Local Redevelopment TIF and the Local Vacant Land TIF.

- The Local Redevelopment TIF is available for use to redevelop blighted areas into mixed use developments by using incremental additional local taxes such as property or occupational taxes realized as a result of the development.
- The Local Vacant Land TIF is available to develop vacant land by using additional incremental local taxes such as property or occupational taxes realized as a result of the development.

The City continues to research local, regional, and national economic development incentive programs, and compare those to the state-sponsored programs that the city already participates in, to continually improve local economic incentive programs offered. These programs are designed to encourage development in specific geographic areas of the city and in specific professions that would enhance the Florence community by offering an eligible applicant a rebate of a percentage of the employees' withholdings generated by the new jobs for a period of up to five (5) years. The maximum percentage that could be approved and retained would be 50%.

### **Community/Economic Development Initiatives/Action Plan**

To spur and initiate its community/economic development activities, city staff regularly:

- Acts as principal liaison among city departments, other governmental organizations, and private developers and/or property owners with regard to development and/or redevelopment activities within the city.
- Serves as the point of contact for interested business and/or developer; provides feedback and direction to prospective developers and/or businesses in the appropriate direction, provides technical assistance on many of the issues that the prospect must look into, and liaisons among the prospect, the city, and other involved parties or organizations.
- Maintains information on available land and/or building space for development including size of parcels, square footage, zoning requirements, available utilities, and contact information for the owner and/or marketing officials.
- Maintains information on the cost of doing business in Florence, including tax structure compared to surrounding communities.
- Maintains demographic statistics for Florence, Boone County, the region, and the Commonwealth of Kentucky.
- Seeks out targeted desirable tenants, businesses, and developers and initiates discussions regarding the positive attributes of locating and/or developing in Florence.
- Provides information on Florence as a community to live in, including quality of life issues such as full-service public services, police, fire/EMS/ALS, and recreational amenities.
- Initiates interaction and communication with various businesses in the city regarding general or specific issues; acts as liaison between businesses and city departments with respect to issues of mutual interest.
- Identifies obstacles to recruiting new business or the expansion of existing business (ie limited vacant building availability or sufficiently trained workforce) and seeks possible solutions to obstacles.
- Interacts with the Northern Kentucky Tri-County Economic Development Corporation (TRI-ED) on specific economic development projects that utilize state incentive programs and other state economic development initiatives through Kentucky Cabinet for Economic Development.
- Initiates creative marketing partnerships with such organizations as *Cincy Magazine*, to represent the city as a good place to live and do business.
- Interacts with state and federal representatives and/or decision makers in representing the city's interests, such as transportation funding, which adds to the quality of life and economic development atmosphere in Florence.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Florence  
Kentucky**

For the Fiscal Year Beginning

**7/1/2023**

*Christopher P. Morill*

Executive Director

CITY OF FLORENCE  
LIST OF PRINCIPAL OFFICIALS

**Mayor**

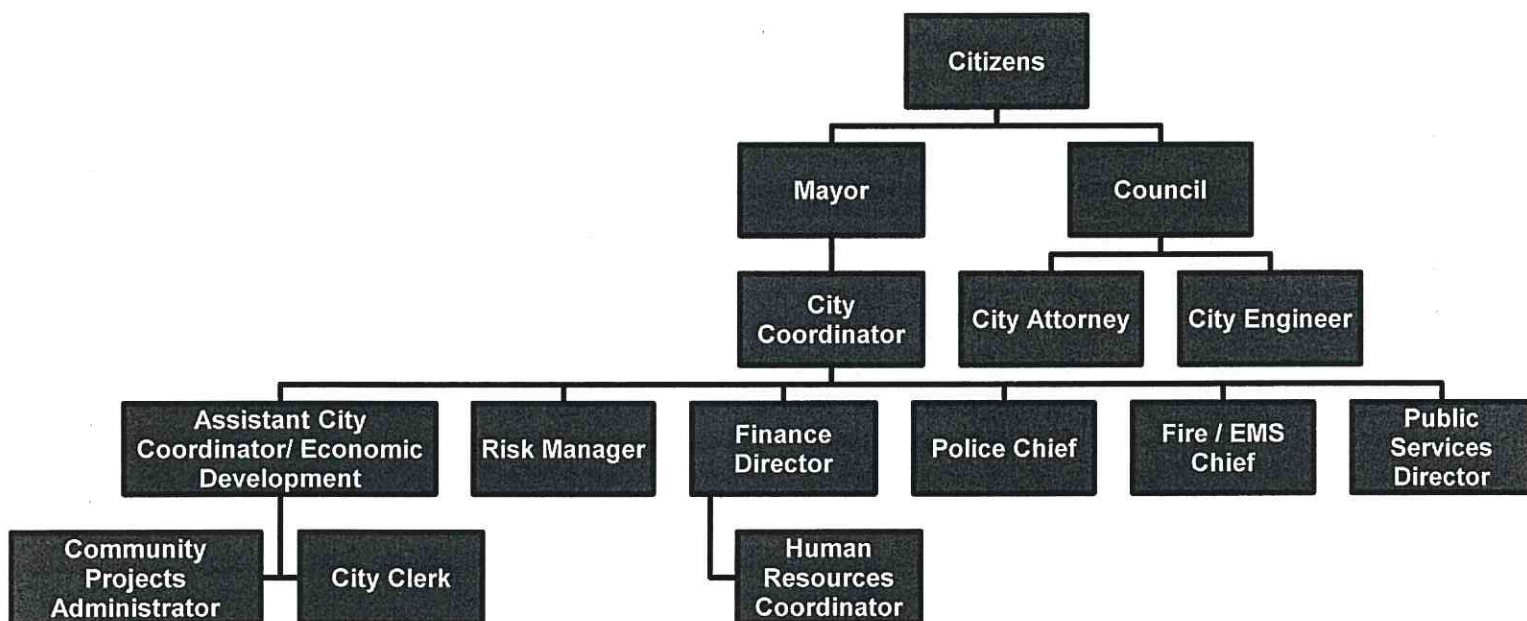
Julie M Aubuchon  
(Term Expires December 2026)

**Council Members**

Mel D. Carroll  
Lesley Chambers  
Jenna Kemper  
David A. Osborne  
Patricia J. Wingo  
Gary Winn  
(All Terms Expire December 2024)

**Staff**

City Clerk - Melissa A. Kramer  
City Attorney -Tom Nienaber  
City Engineer - William R. Viox  
Administration Director - Joshua J. Hunt  
CFO/HR - Linda J. Chapman  
Director of Public Services - Robert E. Hall  
Chief of Police - Jeffrey M. Mallery  
Fire/E.M.S. Chief - Rodney E. Wren



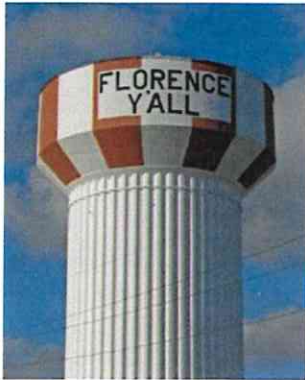
# Organizational Chart 2025

Total Employees: 244 Full Time  
 2 Part Time

Revised:  
 1/25/2023

### **The City**

Florence was formed in 1830 and was for most of its history a small community surrounded by farms. During World War II, what was to become the Northern Kentucky/Greater Cincinnati International Airport was constructed nearby. This, combined with the construction of Interstate 75 in the late 1950s, started the building boom that drastically changed the community and began the huge growth in population.



The famous Florence water tower landmark was built in 1974 to support a growing suburban infrastructure. The water tower was originally painted with the words "Florence Mall" to herald the future opening of the Greater Cincinnati area's premier shopping facilities. Following a reminder from the federal highway engineers about the illegality of advertising along the interstate highway system, officials creatively modified the M to "Florence Y'all". The economic success of the mall encouraged future development along Mall Road. In the 1980s and 1990s, the shopping district expanded on to Houston Road and Turfway Park.

### **Location**

Florence is the largest and most industrialized city in Boone County. It is located in the east-central part of the county along I-75. It was designated as a third class city in 1958. Proximity to major transportation avenues have been an important force in the development of the city. The City is located 13.5 miles south of Cincinnati, Ohio and 70 miles north of Lexington and 88 miles northeast of Louisville in Kentucky. Florence covers an area of 10.6 square miles and has I-75 running through the middle of the City and is 5 miles from the airport. The City is in the 66th Legislative District, 11th Senatorial District and the 144th U.S. Congressional District.

### **Industry**

In the 1950s the Northern Kentucky Industrial Foundation started the Florence Industrial Park which has grown to include 57 industries and employs 8,000 people. The opening of Interstate 75 in 1963, spurred additional industrial growth which led to the opening of the Florence Mall in 1976. The success of the commercial mall as a tri-state shopping destination encouraged further retail development in the City. A revitalization project of Mall Road was just completed in 2012. Additional revitalization on Mall Road is an ongoing project.

### **Medical Facilities**

Within the boundaries of Florence, St. Elizabeth has a 170 bed hospital and several medical centers. The hospital just recently underwent a \$5.0 million renovation to include a new outpatient entrance and a Spine center. The new outpatient area was to make St Elizabeth Florence the premier facility in the Greater Cincinnati area. In 2021, the facility constructed a 90,126 sq. ft. endoscopy center. Seven nursing facilities and rehab facilities are located in the city as well.



## GENERAL INFORMATION

### Recreation and Culture

Florence offers a wide range of recreational and cultural activities. The Florence Community band was started in 1984 and the Florence Community Chorus was organized in 1989.



The Florence Recreation and Parks Department opened a 20,000 square-foot park featuring the new Aquatic Center and a skate park in 2003. The Florence Aquatic Center has a swimming pool, a lazy river, a splash ground, a wading pool and other water activity areas. The center features its own swim and dive teams. The skate park contains skateboard ramps for all levels of activity and skill levels.



Also in 2003, Florence acquired a Frontier League baseball team, the Florence Freedom. The Freedom are members of the 12 team league that is composed of teams from Kentucky, Ohio, Indiana, Illinois, Michigan, Missouri and Pennsylvania. Their home is the UC Medical Center Stadium that sits next to Interstate 75. The stadium seats 4,500 and its lawn area allows for a maximum capacity of 7,000. The stadium also contains a playground. The baseball games are geared towards a family atmosphere. The Florence community has embraced the team.



Florence has six additional municipal parks that provide recreational activities such as tennis, baseball, softball, fishing, basketball, corn hole, swings, splash ground and sand volleyball. Kentaboo Park was most recently constructed in 2020. Five of the municipal parks include restroom facilities and covered shelter areas. Throughout the City are located multiple walking trails and biking paths for additional enjoyment. Florence sponsors various events during the year.



## GENERAL INFORMATION



The Florence World of Golf was completely reconstructed in 2011 and 2012 and recently renovated in 2023. The course is located along Interstate 75 and adjacent to Woodspoint trail. It offers a Par 3 18-hole golf course, TopTracer driving range, indoor club fitting room, analysis of your golf swing, golf lessons and play on a famous golf course via the golf simulator. The complex also has an 18-hole miniature golf area featuring attractions located throughout the state of Kentucky at each hole. The facility contains a restaurant, a pro shop, and has room available to rent for events.



The Florence Senior Center was opened in June 2012. It is a multi-purpose center with a kitchen, wellness room, computer lab, exercise room and activity room. It is managed by the R.C. Durr YMCA. Monthly activities include yoga stretch, euchre, crafts, canasta, art lessons, Wii bowling, bingo and chair volleyball.



The Veterans Memorial of Boone County on the Florence campus was built to honor and remember all Boone County Veterans who served and gave the ultimate sacrifice so that we may have and enjoy freedom. It features a memorial honoring WWI, WWII, Korea, Vietnam and the "War on Terror". It also has a granite medal of Honor bench and four other granite benches in addition to six fully lit flagpoles.



## GENERAL INFORMATION



The Nature Park Event Center is located in the heart of the Florence Nature Park, surrounded by trees and wildlife. This unique nature setting provides guests with a venue for hosting weddings, receptions, meetings and other social events. The center was constructed in 2020 to meet the demand in the community and has become known for its lofty ceilings, stone façade and craftsman Kentucky feel. The Center features dinner seating for up to 100 guests and potentially hosting a cocktail or theater style event for up to a max of 140 guests. After and during the events patrons can literally talk a walk in the park.



The Evelyn M. Kalb Gathering House is located adjacent to the Nature Park Event Center. This center was renovated in 2018 and includes new wood beam ceiling, tile flooring and an expanded and remodeled kitchen area. This Gathering House features seating for 54 guests with a maximum capacity of 80 guests. The size and location is perfect for birthday parties, showers, reunions and social gatherings of all types for the community.



### **Profile**

The City of Florence is empowered to levy numerous sources of revenue including its major sources payroll tax, business license tax, insurance premiums tax and a property tax on both real and personal properties. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Florence operates under the Mayor/Council form of government. Legislative authority is vested in the City Council, consisting of six City Council members. The Mayor is the executive authority. The City Council is responsible, among other things for passing ordinances, adopting the budget and appointing members to various boards. The Mayor approves the hiring of all full time employees. The City Coordinator reports directly to the Mayor and is responsible for carrying out policies and ordinances of the City Council and is responsible for the development of short and long range planning, capital improvement programs and running the day-to-day operations of the city. The City Council is elected on a non-partisan basis. The Mayor serves based upon a 4 year term and the City Council serve based upon a 2 year term.

The City of Florence provides a full range of services, including a full time professional police force and full time professional fire protection; advanced life support medic services; street maintenance and improvement; water and sewer services; storm water collection; a full range of recreational facilities and activities; cultural events; planning and zoning and code enforcement.

### **Economic Condition and Outlook**

Florence's location is a major factor in allowing it to become an economic force in the Greater Cincinnati/Northern Kentucky region. Also, the consistent and persistent effort put forth by Florence's elected and appointed officials and other community leaders over the past twenty years has positioned the City very well. However, the City is not immune from the national economic realities.

The "State of Florence" remains strong. The leadership of the city, with the encouragement, support, and shared vision of this council, continues to focus on those core municipal duties of providing the best and most reliable services to all of our stakeholders, concentrating on our economic and community development efforts, and continuing to responsibly position our city as the established center of commerce it is today. Florence is a safe, prosperous, and service-oriented city. Florence is a financially stable city.

According to the 2020 census, the residential population of Florence was 31,946 which makes it the eighth largest city in Kentucky and the 1168<sup>th</sup> largest city in the United States. Florence is currently growing at a rate of 2.32% annually and its population increased by 6.97% since the most recent census. New schools, residential developments, and parks have been planned for or expanded to accommodate the growth. This residential census data, while important to the city's overall story, is only a fraction of our growth narrative.



## GENERAL INFORMATION

Our Economic Development Team finalized many development projects and continues to search for the businesses our community needs and desires. The strategy continues to focus on creating a diverse economy that supports long-term sustainability by building stronger relationships and working with the existing start-up and entrepreneurial community. The Team wants to ensure Florence will continue to be the region's most sought after community in which to grow a business.

Concerns remain nationwide about the future of brick and mortar retail stores and large urban Malls. Brookfield Properties sold Florence Mall to Great Neck which includes Mason Asset Management and Namdar Realty in June 2022. The mall is 940,967 square feet on two floors. To date, the City has not seen any development of the property take place. Discussions with some of the national retailers have reassured the City that they are aware of the concerns and recognize that as needs in the retail arena shift, so must their focus. They view the changes as an opportunity to recreate and reinvent the retail experience for the next generation. We look forward to working with them to provide the best possible options to sustain the mall presence for our community.

New business opened during the first half of fiscal year 2024 include the following: Bibibop Asian Grill, St. Elizabeth Renovation, Hannoush Jewelers, Community Trust Bank and Wingstop.

Construction is continuing on the following projects: Drury Inn and Suites to be completed the summer of 2024, Freddy's Frozen Custard and Steakburgers to be completed the summer of 2024, Cayton Road Apartments to be complete the summer of 2024, Amazon Last Mile to be completed the fall of 2024, KPOT Korean BBQ to be completed in the winter of 2024.

The City has several projects that are in the pipeline for the end of this year. Roy Rogers, Fairview Commons and Plantation Luxury Flats are expected to start construction in the summer of 2024. Carplex, Whitewash Carwash and Freedom Brewery and Pickleball Ranch will start construction in the fall of 2024. French Quarter Phase 4, Preston at Plantation Pointe, Plantation Luxury Flats and Fairview Commons will begin by the end of 2024 and the beginning of 2025. The Residence Inn has delayed development until interest rates decline.

In April 2021, the City annexed 272 acres that was formerly known as the Marydale property. The development of the property will be a mixed use to include office buildings, apartments, restaurants, medical facilities and educational institutions. In conjunction with this annexation, the City has created a Tax Increment Financing (TIF) District for a thirty year period. The City has pledged 75% of the incremental property taxes and occupational license taxes to the TIF. The City is awaiting their development proposal and continues to work closely with the developer on the next steps and a concept plan for the development.

Over several years, the City has instituted sound, long-term financial practices, making the difficult choices, maintaining sufficient cash balances, modernizing operations of city departments, and maintaining our first-rate city services, while remaining sensitive to the economic challenges of our residents and businesses and holding our property tax rate at the 2008 level. The City recognizes that we have to continually invest in the City and not rely on the status quo for long-range sustainability. The City has initiated incentive programs to get businesses to invest in certain areas

## GENERAL INFORMATION

of the City and for certain types of businesses to locate in specific areas of the City.

The City is currently trying to revitalize the Main Street section of the City to re-establish that downtown feel again. The City is putting together incentive programs, making streetscape improvements, creating a parking lot that will hold entertainment events/attractions and creating art murals. The city is continually meeting with retail strategy companies to market the retail hub of the City with the changing national retail environment for physical locations to an online presence. The Florence Mall is a concern as mentioned earlier and the City is hoping for the opportunity to partner with the new owners to create a new future vision for the center of the retail hub.

The City has implemented a three-year budget plan. The three-year budget plan serves as a basis for a rolling three-year strategic plan for the City. The strategic plan is a vision that Council continues to evaluate based on future anticipated revenues along with operating costs and capital needs. The vision is to remain a viable City with strong reserves to maintain the services expected as well as the maintenance of the City infrastructure and amenities. The City needs to provide and present itself in a quality manner to continually attract residents and businesses to generate the revenues needed for sustainability. The City, being the retail hub for Northern Kentucky, is a major component of the strategic plan. The City focuses on being the place every business wants to open their establishment and every resident wants to come and live in. That plan needs continual funding to stay current and vibrant which leads back to the three-year budget plan.



The City of Florence, founded in 1830, is located in the northern most part of the state, situated in Boone County and is part of the Northern Kentucky Region, which ranks as one of the top growth areas in Kentucky. The City of Florence currently occupies a land area of 10.36 square miles and serves an estimated population of 32,618. The City of Florence is empowered to levy numerous sources of revenue including its major sources payroll tax, business license tax, insurance premiums tax and a property tax on both real and personal properties. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Florence operates under the Mayor/Council form of government. Legislative authority is vested in the City Council, consisting of six City Council members. The Mayor is the executive authority. The City Council is responsible, among other things for passing ordinances, adopting the budget and appointing members to various boards. The Mayor approves the hiring of all full time employees. The City Coordinator reports directly to the Mayor and is responsible for carrying out policies and ordinances of the City Council and is responsible for the development of short and long range planning, capital improvement programs and running the day-to-day operations of the city. The Mayor serves based upon a 4 year term and the City Council serve based upon a 2 year term.

The City of Florence provides a full range of services, full time professional police force and full time professional fire protection; advanced life support medic services; street maintenance and improvement; water and sewer services; storm water collection; a full range of recreational facilities and activities; cultural events; planning and zoning and code enforcement.

## People Quick Facts

Florence City, Kentucky

## Population

Population estimates base, July 1, 2022, (V2022)	32,618
Population, percent change - April 1, 2020 (estimates base) to July 1, 2022, (V2022)	2.10%
Population, Census, April 1, 2020, (V2021)	31,960
Population, Census, April 1, 2010	29,951

## Age and Sex

Persons under 5 years, percent	6.60%
Persons under 18 years, percent	21.70%
Persons 65 years and over, percent	18.40%
Female persons, percent	50.00%

## Race and Hispanic Origin

White alone, percent	83.60%
Black or African American alone, percent	6.00%
American Indian and Alaska Native alone, percent	0.00%
Asian alone, percent	3.20%
Native Hawaiian and Other Pacific Islander alone, percent	0.00%
Two or More Races, percent	4.40%
Hispanic or Latino, percent	4.70%
White alone, not Hispanic or Latino, percent	82.50%

## Population Characteristics

Veterans, 2017-2021	2,297
Foreign born persons, percent, 2017-2021	8.40%

## Housing

Owner-occupied housing unit rate, 2018-2022	56.60%
Median value of owner-occupied housing units, 2018-2022	\$181,500
Median selected monthly owner costs -with a mortgage, 2018-2022	\$1,312
Median selected monthly owner costs -without a mortgage, 2018-2022	\$485
Median gross rent, 2018-2022	\$1,118

## Families and Living Arrangements

Households, 2018-2022	13,760
Persons per household, 2018-2022	2.3
Living in same house 1 year ago, percent of persons age 1 year+, 2018-2022	81.50%
Language other than English spoken at home, percent of persons age 5 years+, 2018-2022	10.00%

## Income and Poverty

Median household income (in 2022 dollars), 2018-2022	\$67,352
Per capita income in past 12 months (in 2022 dollars), 2018-2022	\$37,232
Persons in poverty, percent	7.60%

Population and Housing, Current Population Survey, Small Area Health Insurance Estimates, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits.



## DEMOGRAPHIC AND ECONOMIC STATISTICS

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Median Income (2)</b>	<b>Median Age (2)</b>	<b>Unemployment Rate (3)</b>
2014	31,088	\$ 1,560,026,928	\$ 50,181	36.3	5.6%
2015	31,888	\$ 1,659,866,064	\$ 52,053	36.8	5.5%
2016	31,888	\$ 2,168,320,224	\$ 67,998	37.0	5.5%
2017	32,460	\$ 1,967,140,920	\$ 60,602	37.3	5.5%
2018	32,460	\$ 2,111,295,780	\$ 65,043	37.1	5.0%
2019	32,460	\$ 2,542,494,420	\$ 78,327	37.5	3.9%
2020	32,346	\$ 2,475,859,878	\$ 76,543	37.6	4.2%
2021	32,346	\$ 2,093,368,428	\$ 64,718	38.9	4.4%
2022	32,346	N/A	N/A	N/A	4.4%
2023	32,618	N/A	N/A	N/A	3.2%

(1) Census Bureau and Kentucky State Data Center

(2) Data USA

(3) Bureau of Labor Statistics Data and Kentucky State Data Center

## PRINCIPAL TAXPAYERS

<u>Taxpayer</u>	<u>Taxable Assessed Valuation</u>	<u>2023 Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Amazon Data Services, Inc	\$ 64,523,645	1	1.80%
Ingrasys Technolgy USA	50,927,610	2	1.42%
Florence Mall, LLC	38,100,000	3	1.06%
New Plan Property Holding	35,353,735	4	0.98%
Robert Bosch Automotive Steering	30,674,600	5	0.85%
Ted Bushelman Blvd LLC	30,000,000	6	0.84%
Paddock Club Apartments, LLC	28,150,000	7	0.78%
Vinings Trace LLC	27,385,630	8	0.76%
Gregal-Gam Florence, LLC	24,825,000	9	0.69%
Star Wetherington, LLC	23,894,000	10	0.67%
<b>TOTAL</b>	<b>\$ 353,834,220</b>		<b>9.85%</b>

## OPERATING INDICATORS BY FUNCTION

	Fiscal Year June 30,						
Function	2017	2018	2019	2020	2021	2022	2023
Police:							
Physical arrests	2,017	2,364	2,127	1,732	1,283	1,283	1,669
Traffic violations	5,854	6,478	5,274	2,288	2,189	2,189	2,006
Parking violations	143	90	121	116	62	62	80
Fire:							
Number of calls answered:							
Fire	3,461	3,658	3,869	3,767	3,801	3,801	3,944
Ambulance	7,796	8,267	8,531	8,212	8,343	8,343	7,886
Inspections	2,097	1,426	1,442	1,054	1,106	1,106	1,525
Highways and streets:							
Street resurfacing(lane miles)	10.36	10.36	10.36	9.60	9.60	9.60	9.60
Water:							
New connections	26	25	32	41	35	35	17
Water main breaks	32	54	52	56	47	47	30
Average daily consumption (thousands of gallons)	2,996	3,185	3,007	3,010	2,987	2,987	3,043

Source: Various city departments

## CAPITAL ASSETS STATISTICS BY FUNCTION

	Fiscal Year June 30,						
Function	2017	2018	2019	2020	2021	2022	2023
Police:							
Stations	1	1	1	1	1	1	1
Patrol units	34	34	34	34	34	34	34
Fire:							
Fire stations	4	4	4	4	4	4	4
Highways and streets:							
Streets(miles)	169	169	173	173	193	193	181
Streetlights	2,111	2,115	2,115	2,115	3,246	3,246	3,265
Culture and recreation:							
Parks	9	9	9	12	12	12	12
Parks acreage	163.5	163.5	163.5	172.0	172.0	172.0	172.0
Swimming pools	1	1	1	1	1	1	1
Ball fields	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4
Water:							
Water mains	146	147	151	147	147	147	148
Fire hydrants	1,605	1,621	1,632	1,632	1,631	1,631	1,669
Maximum daily capacity (thousands of gallons)	3,840	3,773	3,310	3,373	3,463	3,463	4,126
Sewer:							
Contained sanitary/storm sewers (miles)	274	200	201	196	197	197	203

Source: Various city departments



The following procedures are followed when establishing the budgets for all City Funds. In June of every year the City Council adopts a budget for the next fiscal year. The City's fiscal year runs from July 1 of one year until June 30 of the following year. The budget is the City's business and financial plan for the one year period.

### **Basis of Budgeting**

The City utilizes two bases for budgeting and accounting depending on the classification of the fund type. The two bases are the Modified Accrual Basis and the Accrual Basis.

1. The Modified Accrual Basis is the foundation for all Governmental fund types like the General Fund and Special Revenue Funds (i.e. Municipal Road Aid, Infrastructure, Asset Forfeiture, Aquatic). These funds are prepared and reported using the current financial resources measurement focus which recognizes revenues only when they become both measurable and available. The expenditures generally are recorded when a liability is incurred except for accrued interest on general long-term debt. This basis is also used in the audited financial statements.
2. The Accrual Basis is the base for Proprietary funds which includes Enterprise Funds(i.e. Golf Course and Water and Sewer) and Internal Service Funds(i.e. Health and Dental). They are budgeted and distinguish operating revenues and expenses from non-operating revenues and expenses. These funds are budgeted using the full accrual basis of accounting. The operating revenues are recognized when earned and operating expenses are recorded as liabilities when benefits are received. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. This basis is also used in the audited financial statements.

### **Annual Process**

It is important to recognize that the numbers in the budget are estimates. Various issues will arise during the course of a fiscal year that will impact the level of revenues and the level of spending. The City does maintain adequate reserves to protect from future unknowns. The preparation of the annual budget document is a lengthy process that involves various employees in all departments, all departments heads, the City Coordinator, Mayor and City Council.

The budget process begins in March of each year with the distribution of the budget worksheets to each department head. They have a period of time to fill those out and return to the Finance Director. The Finance Director will assemble the budget document for the City as a whole. From that point discussion will be held between the department heads, Finance Director, City Coordinator and the Mayor.

In accordance with City ordinance, Kentucky Revised Statutes 91A.030 and 83A.130 and prior to June 30, the Mayor submits to Council a proposed operating budget on a basis consistent with generally accepted accounting principles for the fiscal year commencing July 1.

## BUDGET PROCESS

Once a final version of the budget document has been arrived at a public meeting is held for the Council members and the public for further discussion to reach a budget that will be presented for adoption by the Council. The Mayor will present the State of the City address and present the final version of the budget to be passed to Council for their approval.

The operating budget contains proposed expenditures and the means of financing them for the upcoming year. By July 1, the budget should be legally enacted through the passage of an ordinance by the members of Council. All appropriations will remain in effect until a supplemental budget amendment is passed or until a new budget is adopted. Council may authorize supplemental appropriations throughout the year.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds. Expenditures may not legally exceed budgeted appropriations at the department level. Any revisions to the budget that would alter total revenues of any fund and expenditures of any department must be approved by the Council through the budget amendment process. All budget amendments are documented by ordinance and tracked in the City's computerized financial system. However, with proper approval by the City Coordinator, budgetary transfers within departments can be made. All appropriations lapse at fiscal year-end.

A "PDF" copy of the budget is available on the City website at <https://florence-ky.gov/forms-and-documents/>.

Following on the next page is the budget calendar that the City followed for the current year.

## BUDGET CALENDAR 2023-2024

March 1st	Issue FY 2024-2025 Budget Calendar
March 8th	Budget worksheets due to Department Heads
March 15th	Projected Salaries & Wages by Finance Department
March 15th	Budget recommendations due from Department Heads to Finance Director
Week of March 18th	Finance Director & City Coordinator Review
Week of April 1st	Meet with Department Heads
April 8th	Review preliminary budget with Mayor
Week of April 8th	Budget Books Prepared
April 19th	Distribution of preliminary budget to City Council
April 30th	Send out Notice of Special Call
May 1st	Public Hearing Budget presentation /comments & discussion
May 14th	Proposed use hearing for Municipal Aid Road Fund Budget discussion and presentations by other agencies: Urban Forest Commission and Boone County Planning Commission
June 4th	FY 2023-2024 budget amendment discussions FY 2024-2025 budget adoption discussions
June 11th	Mayor's Budget Address First reading of the FY 2024-2025 Budget Ordinance First reading of amendments to FY 2023-2024 budget
June 18th	Second reading of the FY 2024-2025 Budget Ordinance Second reading of amendments to FY 2023-2024 budget
July 1	FY 2024-2025 budget becomes effective



**CITY OF FLORENCE, KENTUCKY  
ORDINANCE O-12-2024**

**AN ORDINANCE OF THE CITY OF FLORENCE, KENTUCKY, ADOPTING THE OFFICIAL BUDGET FOR THE 2024-2025 FISCAL YEAR OF THE CITY.**

**WHEREAS**, a budget proposal has been prepared and submitted to the City Council by the Mayor as the executive authority of the City, and

**WHEREAS**, a budget message has been delivered to the City Council by the Mayor.

**WHEREAS**, the City Council has reviewed the proposed budget.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FLORENCE, KENTUCKY AS FOLLOWS:**

**SECTION I**

That the budget of the City of Florence, Kentucky, for the fiscal year 2024-2025, a copy of which is attached hereto and incorporated herein, marked Exhibit "A", is hereby adopted and approved as the official budget of the City.

**SECTION II**

That a copy of the budget approved herein shall be available in the office of the City Clerk for public inspection.


**SECTION III**

This Ordinance shall be published by posting on the City's internet website.

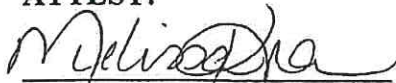
PASSED AND APPROVED ON FIRST READING THIS 11<sup>th</sup> DAY OF JUNE 2024.

PASSED AND APPROVED ON SECOND READING AND PUBLICATION ORDERED THIS 7<sup>th</sup> DAY OF JUNE 2024.

**APPROVED:**

  
Julie M. Aubuchon, Mayor

**ATTEST:**

  
Melissa Kramer, City Clerk

**CITY OF FLORENCE  
ENACTED BUDGET  
FISCAL YEAR 2024-25**

Exhibit "A" to City of Florence Ordinance No. O - 12 - 2024

	General Fund	Municipal Aid Road Fund	Infrastructure Fund	Asset Forfeiture Fund	Aquatic Center Fund	Water and Sewer Fund	World of Golf Fund	Health and Dental Fund
<b>RESOURCES AVAILABLE:</b>								
Estimated Revenues & Transfers	50,495,000	825,000	6,195,000	85,000	565,500	12,021,000	2,455,500	3,530,500
Beginning Fund Balance	59,269,534	1,413,601	29,165,207	274,136	2,099,232	29,458,568	11,991,867	14,548,235
<b>TOTAL RESOURCES AVAILABLE FOR APPROPRIATIONS</b>	<b>109,764,534</b>	<b>2,238,601</b>	<b>35,360,207</b>	<b>359,136</b>	<b>2,664,732</b>	<b>41,479,568</b>	<b>14,447,367</b>	<b>18,078,735</b>
<b>APPROPRIATIONS:</b>								
Administrative	4,533,500							4,121,200
Public Services	6,879,000	695,180	7,180,150					
Police Services	12,722,600			200,180				
Fire / E.M.S. Services	13,226,709							
Parks / Recreation					1,256,700			
Capital Outlay	9,598,122							
Other Agencies	555,000							
Debt Service	578,100							
Water and Sewer						10,790,300		
Golf Course							2,651,600	
<b>TOTAL EXPENDITURES</b>	<b>48,093,031</b>	<b>695,180</b>	<b>7,180,150</b>	<b>200,180</b>	<b>1,256,700</b>	<b>10,790,300</b>	<b>2,651,600</b>	<b>4,121,200</b>
Transfers	3,225,000	-	-	-	-	-	-	-
Estimated Fund Balance at Year-End	58,446,503	1,543,421	28,180,057	158,956	1,408,032	30,689,268	11,795,767	13,957,535
<b>TOTAL BUDGET</b>	<b>109,764,534</b>	<b>2,238,601</b>	<b>35,360,207</b>	<b>359,136</b>	<b>2,664,732</b>	<b>41,479,568</b>	<b>14,447,367</b>	<b>18,078,735</b>

Note: The City's adopted budget in detail for Fiscal Year 2024-25 is available for public inspection at the Florence Government Center during normal business hours.

## GOVERNMENTAL FUND STRUCTURE

The City uses fund accounting to maintain its financial records during the year. Fund accounting is designed to help governments ensure and demonstrate legal compliance and achieve the goal of fiscal accountability. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate reporting entity. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances which are segregated for the purpose of carrying on specific activities or attaining certain objectives. The City utilizes Governmental and Proprietary fund types. The following individual funds described in each fund type below that mirror the listing in the chart on the next page are appropriated annually.

Governmental funds are those through which most governmental functions are typically financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported as funds balance. The City's governmental funds are as follows:

### Major Governmental Funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. This fund has six different functions consisting of Administration, Public Services, Police, Fire, Capital Outlay and Debt Service. The Administration function includes economic development, community development, finance, overall administration, and the City Clerk's duties. The Public Services function includes streets, sidewalks, storm sewer, grounds maintenance and urban forestry. The Police function includes the administration, patrol and the drug task force unit. The Fire function includes fire, EMS and inspections. The Capital Outlay function addresses all capital needs for all other functions listed.

The Infrastructure Fund is used to account for a designated portion of payroll taxes, storm water fees and grants to be used for the annual repairs to the City road infrastructure and storm water lines.

### Nonmajor Special Revenue Funds:

These funds are used to account for the proceeds of specific revenue sources for specific expenditures.

The Municipal Aid Road/LGEA Fund is used to account for funds received from the state for road improvements and snow removal.

The Asset Forfeiture fund accounts for all funds received from seized assets and purchases made with those funds.

The Aquatic Center fund is used to account for the operations of the City's pool facility.

### Major Proprietary Fund Types:

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in



## GOVERNMENTAL FUND STRUCTURE

connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The government reports the following proprietary funds:

The Water and Sewer Fund accounts for the activities of the government's water and sewer sales and services to residential and commercial users. This fund has three different functions consisting of Administration, Sewer and Water. The Administration function supports the billing and collection of receipts as well as handling service requests from customers. The sewer function handles the sanitary sewer system issues including main breaks, relining and odor issues. The Water function handles the same issues but on the water side.

The World of Golf Fund is responsible for operations of the golf course.

The City's only internal service fund is the self-insurance fund for the City's health and dental costs.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# Annually Appropriated Budgetary Funds

Governmental Funds

### PROPRIETARY

Water/Sewer  
Golf Course

### GENERAL

### SPECIAL REVENUE

Municipal/LGEA  
Infrastructure  
Asset Forfeiture  
Aquatic Center

### INTERNAL SERVICE

Health/Dental

## FINANCIAL POLICIES

The City operates under certain fiscal policies with respect to budget, revenues, expenditures, debt, cash management and reserves. These policies assist in maintaining, developing and managing services and programs as efficiently and effectively as possible. The internal control in place within these policies ensure city assets are protected from loss, theft and misuse and that adequate accounting data are compiled in order to prepare accurate financial statements in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting. The City prepares its budget and financials in accordance with the principles and standards set with both above.

### **Budgetary Policies**

The City shall adopt a balanced budget for each of its funds; where operating expenditures may not exceed anticipated revenues plus unreserved fund balance.

Budgetary control will be at the departmental level.

The City will not use debt or bond financing to fund current operating expenditures.

The Annual Comprehensive Financial Report (ACFR) shows the status of the City's finances on the basis of general accepted accounting principles (GAAP). In most cases this conforms to the way the City prepares its budget.

### **Planning**

The City annually prepares a three-year rolling forecast. The forecast will include estimated operating costs and revenues. In addition, it will include the estimated capital costs for all departments for that period.

### **Revenue Policies**

The City will strive to maintain a diversified and stable revenue system to guard it from unforeseeable short-term fluctuations in any one revenue source.

The City will estimate the annual revenues by an objective, analytical process, wherever practical.

The city will continue to pursue economic, commercial and industrial development and retention to provide an ongoing solid revenue base.

The City will establish and periodically review user charges, license and fees at a level related to the cost of providing the service, except when the Mayor and Council determine that a subsidy is needed to better serve the public interest.

One-time revenues will only be used for one-time expenditures including capital and reserves.

### **Expenditure Policies**



## FINANCIAL POLICIES

The city will maintain a budgetary control system to help it adhere to the adopted budget and will prepare monthly reports comparing actual expenditures to budgeted amounts.

The City will estimate the annual expenditures/expenses by an objective, analytical process, wherever practical.

Budgetary control will be at the departmental level with all departments having the opportunity to participate in the budget process.

### **Fund Balance Policies**

Fund Balance/Net assets are the difference between assets and liabilities. Fund balance of the governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets.

In the fund financial statements, government funds report components of fund balance for amounts that are nonspendable, restricted, committed, assigned or unassigned:

Nonspendable fund balances arise when resources cannot be spent because of their form and because resources must be maintained intact.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Committed fund balances are those that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the City is the Council. The Council can by adoption of an ordinance prior to the end of the year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned fund balances are those that are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as committed. Council has authorized the finance director to assign fund balance through the financial policies and procedures established. Unlike commitments, assignments generally only exist temporarily. In other words an additional action of does not normally have to be taken for the removal of an assignment. Conversely, additional action is essential to either remove or revise a commitment.

Unassigned fund balance is the residual classification for the general fund. The classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.



### *Fund Balance Flow Assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the government fund financial statements a flow assumption must be made about the order in which resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### **Reserve Policies**

The City Council has adopted guidelines for maintaining a minimum general fund balance in the amount of 17% of budgeted operating expenditures and recurring transfers. In either case, unusual items such as one time expenditures shall be excluded from the calculation.

In addition, Council has adopted a resolution and established a stabilization fund balance. This fund balance may only be used for operations to pay for expenditures when the unreserved fund balance falls below the minimum fund balance of 17% of expenditures and recurring transfers. Each December 31<sup>st</sup>, Mayor and Council shall determine if any funds are to be transferred to increase the stabilization fund balance.

### **Capital Improvement Policies**

The City will continually update a multi-year plan for capital improvements. The City will enact an annual capital budget based on the multi-year plan.

All capital assets are capitalized at cost, or where cost is not available, estimated historical cost based on replacement value. The capitalization threshold of \$5,000 with a useful life in excess of two years. All capital assets will be updated for additions and retirements during the year.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class are as follows:

Buildings	30 years
Building Improvements	10-20 years
Public Domain Infrastructure	25-40 years
Vehicles	5-10 years
Office Equipment	3-10 years

### **Debt policies**

The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. The City will not use long-term debt for current operations.

When applicable, the City shall review outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs.

The City will maintain a policy of full disclosure in financial reports and bond disclosures.

### **Investment and Cash Management Policies**

The City of Florence's investment objectives are the preservation and protection of the organization's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.

All investments will address safety, liquidity, and yield, in that order.

The City will purchase securities from qualified institutions and will invest only in direct obligations of the United States Government or in investments backed by the United States Government, or in any other investment allowed by Kentucky law.

The City will deposit all receipts on a timely basis and will be reconciled on a monthly basis.

### **Financial Reporting Policies**

The objective of the City is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner.

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization.

The City will distribute a complete set of monthly financial statements to the following individuals:

1. Mayor,
2. Members of the Florence City Council,
3. City Coordinator, and
4. Department Heads and any other employee with budget-monitoring responsibilities.

The City will employ an independent accounting firm to perform an annual audit of the City's finances, and it will make the audit available to all required and interested parties. A formal presentation of the City's annual financial statements shall be provided by the Independent Auditor to the Florence City Council at a City Council meeting.



### Three Year Operating Budget

The City annually updates a rolling three operating plan to project the anticipated revenues and expenses for the City's General Fund at the conclusion of the fiscal year audit. The City staff and Mayor/Council must monitor both the current economic conditions and future projected needs.

Personnel expenditures make up 82% of the General Fund expenditures so any additional staffing needs must be appropriately planned and forecasted. In addition to forecasting any additional staffing needs, the projections for the salaries and benefit costs are based on the current fiscal year actual audited numbers with a 7% annual increase applied. The City provides a salary increase each July 1 based on the CPI percentage for the month of February. In addition, the City has a fixed pay plan that provides step increases for each job description. If approved by Council, step increases are applied each January 1 for any employees that have not maxed out on the number of steps in their pay category. Since 2019, the City's pension costs have continued to increase annually at a rate capped at a 12% per annum increase in accordance with Kentucky Revised Statutes 61-565(5). Due to COVID 19, the Governor signed Senate Bill 249 which froze the rates for fiscal year 2021 only. For fiscal year 2024, the non-hazardous rate actually decreased 12.8% with the hazardous rate also decreasing by 11.8%. For fiscal year 2025, both the non-hazardous and the hazardous rates decreased for the second year in a row. The non-hazardous rate has decreased 15.55% while the hazardous rate has decreased 11.63%. In addition, the state has also made changes in the pension plan itself. The plan has changed from a defined benefit plan to a Cash Balance Plan for all new hires effective January 1, 2014. Despite these changes, the pension expenditures are still an enormously large benefit item that is dictated to the City by the Kentucky Retirement System.

Since the City is self-insured, there is a strategy of implementing a new plan design every three years. For fiscal year 2025, the City made no design changes in copays and deductible amounts. We are also trying to incentivize the employees to utilize the in-house clinic that we have to minimize increases in costs as well. The City did open its own health care clinic in December of 2014 to contain third party costs. We continue to monitor how to keep the clinic operating efficiently and in unification with our insurance plan to achieve the highest return on that investment.

Contractual and operating and maintenance expenditures for each department are projected out using an annual 3% increase except for the annual property and liability insurance. The insurance line item is forecasted with a 5% annual increase.

The basis of the three year projections is to monitor the fund balance position as the City continues to move forward into the future. The City needs to make sure that it has the resources to provide the services expected by the residents and to take care of the infrastructure and all of the City amenities that have been built over the previous years. The City currently maintains a very healthy fund balance position. However, that does not mean that the City does not have to continually forecast revenues and expenditures. The City needs to be proactive in its analysis so that proper long range planning can be carried out. The City has done very well in posturing itself for the future with the payroll and insurance premium tax increases that were put into place on July 1, 2007. Continual monitoring of that plan is critical to insuring that the City will remain viable for the long-term. It is equally important that the City has a plan to be able to handle another economic downturn should it occur. The City is in the middle of the largest retail hub in Northern Kentucky. In order to maintain the retail, business and



industry base, the City needs to have the financial resources to continue to provide all the services that we currently offer. In addition, the City has to have resources to maintain its infrastructure and attractive appeal. Without the services and well maintained curb appeal, the mix of residential, retail and industry could be greatly affected and cause a reduction in several tax bases from property, payroll, insurance and occupational.

### **Five Year Capital Budget**

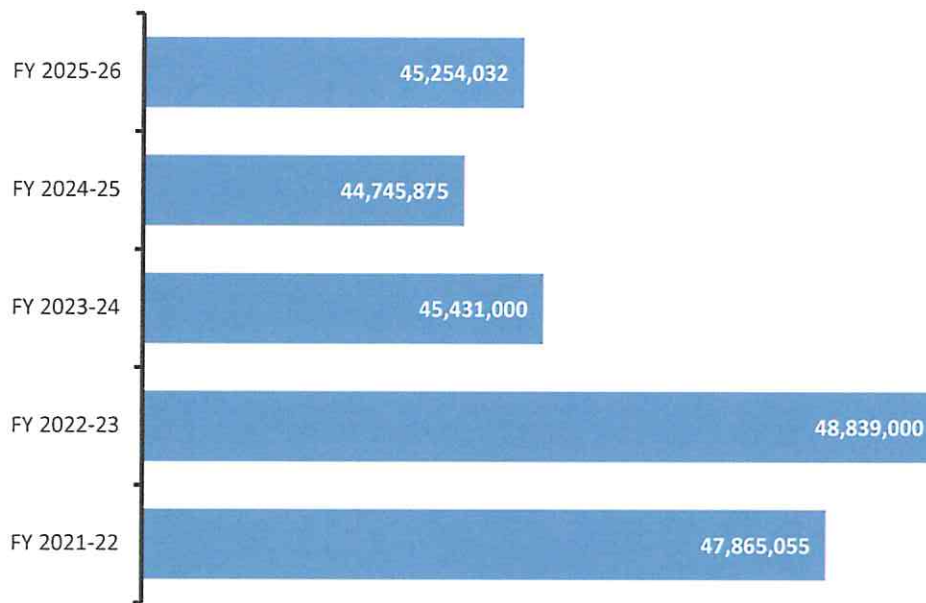
Along with the operating budget for the General Fund, the City maintains a five year rolling budget for anticipated capital needs for each department. The City continues to implement its annual plan to upgrade the City's infrastructure. Contractors are hired and are replacing certain sidewalks, storm sewers, curbs and are repaving City streets. However, the City also needs to plan for vehicle and equipment needs. Any one-time projects are also included in the capital plan. The plan is in place to address departmental needs and determine capital funding needs for the future. Major infrastructure improvements such as streets, sidewalks, and storm sewer have planned \$50,000 annual increases in that budget line. All amounts are at estimated costs for vehicles and equipment. Frequently, with any capital plan, vehicles and equipment can change from one year to another year based on deteriorating conditions and/or repair and maintenance costs. Capital needs can be very expensive so a five year plan is kept for capital needs as opposed to a three year plan for operations.

# FINANCIAL POLICIES

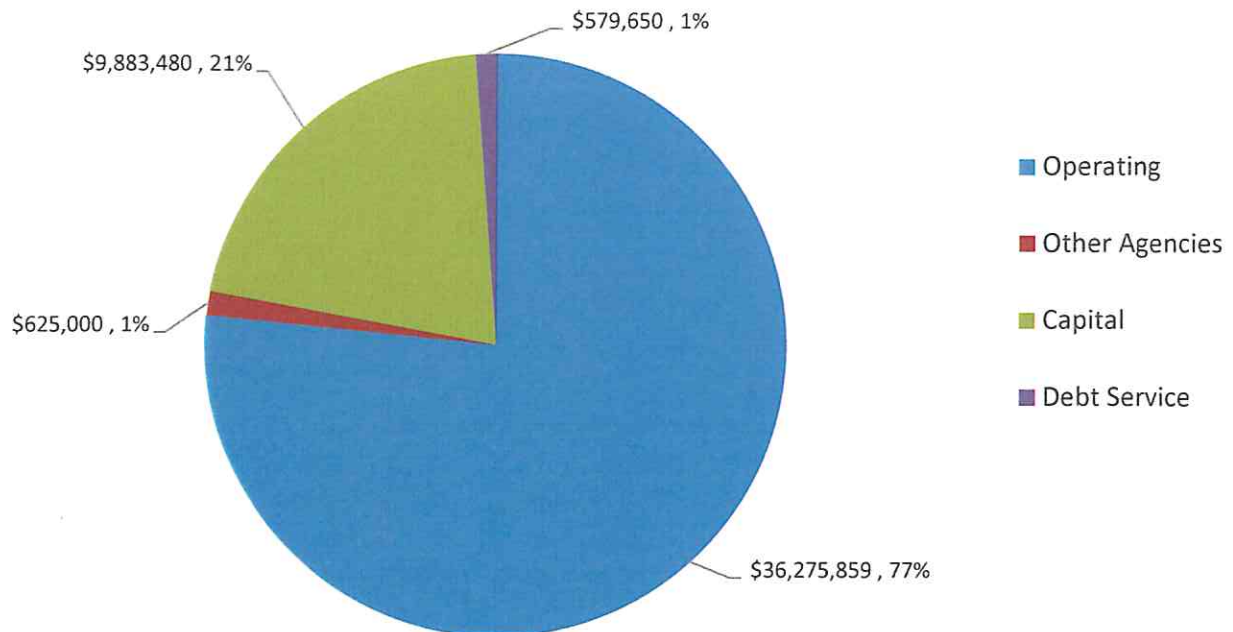
## CITY OF FLORENCE GENERAL FUND PROJECTIONS FISCAL YEARS 2022-2026

	Actual				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
REVENUES:	REV. & EXPEND.	PROJECTED	PROJECTED	PROJECTED	PROJECTED
Taxes	9,232,640	8,700,000	9,500,000	9,690,000	9,883,800
Franchise Taxes	494,370	520,000	525,000	520,000	520,000
Bank Deposit Taxes	443,704	425,000	450,000	400,000	400,000
Payroll Taxes	18,626,406	18,000,000	20,000,000	20,150,000	20,301,125
Insurance Premium Taxes	3,637,375	3,600,000	3,650,000	3,677,375	3,704,955
Business Occupational Licenses	2,896,896	2,600,000	2,750,000	2,770,625	2,791,405
Other Licenses and Permits	159,709	135,000	175,000	130,000	130,000
Fines and forfeits	514,658	225,000	285,000	225,000	225,000
Intergovernmental-Operating	5,491,523	8,300,000	828,000	715,000	725,000
Charges for services	488,164	489,000	423,000	500,000	500,000
Rental Income Stadium	75,000	75,000	75,000	75,000	75,000
Fire Protection District	2,834,910	2,880,000	3,000,000	3,060,000	3,121,200
Emergency Medical Services	1,991,675	1,900,000	1,900,000	1,938,000	1,976,760
Storm Water Charges	654,965	650,000	650,000	654,875	659,787
Contractual Charges	90,000	90,000	90,000	90,000	90,000
Interest	-600,394	150,000	1,000,000	50,000	50,000
Miscellaneous	833,454	100,000	130,000	100,000	100,000
Total Revenues	<b>47,865,055</b>	<b>48,839,000</b>	<b>45,431,000</b>	<b>44,745,875</b>	<b>45,254,032</b>
Fund Balance, Beginning of Year	79,963,677	68,975,052	35,827,280	32,748,941	32,057,010
Total General Fund	<b>127,828,732</b>	<b>117,814,052</b>	<b>81,258,280</b>	<b>77,494,816</b>	<b>77,311,042</b>
Administrative Department	2,792,964	3,805,450	4,228,100	4,567,414	4,714,487
Public Services Department	5,813,649	6,390,000	6,693,600	7,198,291	7,466,635
Police Department	9,973,166	11,713,456	12,277,600	14,005,144	14,947,913
Fire / E.M.S. Department	9,633,131	12,024,209	12,497,209	13,465,795	14,283,569
Planning Commission	349,540	370,000	385,000	396,550	408,447
Senior Center	154,194	130,000	140,000	144,200	148,526
Tree Commission	175,273	100,000	100,000	70,000	70,000
Administrative Department	482,589	752,480	579,480	523,500	567,000
Public Services Department	1,538,654	6,151,500	1,455,500	1,359,000	1,359,000
Police Department	645,799	654,957	720,000	742,000	849,500
Fire / E.M.S. Department	482,542	2,667,070	718,500	466,262	548,575
City Projects	5,538,233	31,928,000	6,410,000	1,600,000	1,750,000
Debt Service	4,611,887	574,650	579,350	574,650	579,350
Total Expenditures	<b>42,191,621</b>	<b>77,261,772</b>	<b>46,784,339</b>	<b>45,112,806</b>	<b>47,693,001</b>
Transfers to Other Funds	225,000	4,725,000	1,725,000	325,000	325,000
Total Expenditures & Transfers	<b>42,416,621</b>	<b>81,986,772</b>	<b>48,509,339</b>	<b>45,437,806</b>	<b>48,018,001</b>
FUND BALANCE, END OF YEAR	<b>85,412,111</b>	<b>35,827,280</b>	<b>32,748,941</b>	<b>32,057,010</b>	<b>29,293,040</b>
RESTRICTED-EQUIP REPLACEME	<b>-2,000,000</b>				
RESTRICTED-RAINY DAY	<b>-6,300,000</b>				
MINIMUM FUND BALANCE	<b>-8,137,059</b>				
FUND BALANCE, YEAR-END	<b>68,975,052</b>	<b>35,827,280</b>	<b>32,748,941</b>	<b>32,057,010</b>	<b>29,293,040</b>

### Revenue Projections



### Expenditure Sources FY 2024





# Schedule of Sources and Uses by Fund

## General Fund (Major Fund)

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 80,072,621	\$ 79,963,677	\$ 85,412,106	\$ 85,412,106	\$ 82,945,473	\$ 59,269,534
<b>Revenues</b>						
Taxes	9,573,251	10,170,714	10,291,095	9,645,000	10,025,000	10,430,000
Licenses and Permits	23,896,292	25,320,386	28,513,955	24,335,000	29,025,000	29,828,000
Intergovernmental	1,589,115	5,491,523	5,342,829	8,300,000	3,828,000	910,000
Fines and Forfeitures	259,075	514,658	737,463	225,000	385,000	425,000
Charges for Services	5,593,832	6,134,713	6,246,303	6,084,000	7,173,000	6,817,000
Interest	498,506	(600,394)	1,233,786	150,000	1,800,000	1,900,000
Miscellaneous	207,275	833,454	422,082	100,000	200,000	185,000
Total Sources Available	121,689,967	127,828,731	138,199,619	134,251,106	135,381,473	109,764,534
<b>Expenditures</b>						
Administration	3,006,714	3,429,748	3,675,649	4,687,930	5,358,580	5,729,050
Police	9,216,794	10,618,966	11,700,590	12,343,413	12,997,600	13,531,600
Fire	10,826,789	10,115,673	14,137,480	14,596,279	13,215,709	13,906,781
Public Services	11,645,726	13,415,351	22,440,777	44,899,500	37,235,700	14,347,500
Debt Service	6,605,267	4,611,887	574,650	574,650	579,350	578,100
Transfers Out	425,000	225,000	2,725,000	4,725,000	6,725,000	3,225,000
Total Uses	41,726,290	42,416,625	55,254,146	81,826,772	76,111,939	51,318,031
Budgetary Fund Balance, June 30	\$ 79,963,677	\$ 85,412,106	\$ 82,945,473	\$ 52,424,334	\$ 59,269,534	\$ 58,446,503
Excess(deficit) fund balance	(108,944)	5,448,429	(2,466,633)	(32,987,772)	(23,675,939)	(823,031)

## Schedule of Sources and Uses by Fund

### Municipal Aid/LGEA Fund ( Non-Major Fund)

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 2,088,319	\$ 2,406,274	\$ 2,295,398	\$ 2,295,398	\$ 1,293,601	\$ 1,413,601
<b>Revenues</b>						
Intergovernmental	602,662	630,772	649,150	640,000	640,000	660,000
Interest	5,302	-	21,698	-	40,000	40,000
Transfers In	125,000	125,000	125,000	125,000	2,625,000	125,000
Total Sources Available	<u>2,821,283</u>	<u>3,162,046</u>	<u>3,091,246</u>	<u>3,060,398</u>	<u>4,598,601</u>	<u>2,238,601</u>
<b>Expenditures</b>						
Public Services	415,009	866,648	1,797,645	1,627,000	3,185,000	695,180
Total Uses	<u>415,009</u>	<u>866,648</u>	<u>1,797,645</u>	<u>1,627,000</u>	<u>3,185,000</u>	<u>695,180</u>
Budgetary Fund Balance, June 30	\$ <u>2,406,274</u>	\$ <u>2,295,398</u>	\$ <u>1,293,601</u>	\$ <u>1,433,398</u>	\$ <u>1,413,601</u>	\$ <u>1,543,421</u>
Excess(deficit) fund balance	<u>317,955</u>	<u>(110,876)</u>	<u>(1,001,797)</u>	<u>(862,000)</u>	<u>120,000</u>	<u>129,820</u>

## Schedule of Sources and Uses by Fund

### Asset Forfeiture Fund (Non-Major Fund)

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 383,453	\$ 268,064	\$ 422,811	\$ 422,811	\$ 339,636	\$ 274,136
<b>Revenues</b>						
Uses of Property	27,479	193,147	111,353	100,000	125,000	75,000
Interest	1,034	245	5,440	150	9,500	10,000
Total Sources Available	<u>411,966</u>	<u>461,456</u>	<u>539,604</u>	<u>522,961</u>	<u>474,136</u>	<u>359,136</u>
<b>Expenditures</b>						
Police	<u>143,902</u>	<u>38,645</u>	<u>199,968</u>	<u>200,000</u>	<u>200,000</u>	<u>200,180</u>
Total Uses	<u>143,902</u>	<u>38,645</u>	<u>199,968</u>	<u>200,000</u>	<u>200,000</u>	<u>200,180</u>
Budgetary Fund Balance, June 30	\$ <u>268,064</u>	\$ <u>422,811</u>	\$ <u>339,636</u>	\$ <u>322,961</u>	\$ <u>274,136</u>	\$ <u>158,956</u>
Excess(deficit) fund balance	<u>(115,389)</u>	<u>154,747</u>	<u>(83,175)</u>	<u>(99,850)</u>	<u>(65,500)</u>	<u>(115,180)</u>



## Schedule of Sources and Uses by Fund

### Aquatic Center Fund (Non-Major Fund)

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 2,951,712	\$ 2,844,041	\$ 2,880,840	\$ 2,880,840	\$ 2,607,432	\$ 2,099,232
<b>Revenues</b>						
Charges for Services	-	348,560	466,906	477,000	500,500	500,500
Interest	7,240	-	28,455	-	65,000	65,000
Miscellaneous	-	126	500	150	-	-
Transfers In	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total Sources Available	<u>2,958,952</u>	<u>3,192,727</u>	<u>3,376,701</u>	<u>3,357,990</u>	<u>3,172,932</u>	<u>2,664,732</u>
<b>Expenditures</b>						
Public Services	114,911	311,887	769,269	873,700	1,073,700	1,256,700
Total Uses	<u>114,911</u>	<u>311,887</u>	<u>769,269</u>	<u>873,700</u>	<u>1,073,700</u>	<u>1,256,700</u>
Budgetary Fund Balance, June 30	\$ <u>2,844,041</u>	\$ <u>2,880,840</u>	\$ <u>2,607,432</u>	\$ <u>2,484,290</u>	\$ <u>2,099,232</u>	\$ <u>1,408,032</u>
Excess(deficit) fund balance	<u>(107,671)</u>	<u>36,799</u>	<u>(273,408)</u>	<u>(396,550)</u>	<u>(508,200)</u>	<u>(691,200)</u>

## Schedule of Sources and Uses by Fund

### Infrastructure Fund (Major Fund)

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 23,356,963	\$ 25,105,630	\$ 25,269,479	\$ 25,269,479	\$ 25,780,207	\$ 29,165,207
<b>Revenues</b>						
Licenses and Permits	3,183,829	3,321,639	3,748,515	2,500,000	3,200,000	3,500,000
Intergovernmental	-	-	-	1,799,000	1,799,000	-
Charges for Services	480,000	485,000	485,000	485,000	490,000	495,000
Interest	61,289	-	249,638	100	700,000	700,000
Transfers In	200,000	-	-	1,500,000	1,500,000	1,500,000
Total Sources Available	<u>27,282,081</u>	<u>28,912,269</u>	<u>29,752,632</u>	<u>31,553,579</u>	<u>33,469,207</u>	<u>35,360,207</u>
<b>Expenditures</b>						
Public Services	<u>2,176,451</u>	<u>3,642,790</u>	<u>3,972,425</u>	<u>6,441,000</u>	<u>4,304,000</u>	<u>7,180,150</u>
Total Uses	<u>2,176,451</u>	<u>3,642,790</u>	<u>3,972,425</u>	<u>6,441,000</u>	<u>4,304,000</u>	<u>7,180,150</u>
Budgetary Fund Balance, June 30	\$ <u>25,105,630</u>	\$ <u>25,269,479</u>	\$ <u>25,780,207</u>	\$ <u>25,112,579</u>	\$ <u>29,165,207</u>	\$ <u>28,180,057</u>
Excess(deficit) fund balance	<u>1,748,667</u>	<u>163,849</u>	<u>510,728</u>	<u>(156,900)</u>	<u>3,385,000</u>	<u>(985,150)</u>

## Schedule of Sources and Uses by Fund

### Health and Dental Fund (Non-Major Fund)

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 16,268,692	\$ 15,561,554	\$ 15,255,896	\$ 15,255,896	\$ 14,980,235	\$ 14,548,235
<b>Revenues</b>						
Interest	40,323	-	128,907	-	375,000	375,000
Employee Contributions	2,828,098	2,866,933	2,975,314	2,958,500	3,047,500	3,070,500
Reinsurance Reimbursement	407,242	105,984	37,668	50,000	40,000	40,000
FSA Contributions	52,793	53,800	64,695	45,000	40,000	45,000
Transfer In	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total Sources Available	19,597,148	18,588,271	18,462,480	18,309,396	18,482,735	18,078,735
<b>Expenditures</b>						
Administrative Fees	514,031	567,990	551,350	610,000	646,000	575,200
Wellness Program	43,842	31,084	13,013	40,000	40,000	25,000
Clinic	182,751	167,001	232,831	150,000	200,000	285,000
HRA Claims	15,086	9,820	41,967	7,500	7,500	40,000
Health and Dental Claims	3,230,355	2,505,550	2,584,290	3,000,000	3,000,000	3,150,000
ACA Taxes/Fees	961	910	1,035	1,000	1,000	1,000
FSA Claims	48,568	50,020	57,761	50,000	40,000	45,000
Total Uses	4,035,594	3,332,375	3,482,247	3,858,500	3,934,500	4,121,200
Budgetary Fund Balance, June 30	\$ 15,561,554	\$ 15,255,896	\$ 14,980,233	\$ 14,450,896	\$ 14,548,235	\$ 13,957,535
Excess(deficit) fund balance	(707,138)	(305,658)	(275,663)	(805,000)	(432,000)	(590,700)



## Schedule of Sources and Uses by Fund

### Golf Course Fund

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 8,236,760	\$ 8,463,092	\$ 8,218,706	\$ 8,218,706	\$ 12,156,367	\$ 11,991,867
<b>Revenues</b>						
Interest	1,985	-	4,768	-	17,500	17,500
Charges for Services	1,470,341	1,359,200	2,166,953	2,094,000	2,388,000	2,338,000
Transfer In	100,000	100,000	100,000	100,000	100,000	100,000
Total Sources Available	<u>9,809,086</u>	<u>9,922,292</u>	<u>14,840,336</u>	<u>10,412,706</u>	<u>14,661,867</u>	<u>14,447,367</u>
<b>Expenditures</b>						
Cost of Sales and Services	1,146,227	1,534,865	2,393,537	2,377,690	2,425,000	2,351,600
Depreciation	199,767	168,721	290,432	310,000	245,000	300,000
Loss on Disposal of Assets	-	-	-	-	-	-
Total Uses	<u>1,345,994</u>	<u>1,703,586</u>	<u>2,683,969</u>	<u>2,687,690</u>	<u>2,670,000</u>	<u>2,651,600</u>
Budgetary Fund Balance, June 30	\$ <u>8,463,092</u>	\$ <u>8,218,706</u>	\$ <u>12,156,367</u>	\$ <u>7,725,016</u>	\$ <u>11,991,867</u>	\$ <u>11,795,767</u>
Excess(deficit) fund balance	<u>226,332</u>	<u>(244,386)</u>	<u>3,937,661</u>	<u>(493,690)</u>	<u>(164,500)</u>	<u>(196,100)</u>

## Schedule of Sources and Uses by Fund

### Water and Sewer Fund

Description	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Budgetary Fund Balance, July 1	\$ 24,913,786	\$ 24,370,938	\$ 24,625,933	\$ 24,625,933	\$ 27,712,526	\$ 29,458,568
<b>Revenues</b>						
Water Charges	5,962,771	6,344,189	6,718,443	6,400,000	6,630,000	7,050,000
Sewer Charges	2,584,737	2,652,064	2,746,225	2,810,000	2,760,000	2,950,000
Penalties	49,641	99,944	135,045	80,000	95,000	140,000
Tap in Fees	152,500	101,779	200,300	70,000	50,000	50,000
Meter Installations	38,407	36,960	75,819	35,000	25,000	35,000
Other Service Charges	48,234	83,845	118,656	45,000	40,000	50,000
Miscellaneous	26,566	6,723	31,932	37,000	37,000	46,000
Interest	22,649	475	94,847	50	150,000	200,000
Capital Contributions	-	10,000	22,660	3,050,000	11,000	-
Total Sources Available	33,799,291	33,706,917	37,269,860	37,152,983	40,010,526	41,479,568
<b>Expenditures</b>						
Cost of Sales and Services	7,526,019	7,526,463	7,963,641	8,488,000	8,442,300	8,682,800
Depreciation	1,856,339	1,517,231	1,565,708	2,100,000	2,100,000	2,100,000
Loss on Disposal	2,732	-	-	-	-	-
Interest Expense	43,263	37,290	27,983	37,899	9,658	7,500
Total Uses	9,428,353	9,080,984	9,557,332	10,625,899	10,551,958	10,790,300
Budgetary Fund Balance, June 30	\$ 24,370,938	\$ 24,625,933	\$ 27,712,528	\$ 26,527,084	\$ 29,458,568	\$ 30,689,268
Excess(deficit) fund balance	(542,848)	254,995	3,086,595	1,901,151	1,746,042	1,230,700

## Schedule of Combined Fund Balances - Governmental Fund Types

### Consolidated Financials GOVERNMENTAL FUNDS

	Major Governmental Funds			Non-Major Governmental Funds			Total Governmental Funds		
	FY 2023 Amended	FY 2024 Amended	FY 2025 Approved	FY 2023 Amended	FY 2024 Amended	FY 2025 Approved	FY 2023 Amended	FY 2024 Amended	FY 2025 Approved
<b>REVENUES</b>									
Taxes	\$ 9,645,000	\$ 10,475,000	\$ 10,880,000	\$ -	\$ -	\$ -	\$ 9,645,000	\$ 10,475,000	\$ 10,880,000
Licenses and permits	26,835,000	31,775,000	32,860,000	-	-	-	26,835,000	31,775,000	32,860,000
Intergovernmental	10,099,000	5,627,000	928,000	640,000	640,000	660,000	10,739,000	6,267,000	1,588,000
Fines and forfeitures	225,000	385,000	425,000	-	-	-	225,000	385,000	425,000
Charges for services	6,569,000	7,663,000	7,312,000	477,000	500,500	500,500	7,046,000	8,163,500	7,812,500
Uses of property	-	-	-	100,000	125,000	75,000	100,000	125,000	75,000
Interest	150,100	2,500,000	2,600,000	150	114,500	115,000	150,250	2,614,500	2,715,000
Miscellaneous	100,000	200,000	185,000	150	-	-	100,150	200,000	185,000
Total revenues	53,623,100	58,625,000	55,190,000	1,217,300	1,380,000	1,350,500	54,840,400	60,005,000	56,540,500
<b>EXPENDITURES</b>									
Current:									
Administration	3,805,450	4,356,100	4,533,500	-	-	-	3,805,450	4,356,100	4,533,500
Police	11,713,456	12,277,600	12,722,600	200,000	200,000	200,000	11,913,456	12,477,600	12,922,600
Fire	12,024,209	12,497,209	13,226,709	-	-	-	12,024,209	12,497,209	13,226,709
Public services	6,390,000	6,693,600	6,879,000	873,700	1,073,700	1,256,700	7,263,700	7,767,300	8,135,700
Other Agencies	600,000	625,000	655,000	-	-	-	600,000	625,000	655,000
Capital Outlay	48,595,007	36,662,080	16,678,272	1,627,000	3,185,000	695,180	50,222,007	39,847,080	17,373,452
Debt service:									
Principal	515,000	530,000	555,000	-	-	-	515,000	530,000	555,000
Interest	59,650	49,350	23,100	-	-	-	59,650	49,350	23,100
Total expenditures	83,702,772	73,690,939	55,273,181	2,700,700	4,458,700	2,151,880	86,403,472	78,149,639	57,425,061
Excess(deficiency) of revenues over(under) expenditures	(30,079,672)	(15,065,939)	(83,181)	(1,483,400)	(3,078,700)	(801,380)	(31,563,072)	(18,144,639)	(884,561)
<b>OTHER FINANCING SOURCES(USES)</b>									
Transfers in	1,500,000	1,500,000	1,500,000	125,000	2,625,000	125,000	1,625,000	4,125,000	1,625,000
Transfers out	(4,725,000)	(6,725,000)	(3,225,000)	-	-	-	(4,725,000)	(6,725,000)	(3,225,000)
Total other financing sources and uses	(3,225,000)	(5,225,000)	(1,725,000)	125,000	2,625,000	125,000	(3,100,000)	(2,600,000)	(1,600,000)
Net change in fund balances	(33,304,672)	(20,290,939)	(1,808,181)	(1,358,400)	(453,700)	(676,380)	(34,663,072)	(20,744,639)	(2,484,561)
Fund balances - beginning	142,030,352	108,725,680	88,434,741	5,599,049	4,240,649	3,786,949	147,629,401	112,966,329	92,221,690
Fund balances - ending	\$ 108,725,680	\$ 88,434,741	\$ 86,626,560	\$ 4,240,649	\$ 3,786,949	\$ 3,110,569	\$ 112,966,329	\$ 92,221,690	\$ 89,737,129



# Schedule of Combined Fund Balances - Proprietary Fund Types

## Consolidated Financials PROPRIETARY FUNDS

	Water and Sewer			Golf Course			Totals		
	FY 2023	FY 2024	FY 2025	FY 2023	FY 2024	FY 2025	FY 2023	FY 2024	FY 2025
	Amended	Amended	Approved	Amended	Amended	Approved	Amended	Amended	Approved
<b>OPERATING REVENUES</b>									
Charges for sales and services:									
Water fees	\$ 6,400,000	\$ 6,630,000	\$ 7,050,000	\$ -	\$ -	\$ -	\$ 6,400,000	\$ 6,630,000	\$ 7,050,000
Sewer charges	2,810,000	2,760,000	2,950,000	-	-	-	2,810,000	2,760,000	2,950,000
Penalties	80,000	95,000	140,000	-	-	-	80,000	95,000	140,000
Tap in fees	70,000	50,000	50,000	-	-	-	70,000	50,000	50,000
Meter installations	35,000	25,000	35,000	-	-	-	35,000	25,000	35,000
Other service charges	45,000	40,000	50,000	-	-	-	45,000	40,000	50,000
Golf course revenues	-	-	-	2,094,000	2,380,500	2,338,000	2,094,000	2,380,500	2,338,000
Other services	-	-	-	-	-	-	-	-	-
Miscellaneous	37,000	37,000	46,000	-	-	-	37,000	37,000	46,000
Total operating revenues	9,477,000	9,637,000	10,321,000	2,094,000	2,380,500	2,338,000	11,571,000	12,017,500	12,659,000
<b>OPERATING EXPENSES</b>									
Cost of sales and services	8,488,000	8,442,300	8,682,800	2,377,690	2,425,000	2,351,600	10,865,690	10,867,300	11,034,400
Loss on disposal of property	-	-	-	-	-	-	-	-	-
Depreciation	2,100,000	2,100,000	2,100,000	310,000	245,000	300,000	2,410,000	2,345,000	2,400,000
Total operating expenses	10,588,000	10,542,300	10,782,800	2,687,690	2,670,000	2,651,600	13,275,690	13,212,300	13,434,400
NET OPERATING INCOME (LOSS)	(1,111,000)	(905,300)	(461,800)	(593,690)	(289,500)	(313,600)	(1,704,690)	(1,194,800)	(775,400)
<b>NON-OPERATING REVENUES</b>									
Interest income	50	150,000	200,000	-	25,000	17,500	50	175,000	217,500
Interest expense	(37,899)	(9,658)	(7,500)	-	-	-	(37,899)	(9,658)	(7,500)
Total non-operating income	(37,849)	140,342	192,500	-	25,000	17,500	(37,849)	165,342	210,000
Transfers	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000
NET INCOME	(1,148,849)	(764,958)	(269,300)	(493,690)	(164,500)	(196,100)	(1,642,539)	(929,458)	(465,400)
Capital Contribution	3,050,000	2,511,000	1,500,000	3,937,661	-	-	6,987,661	2,511,000	1,500,000
NET POSITION-BEGINNING OF YEAR	25,811,375	27,712,526	29,458,568	8,712,396	12,156,367	11,991,867	34,523,771	39,868,893	41,450,435
NET POSITION-END OF YEAR	\$ 27,712,526	\$ 29,458,568	\$ 30,689,268	\$ 12,156,367	\$ 11,991,867	\$ 11,795,767	\$ 39,868,893	\$ 41,450,435	\$ 42,485,035

## **Administration**

The Administration department has a staff of 20 to administer the following functions that consist of the Mayor's office, economic development, finance, human resources, information technology and risk management. The overall budget is \$4,533,500. The mayor's office provides the direction and supervision of all departments and functions of the City. The economic development function is to retain and attract businesses for the retail and business districts. The finance function ensures the collection of all revenues and the payment of all expenditures along with the maintenance of the budget process. Human resources ensure the adherence to the compensation plan and provide leadership and direction with all fringe benefits available to city employees. The information technology consists of recommendations from outsourced consultants to make annual improvements to the information infrastructure, annual capital replacements, licensing and software renewals. The risk management function strives to maintain the safety of the employees, initiates annual renewals of all forms of insurance, manages worker's compensation claims and regulates OSHA issues.

## **Police**

The Police department consists of the patrol and administrative divisions. The total department budget is \$12,722,600.

The patrol division includes the SWAT team, manages the highway safety grant, the Honor Guard, the accident investigation team, and the canine unit. The SWAT team is comprised of officers that have specialized training for situations such as high risk/arrest warrants, barricaded subjects and hostage rescue. The SWAT team utilizes schools, vacant houses/apartments and office buildings as training sites. The team receives 190 hours of specialized training annually.

The management of the highway safety grant focuses on traffic safety and occupant safety. During the course of the grant cycle, the four main objectives are: increase seat belt citations, decrease fatalities in impaired related crashes, increase speeding citations and decrease the number of impaired driving related crashes. While on the grant, officers recorded 3.90 traffic contacts per hour.

The Honor Guard is composed of eight officers who train basic drill and ceremony, with emphasis on color guard and flag etiquette. The Honor Guard marched in several events during the past year including Memorial day, Independence Day and the Kentucky Veteran's Hall of Fame. The Accident Investigation team investigates fatal, potentially fatal and serious traffic collisions. There were two fatal incidents this year, two collisions resulting in life changing injuries and four forensically mapped shootings. The Canine unit performs searches of buildings, areas, articles and narcotic searches of both vehicles and buildings. The unit consists of four handlers and performed 102 searches during last year resulting in 34 drug finds and 10 suspects located and arrested. The Canine unit also was requested to assist other law enforcement agencies 42 times.

The administrative division includes the Community Resource unit, the Volunteers in Policing, the office staff, the Crime Scene Investigation unit and the Criminal Investigation unit. The



## DEPARTMENTAL STRUCTURE

Community Resource unit partners with the community to reduce crime in the City. The partnership accomplishes this by problem solving through education and planning. There are two Community Resource Officers supervised by a Sergeant. In the past year there were 30 fifth grade classrooms with over 700 students that benefited from the DARE program. The Volunteers in Policing assist the community resource unit as well as helping out with numerous public events. The unit has 35-40 active members that have played an active role in City events and police academies. The office staff is the first point of contact for the public and handles all of the daily tasks. They are a staff of three administrative professionals that handle over 3,000 walk-up requests and answered over 25,000 phone calls. Some of their daily tasks include payroll, maintaining the property room, monthly and yearly reports and distribution of intelligence information to the officers. The Crime Scene Investigation unit consists of five evidence technicians that are responsible for evidence collection, preservation and processing of crime scenes. They were called out 16 times during the past year. The Criminal Investigation unit is comprised of seven officers who are assigned to personal and property crimes. They receive specialized training throughout the year to investigate crimes such as armed robberies, sexual abuse, juvenile homicide and suicide, homicide, child abuse and crime scene processing.

The Drug unit is comprised of four officers and one Sergeant. One member is assigned to the Cincinnati DEA Task Force. Members of the Drug unit are tasked with investigating crimes involving drug trafficking, drug possession, manufacturing of drugs, prostitution and related vice crimes. The officers in this unit operate in plain clothes and unmarked vehicles in order to properly address these crimes. There were 385 drug investigations, and 13 prostitution investigations last year. Those investigations led to 75 felonies and 74 misdemeanor charges. Florence police seized in excess of \$29,024 in cash, vehicles and other valuables.

### Performance measures:

	Fiscal Year June 30,				
	2019	2020	2021	2022	2023
<b>Function</b>					
<b>Police:</b>					
Thefts	1,107	1,261	1,271	1,164	1,463
Accidents	2,878	2,608	2,599	2,882	3,003
Parking violations	116	62	84	73	0
Burglaries	119	111	78	61	100
Assaults	225	287	288	265	270
Homicides	3	1	1	1	1
Rapes	16	9	27	19	17
<b>Personnel:</b>					
Regulars hours worked	115,038	110,481	119,633	109,324	121,253
Overtime hours worked	4,487	3,273	3,426	3,870	3,383
Training hours attended	3,912	3,674	8,113	7,165	11,932



## Fire

The Fire and EMS department provides firefighting services, technical rescue such as rope, vehicle/machinery, hazardous materials, aircraft, confined space and EMS. In addition to emergency operations, the department also provides services such as community risk reduction, fire and life safety inspections, smoke detector programs, code compliance and enforcement and public fire education. The total department budget is \$13,226,709.

Fire and rescue services are provided for numerous emergencies including emergency medical response, structure fires, vehicle fires, vegetation fires, rescue and hazardous materials incidents. The department provided care to 9,376 medical patients in 2024. Additionally, the department also extinguished 204 fires of various types. There were 10 civilian injuries and 2 civilian fatality related to building fire responses in 2024. In addition to the 204 fires that were extinguished, fire companies responded to, 8 overpressure/explosions, 164 hazardous condition responses, 117 service calls, 828 good intent calls, 449 false alarms, 6 severe weather responses, 2 special type incidents and hundreds of medical calls. Our emergency medical services utilizes Advanced Life Support training and equipment for all incidents. Our busiest ambulance in 2024 was Squad 33 with 3,018 emergency responses and our busiest fire company was Engine 33 with 1,306 emergency responses. All of our units are among the busiest in the NKY region.

The Fire Prevention Division staff performs fire prevention inspections and enforces portions of the City Property Maintenance Code. Our staff performed 1,108 business inspections during calendar-year 2024. The department is also responsible for occupational license inspections, certificate of occupancy inspections, final tests of suppression systems and final acceptance test of fire alarm systems. The Fire Prevention Division was also able to perform fire prevention and education duties that were greatly modified in 2024.

The training division is responsible for coordinating and conducting training for all members of the department. In 2024 there were a total of 13,782 training hours completed by members of the department.

Performance measures:

Function	Fiscal Year June 30,				
	2019	2020	2021	2022	2023
Number of calls answered:					
Fire	3,869	3,767	3,801	2,978	3,944
Ambulance	8,531	8,212	8,343	7,745	7,886
Inspections	1,442	1,054	1,106	1,603	1,525

## **Public Services**

The Public Services department consists of facilities division, fleet division, street division, grounds maintenance division, parks and recreation division and storm water division. The total department budget is \$6,879,000.

The facilities division maintains and manages the 26 City owned building structures at 240,703 square feet and 226 vehicles and pieces of equipment. The fleet division consists of employees who are responsible for keeping City owned vehicles operational and assist in the research of new equipment and vehicles. Duties for this division include but are not limited to: servicing all City owned vehicles, repairing small equipment and the upkeep of the fueling services provided for the employees during work hours. The street division is responsible for 174 lane miles on more than 377 City streets. Duties include but are not limited to: snow removal, street replacement, crack sealing, mud jacking, street sweeping, storm sewer maintenance and other miscellaneous street maintenance issues. The grounds maintenance division consists of employees who are responsible for grounds maintenance of nearly 194 acres and 173,000 square feet of landscape beds. Duties for this division include but are not limited to: grass trimming, tree maintenance, leaf pickup, landscape maintenance and snow removal. The parks and recreation division is responsible for overseeing 13 parks and facilities and implementing 16 programs and special events throughout the year. Functions of this division include but are not limited to ensuring the aesthetics of park maintenance, event planning, organizing activities, research grant opportunities, public relations, facility and contract management and providing quality service. The storm water division is responsible for the management of the system as well as ensuring compliance with Federal standards. They maintain 142 miles of storm conduit lines, 2,169 curb inlets 20 detention/retention basins, 255 privately maintained detention basins and 730 storm manholes. Duties include but are not limited to: illicit discharge detention and elimination, construction site runoff control, post-construction storm water management in new and redevelopment, pollution prevention/good housekeeping for municipal operations and public education and outreach on storm water impacts.

## **Water/Sanitary Sewer Administration**

The water/sewer administration department provides for the collection of all utility bills and is the initial contact for utility system service requests, issues and questions. The total department budget is \$966,800.

## **Sanitary Sewer**

This department is responsible for the maintenance and management of 145 miles of sanitary sewer lines, 3,623 sewer manholes and 6 pump stations. During the most recent year the department rehabbed 66 manhole's, cleared 32 sewer stoppages and performed 10 lateral repairs. The total department budget is \$1,650,000.



## DEPARTMENTAL STRUCTURE

The department provides project maintenance, preventative maintenance, repairs and regulatory compliance requirements for the system. Duties performed by departmental personnel include system cleaning, CCTV inspections, smoke and dye testing, flow monitoring, pump station maintenance and system repairs. The department is also responsible for the project management of contracted work, oversight of engineering studies, and inspection and acceptance of new construction by developers.

### Water

The department maintains approximately 8,940 water meters, 153 miles of water line, 4,164 water valves and 1,636 fire hydrants. They take a very proactive role in providing potable water of the highest quality to its customers. The department added 91 new services, fixed 40 water main breaks and 97 service leaks, replaced 59 fire hydrants and water valves and inspected and maintained 446 fire hydrants. The total department budget is \$6,066,000.

The department uses many techniques in keeping the distribution system at a high level of performance. Included in those techniques are water distribution management studies, routine maintenance, preventative maintenance, rehabilitation, and replacement strategies. Duties include but are not limited to: water shut-off, meter upgrades and changes and installations, water main repairs and the annual water valve turning program.

### Performance Measures:

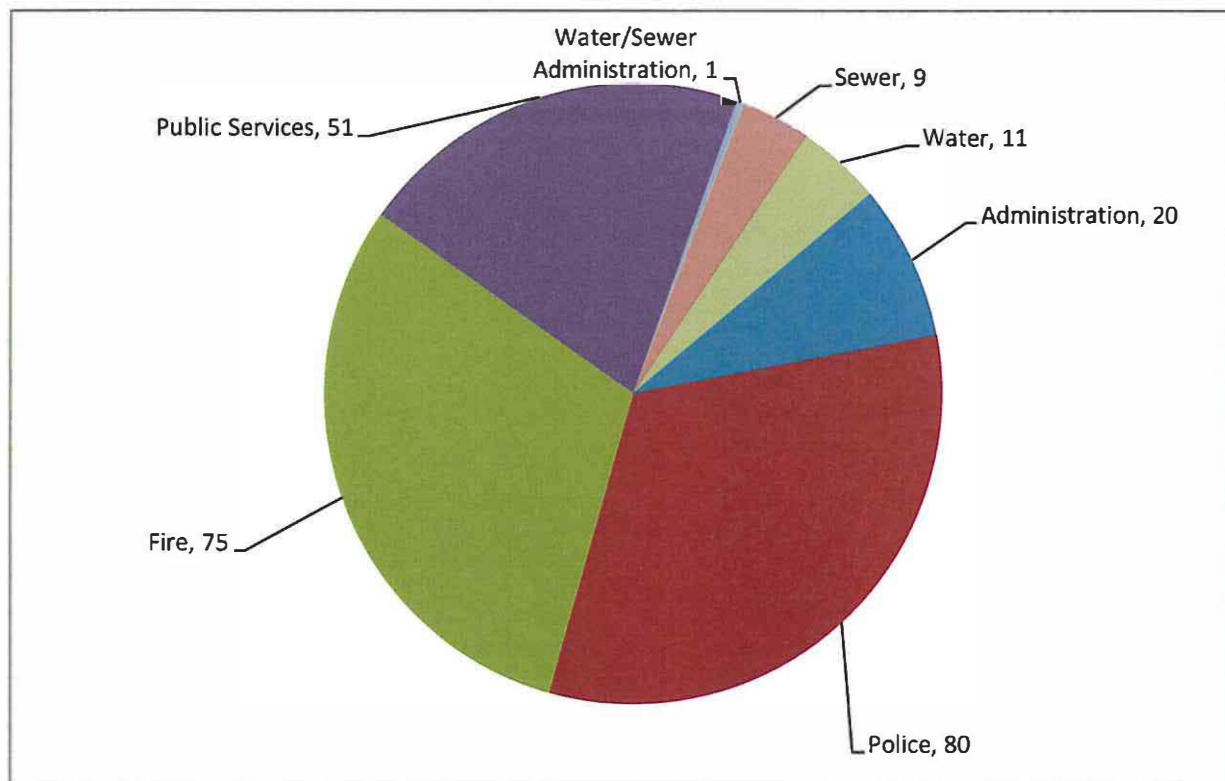
	Fiscal Year June 30,				
	2019	2020	2021	2022	2023
<b>Function</b>					
Highways and streets:	9.60	9.60	9.60	9.60	9.60
Street resurfacing(lane miles)					
Building repairs		329	371	342	313
Code enforcement		4,257	3,661	3,057	3,065
Fleet work orders	57	48	1,313	1,480	1,475
<b>Water:</b>					
New connections	41	35	41	29	91
Water main breaks	56	47	36	32	40
Average daily consumption (thousands of gallons)	3,010	2,992	2,976	3,047	0
<b>Sewer:</b>					
Sewer jetting		93,986LF	172,463LF	173,657LF	187,274
Sewer CCTV		73,496LF	156,905LF	146,227LF	133,470
Catch basins cleaned			652	635	654



# PERSONNEL SUMMARY FULL-TIME EMPLOYEES

Personnel	2020	2021	2022	2023	2024	Budgeted 2025
<b>General Fund:</b>						
Administration	16	16	16	19	22	20
Police	68	68	71	74	77	80
Fire	65	65	74	74	74	75
Public Services	44	46	51	51	51	51
Total General Fund	193	195	212	218	224	226
<b>Water/sewer Fund:</b>						
Water/Sewer Administration	2	2	1	1	1	1
Sewer	11	11	9	9	9	9
Water	11	11	10	10	10	11
Total Water/Sewer Fund	24	24	20	20	20	21
Total Full-Time	217	219	232	238	244	247
Administration	2	2	2	2	2	2
Fire	0	0	0	0	0	0
Total Part-Time	2	2	2	2	2	2

Three police officer positions were added due to the level of duties increasing.  
 Two administrative personnel were added as a result of shifting duties and duties increasing.  
 Four administrative positions were deleted in restructuring the department.  
 One AMI Coordinator was added to the water department.  
 \_\_\_\_\_ were added to the fire department.



## REGULAR FULL-TIME POSITIONS

### Detailed Authorized Positions

<u>FULL-TIME POSITION</u>	<u>NUMBER OF AUTHORIZED EMPLOYEES</u>
CITY COORDINATOR	1
ADMINISTRATIVE DIRECTOR	1
DIRECTOR OF COMMUNITY DEVELOPMENT	1
DIRECTOR OF BUSINESS DEVELOPMENT	1
COMMUNITY SERVICES ADMINISTRATOR	1
COMMUNITY SERVICES COORDINATOR	1
RISK MANAGER/COMMUNITY PROJECTS ADMINISTRATOR	1
HUMAN SERVICES ADMINISTRATOR	1
HUMAN RESOURCES COORDINATOR	1
CITY CLERK	1
CITY CLERK/PUBLIC RELATIONS ADMINISTRATOR	1
CFO/HR	1
ACCOUNTANT	1
FINANCE CLERK	3
OCC LICENSE/FINANCE SUPERVISOR	1
ADMINISTRATIVE CLERK	5
ADMINISTRATIVE ASSISTANT /ASSISTANT CITY CLERK	3
PUBLIC SERVICES DIRECTOR	1
PROJECT MANAGER	1
GIS MANAGER	1
PUBLIC INFRASTRUCTURE ANALYST	3
COMMUNITY SERVICES SUPERINTENDENT	1
CODE ENFORCEMENT OFFICER	4
AMI COORDINATOR	1

## REGULAR FULL-TIME POSITIONS

INFRASTRUCTURE SUPPORT SERVICES SUPERINTENDENT	1
OPERATIONAL SERVICES SUPERINTENDENT	1
GROUNDS MANAGER	1
UTILITY MANAGER	2
BUILDINGS MANAGER	1
FLEET MANAGER	1
TRANSPORTATION MANAGER	1
INSPECTOR	2
GIS ADMINISTRATOR	1
MECHANIC	2
FIELD TECHNICIAN	25
UTILITY OPERATOR	15
LEAD TECHNICIAN	3
LEAD OPERATOR	2
POLICE CHIEF	1
POLICE CAPTAIN	2
POLICE LIEUTENANT	3
POLICE SERGEANT	9
POLICE CORPORAL	8
POLICE OFFICER	53
PROPERTY CLERK	1
PUBLIC SAFETY DATA ANALYST	1
FIRE/EMS CHIEF	1
ASSISTANT FIRE/EMS CHIEF	2
FIRE/EMS BATTALION CHIEF	6



## REGULAR FULL-TIME POSITIONS

FIRE/EMS CAPTAIN	10
FIRE/EMS LIEUTENANT	9
FIREFIGHTER EMT, FIREFIGHTER/PARAMEDIC AND PARAMEDIC	45
TOTAL	247

NOTE: The number of authorized positions may be exceeded only in the following instances:

- When the Police Department has received a Personnel Action Form completed by an employee advising that he/she will retire or resign within the ensuing twelve months or less, a Police Officer candidate may be hired prior to that retirement date (but not more than twelve [12] months before that date) so that the newly hired Officer can attend the Police Academy, go through the Florence Police Department Field Training Program, and be fully trained to replace the retiring Officer by his/her retirement date.
- When the Administrative, Fire/EMS, or Public Services Department has received a Personnel Action Form completed by a "key employee" advising that he/she will retire or resign within the ensuing twelve (12) months or less, a candidate for that position may be hired not more than thirty (30) days before that date so that the replacement can receive training from the employee vacating the position. A "key employee" is defined as one whose job tasks are unique and critical to the operation of the department, and approved as such by the City Coordinator.

AUTHORIZED POSITIONS: All Department's may hire, with administration authorization, up to two additional personnel over the authorized position limit with the understanding that the authorized position limit shall be returned to through attrition.

## Governmental Funds

The General Fund is the chief operating fund of the City which accounts for all the financial transactions not accounted for in another fund. All of the government's activities should be reported in this fund unless there is a specific reason to report the activity in another fund type.

## Sources of Revenues

The City of Florence, Kentucky derives revenue from various different sources including property taxes, licenses and permits, grants, charges for services, fines and forfeitures and investment earnings. Due to the varying types of revenue, many different methods must be employed to project revenues. The projection method selected depends on the nature and materiality of the revenue source and the period of time over which the revenue is projected. The specific revenue projection techniques employed are discussed below.

### Revenue Projection Techniques

**Historical Data** – This method predicts future revenue based on historical movements over time and assumes that historical trends will continue in the future. Used by the General, Water and Sewer and Golf Course funds.

**Facts and Circumstances** – This method predicts future revenue on facts and circumstances uniquely affecting the revenue source. This method is often supported by certain documentation in the form of lease and or rental agreements, grant agreements, service contracts, statistical reports, etc. Projections may be adjusted for anticipated changes in the economy, legislation, inflation and demographics.

**Judgment Estimates** – This method relies on a person knowledgeable in the field, often a department manager, who prepares revenue projections based on awareness of past and present conditions including fee changes, development plans, usage activity and economic conditions.

**Current Data** – This method predicts future revenue based on actual or annualized current year revenues and is often used when historical data and trends are not available or, if used, would result in an inaccurate revenue projection. Used by all funds.

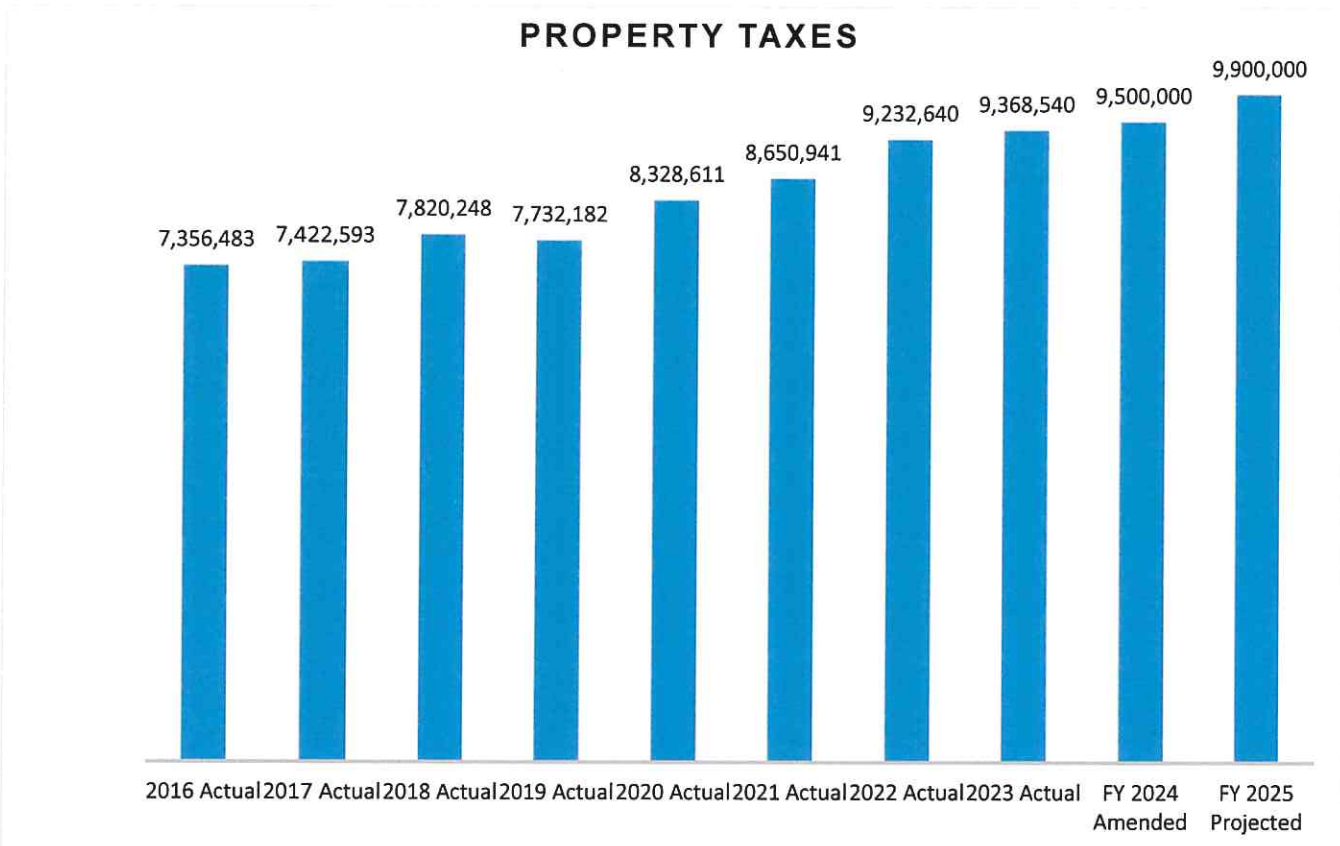
### Property Taxes

The City follows Chapter 132 of the Kentucky Revised Statutes as it relates to property taxes. The City is subject to a recall petition if it levies a tax rate that will produce revenue greater than 4%, exclusive of revenue from net assessment growth, than would be produced by application of the tax rate that was levied in the preceding year to the preceding year's assessments. Property taxes attach as an enforceable lien on property. Property taxes are levied as of January 1 on property values assessed as of the same date as determined by the County Property Valuation Administration (PVA) these taxes are levied annually by ordinance in September. The taxes are billed on approximately October 1 and are due and payable on December 31. On January 1, the bill becomes delinquent and penalties and interest may be assessed by the City. A lien may be placed on the property on January 1. Total real property tax assessments were \$3,235,880,323 and tangible tax assessments were \$792,594,377. The real tax rate was \$.246 per \$100 assessed and the personal property tax rate was \$ .265 per \$100 assessed.



## REVENUE DISCUSSIONS

Property taxes have been steadily increasing since FY 2013 due to the rebound of the economy and continued development coupled with reappraisals of various sections of the City every four years on different rotating basis.



### Assessed Value of Taxable Property

Fiscal Year	Real Property			Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Personal Property			
2015	\$ 1,167,812,275	\$ 1,321,557,354	\$ 358,457,842	\$ 74,880,000	\$ 2,772,947,471	2.46
2016	\$ 1,130,225,380	\$ 1,416,310,940	\$ 372,591,995	\$ 82,040,150	\$ 2,837,088,165	2.46
2017	\$ 1,116,788,389	\$ 1,478,581,450	\$ 413,566,187	\$ 79,187,400	\$ 2,929,748,626	2.46
2018	\$ 1,050,419,962	\$ 1,544,170,780	\$ 390,044,245	\$ 81,396,400	\$ 2,903,238,587	2.46
2019	\$ 1,074,055,327	\$ 1,580,543,391	\$ 416,072,481	\$ 83,584,800	\$ 2,987,086,399	2.46
2020	\$ 1,215,538,158	\$ 1,632,965,781	\$ 375,622,801	\$ 88,542,900	\$ 3,135,583,840	2.46
2021	\$ 1,262,270,775	\$ 1,698,015,751	\$ 479,138,787	\$ 88,778,700	\$ 3,350,646,613	2.46
2022	\$ 1,286,015,137	\$ 1,712,488,431	\$ 543,167,681	\$ 91,570,500	\$ 3,450,100,749	2.46
2023	\$ 1,447,406,797	\$ 1,743,152,031	\$ 488,475,112	\$ 93,883,000	\$ 3,585,150,940	2.46
2024	\$ 1,457,454,482	\$ 1,778,425,841	\$ 792,594,377	\$ 111,336,700	\$ 3,917,138,000	2.46



## Occupational License Fees

Businesses operating within the City of Florence are required to secure an occupational license. This license must be renewed annually by the 15<sup>th</sup> day of the fourth month after the business year-end. The annual occupational license fee is calculated by applying a rate of .001 or .1% on total gross receipts. The minimum fee is \$40 for business with total gross receipts from \$0-\$40,000. The maximum fee is \$10,000 for businesses with a total income of \$10,000,000 or more.

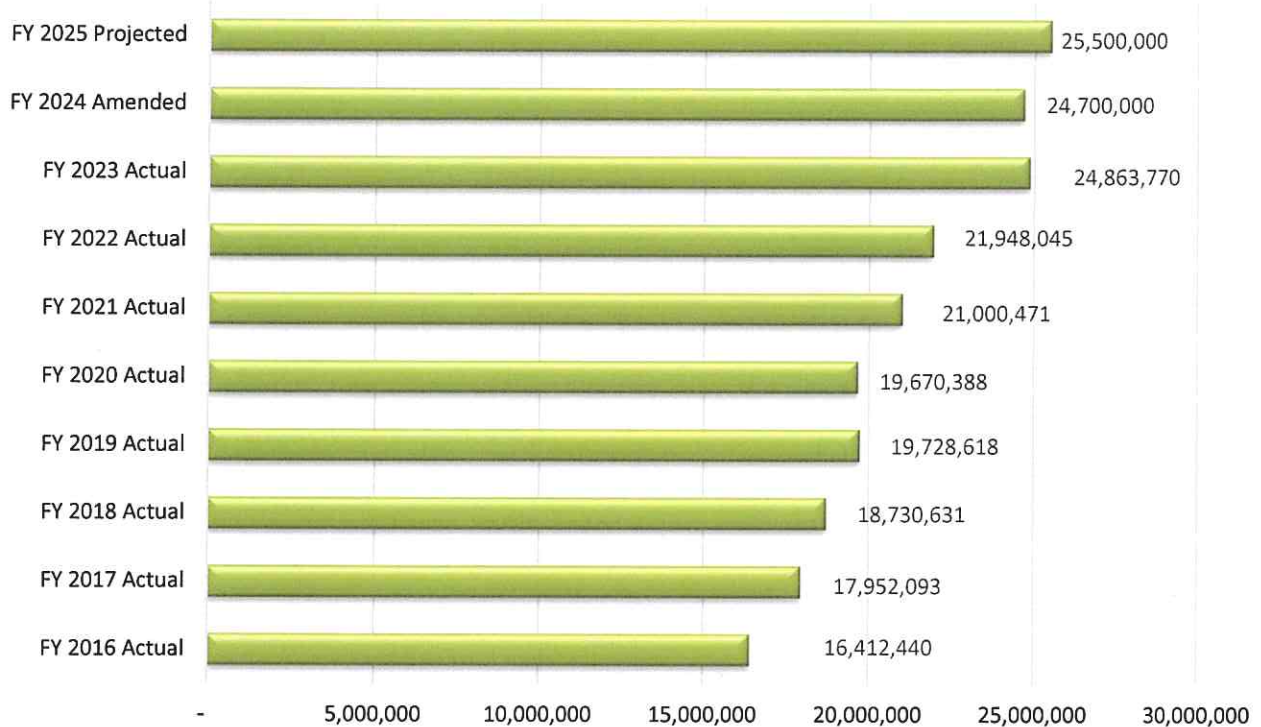


## Payroll Taxes

As demonstrated in the chart below, payroll taxes have been steadily increasing since in FY 2015 as a result of major development openings, redevelopments, wage increases and annexation of property. The rebound of the economy after the recession in 2008 and Covid in 2021, is leading to growth of existing companies and additions of new business being attracted to the proximity of the City to the airport and interstate. In tandem with the below payroll tax chart, payroll taxes are expected to increase this year as well at a steady rate.

Employees working within the City of Florence are to be taxed at a rate of 2.0% of their gross wages/compensation earned within the City of Florence. An annual cap on the taxable wage or compensation is set at an amount equal to the Federal Social Security maximum. All license fees are due 30 days after the end of each calendar quarter with an annual reconciliation and W-2's required after the year-end.

### Payroll Taxes

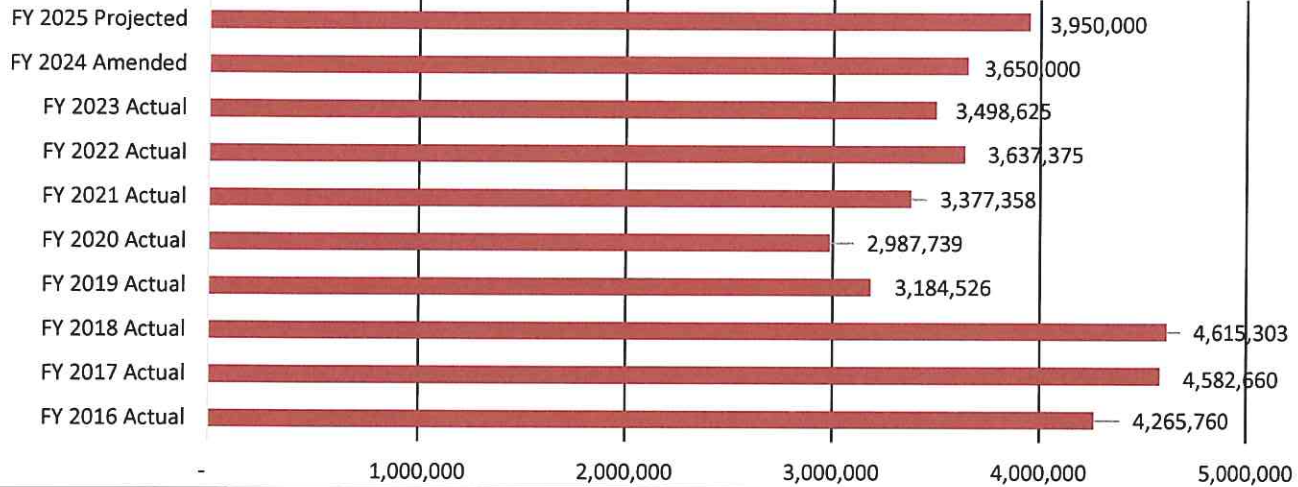


### Insurance License Fees

A license fee is imposed on each insurance company which issues policies to residents or businesses within the corporate limits of the City. The fee on life insurance policies is 8% of the first year's premiums. The fee on all other forms of insurance policies such as automobile, fire, casualty, inland marine is 8% annually. All license fees are due 30 days after the end of each calendar quarter. Effective July 1, 2018 the City has lowered the fee from 8% to 5%.

Insurance premium fees are regulated by the State of Kentucky. The Department of Insurance is tasked with making sure that the insurance companies are properly reporting and collecting the taxes assessed on the insurance premiums paid. This revenue stream always seems to vary without explanations as to why. The State continues in their efforts to get a regulatory handle on the reporting of this revenue source.

## Insurance License Fees



### Other Taxes and License Fees

The City also collects omitted tangible tax, franchise tax, bank deposit tax and delinquent taxes. In addition, the City has various alcohol beverage fees that must be paid by persons or businesses that store, sell, purchase or transport alcoholic beverages.

### Intergovernmental Revenues

Intergovernmental revenues consist of various grants that may be awarded during the fiscal year. Types of grant revenue received have been for road reconstruction, beautification projects, safety equipment, drug enforcement, municipal road aid, coal and mineral severance, infrastructure and traffic safety.

### Fines and Forfeitures

This classification consists of code enforcement, false alarms, parking tickets and penalty and interest paid during the year.

### Charges for Services

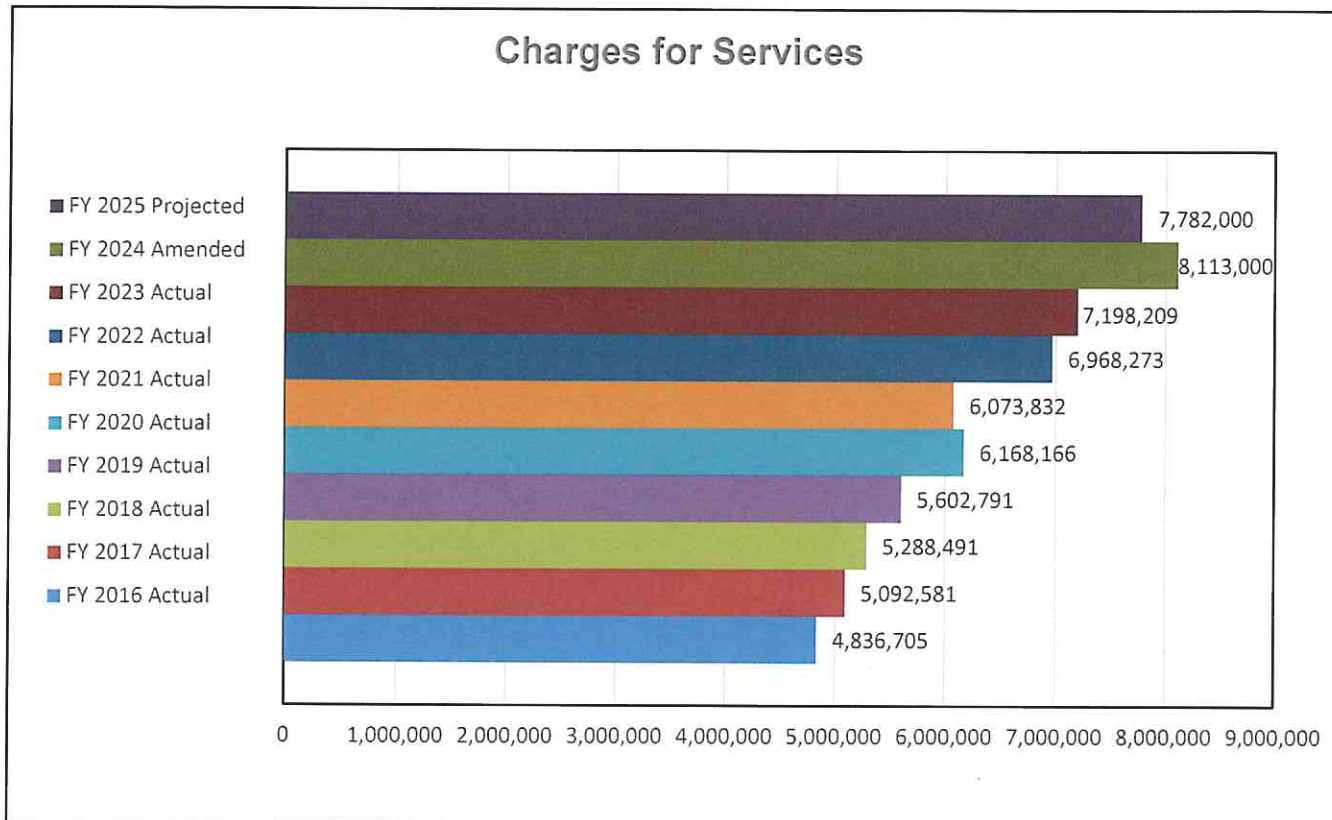
The primary sources of revenue are derived from EMS runs and the annual revenue received from the Florence Fire Protection District for providing fire and EMS services to the District. A new contract with the District was negotiated and approved by Council in April 2013. The contract was for an initial term of 5 years with three automatic renewals of 5 years.

The City also derives revenue from various tenants that it rents to as well as from storm water charges that are assessed.



## REVENUE DISCUSSIONS

The Aquatic Center admission fees are included in charges for services as well. However, the Aquatic center was closed for the 2020 and 2021 seasons due to the pandemic. It was reopened for the 2022 season and forward.



### Interest

Interest income has been dropping due to cuts made by the financial institutions during the past couple of fiscal years. However, between January and March of 2023, banks adjusted their deposit rates and interest income is back on the rise due to the Fed's raising the interest rates 11 times since March 2022. Cash flow has continued to improve for interest income.

### Miscellaneous Revenue

This classification consists of revenue that is not appropriate to be classified in any of the above mentioned categories. Sources of miscellaneous income include insurance claims, reimbursements, donations, auction and recreation fees.

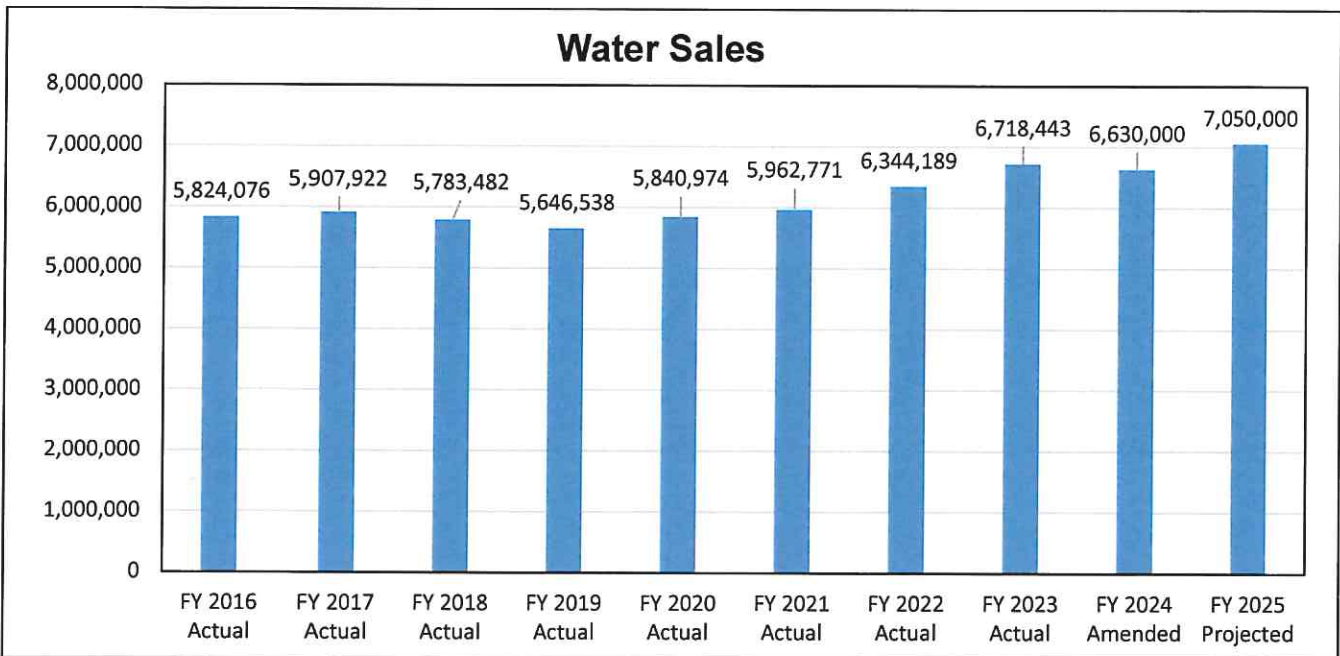
## WATER AND SEWER FUND

### Water Sales

Water revenues are based on the number of hundred cubic feet used by individual homes and businesses. Water rates are calculated to cover the cost of providing potable water to users, cover the

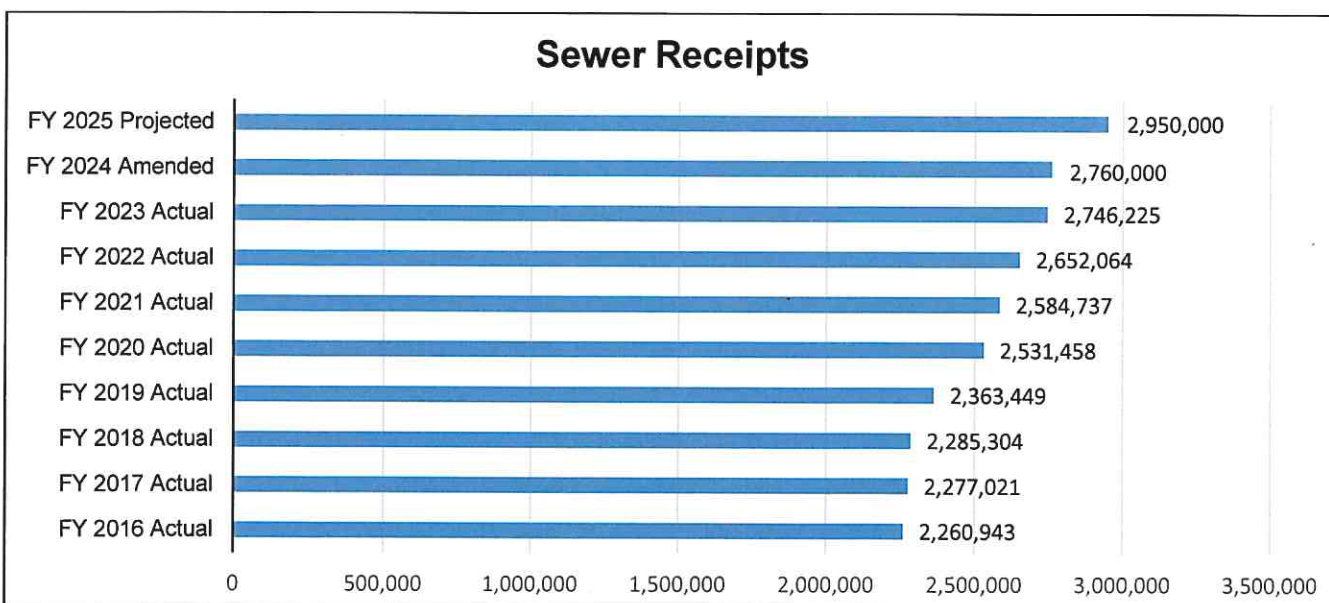
## REVENUE DISCUSSIONS

costs of maintaining the water system and cover the cost of buying the water from the Boone-Florence Water Commission.



## Sewer Receipts

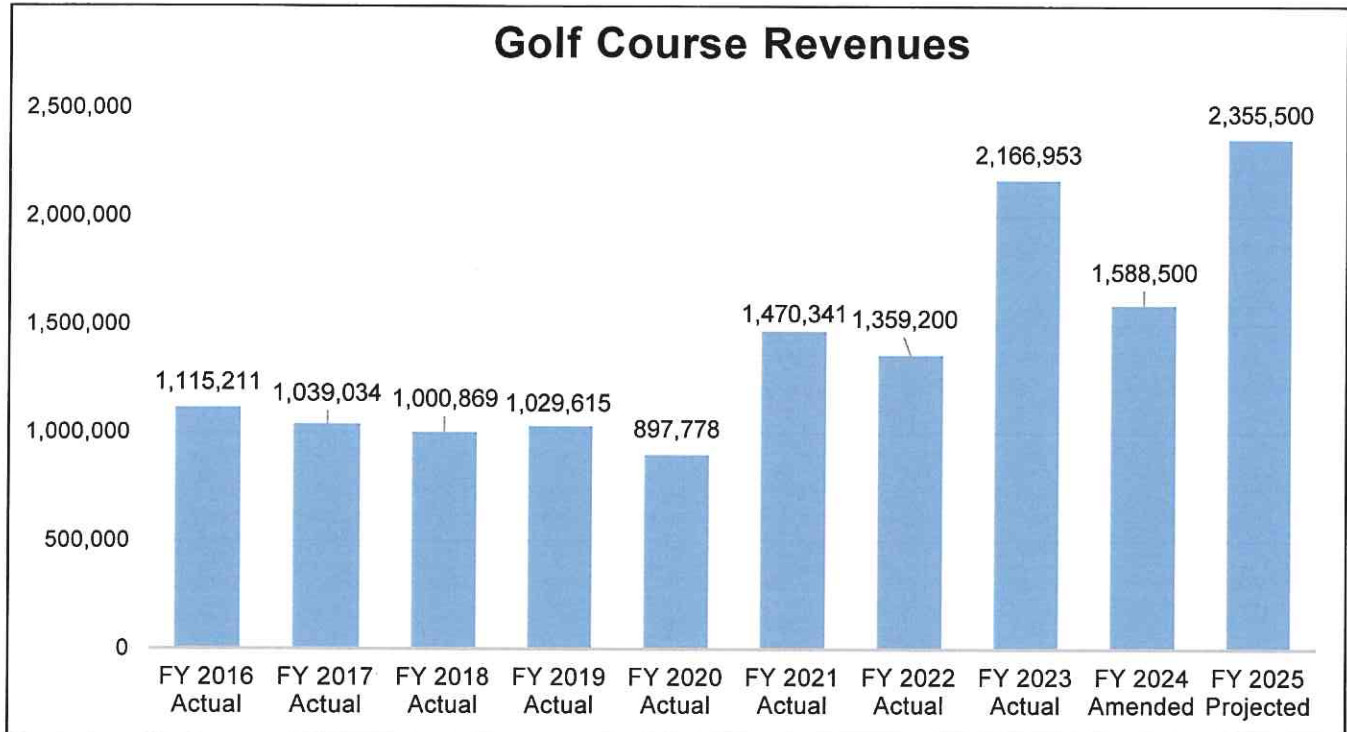
Sewer sales are based on the water consumption and billed in usage of hundred cubic feet used by individual homes and businesses. There is a separate sewer rate applied to cover the costs of maintaining the sewer system.



## GOLF COURSE FUND

### Golf Course Revenues

The golf course revenues include a variety of charges for different activities. The most prominent fees include greens fees, driving range, golf cart rental, miniature golf and golf lesson revenue. During fiscal year 2021, the golf course experienced a surge in revenues and activities after being shut down for the pandemic for almost two and a half months. The facility has been recently renovated to appeal to not only golfers but to those looking for entertainment venues. The City expects continued growth.



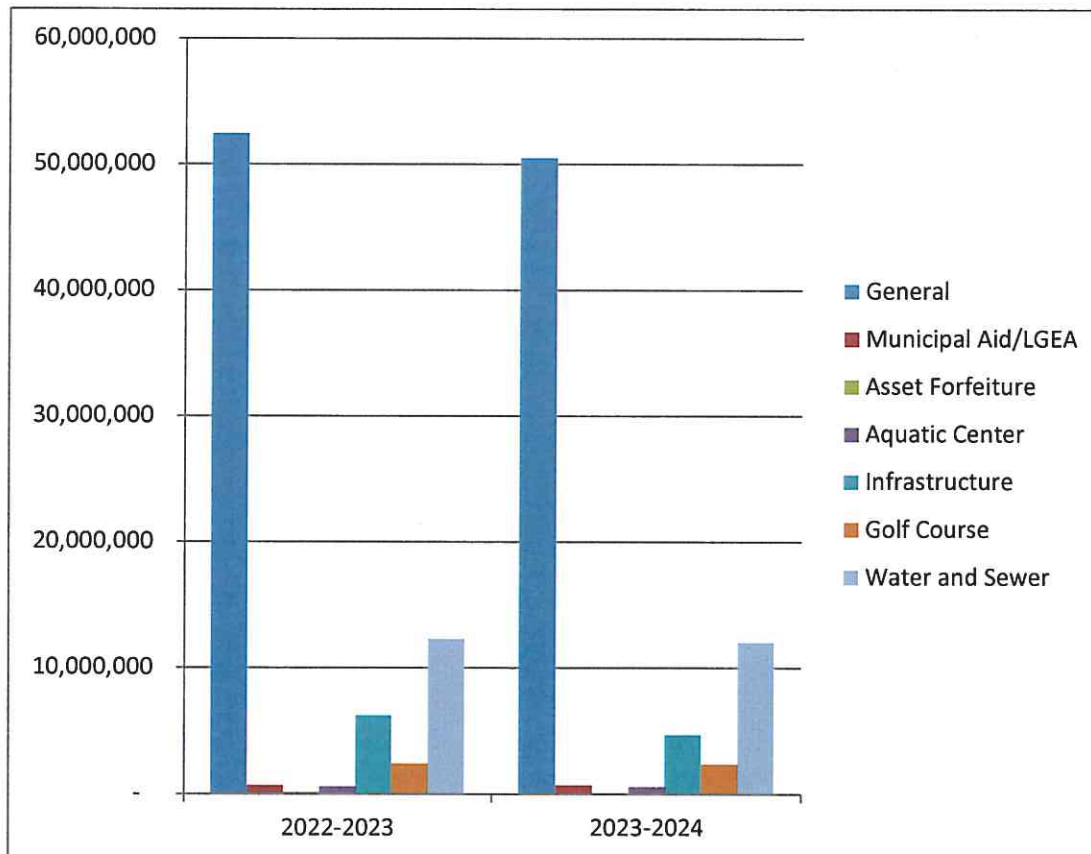


## Budget Revenue Comparisons By Fund

### Fiscal 2023-2024 to Fiscal 2024-2025

Fund	Amended Budget 2022-2023	Budget 2023-2024	Change From Prior Year	Percent Change
General	\$ 52,436,000	\$ 50,495,000	\$ (1,941,000)	-3.70%
Municipal Aid/LGEA	680,000	700,000	20,000	2.94%
Asset Forfeiture	134,500	85,000	(49,500)	-36.80%
Aquatic Center	565,500	565,500	-	0.00%
Infrastructure	6,189,000	4,695,000	(1,494,000)	-24.14%
Golf Course	2,405,500	2,355,500	(50,000)	-2.08%
Water and Sewer	12,298,000	12,021,000	(277,000)	-2.25%
Total	\$ 74,708,500	\$ 70,917,000	\$ (3,791,500)	-5.08%

Total does not include transfers or internal service fund.



## All Funds - Revenue Summary

### 001 General

ACCOUNT TITLE	Audit		Audit		Budget		Change	Percent
	2021-2022		2022-2023		2023-2024	2024-2025	From Prior Year	
Property Taxes (Less Disc.)	\$ 9,232,640	\$	9,368,540	\$	9,500,000	\$ 9,900,000	\$ 400,000	4.21%
Franchise Taxes	233,895		183,496		270,000	270,000	-	0.00%
Cable Franchise Taxes	260,475		260,506		255,000	260,000	5,000	1.96%
Insurance Premium Taxes	3,637,375		3,498,625		3,650,000	3,950,000	300,000	8.22%
Bank Deposits Taxes	443,704		478,553		450,000	450,000	-	0.00%
Occupational Licenses	2,896,896		3,719,796		3,250,000	3,250,000	-	0.00%
Alcoholic Beverage Licenses	142,313		176,691		175,000	160,000	(15,000)	-8.57%
Payroll Taxes	18,626,406		21,115,255		21,500,000	22,000,000	500,000	2.33%
Inspection Fees	17,396		3,588		-	-	-	0.00%
HB 413 Revenue	32,188		31,644		30,000	30,000	-	0.00%
Grant Receipts	4,728,742		4,464,412		3,050,000	50,000	(3,000,000)	-98.36%
Police Incentive	381,913		413,359		380,000	420,000	40,000	10.53%
Fire Incentive	328,820		414,568		350,000	410,000	60,000	17.14%
Rent - Nature Park Building	42,485		16,324		40,000	40,000	-	0.00%
Gov't Center-O/S Maint	30,222		30,222		30,000	30,000	-	0.00%
Gov't Center-Utilities	23,592		23,753		22,000	24,000	2,000	9.09%
Rent - Government Center	148,679		143,041		143,000	143,000	-	0.00%
Rent - Telecommunications	69,981		13,993		15,000	42,000	27,000	180.00%
Rent - State Office Building	173,204		173,204		173,000	173,000	-	0.00%
Storm Water Charges	654,965		657,168		650,000	650,000	-	0.00%
Contractual Charges	90,000		90,000		90,000	90,000	-	0.00%
Rental - Baseball Prop.	75,000		75,000		75,000	75,000	-	0.00%
Service to Fire District	2,834,910		2,763,598		3,785,000	3,250,000	(535,000)	-14.13%
Ambulance Svc revenues	1,991,675		2,260,000		2,150,000	2,300,000	150,000	6.98%
Interest on Investments	(600,393)		1,233,786		1,800,000	1,900,000	100,000	5.56%
False alarm Fees	6,575		6,400		10,000	-	(10,000)	-100.00%
Penalty / Interest	354,238		426,637		300,000	300,000	-	0.00%
Code Enforcement	153,845		304,426		75,000	125,000	50,000	66.67%
Drug Enforcement Agency	19,861		18,846		18,000	18,000	-	0.00%
Miscellaneous Revenue	772,302		232,716		45,000	45,000	-	0.00%
Seniot Ctr Funding	18,185		20,002		20,000	20,000	-	0.00%
Insurance Claims	15,121		46,755		15,000	20,000	5,000	33.33%
Police Auction	27,846		91,409		120,000	100,000	(20,000)	-16.67%
<b>Total General</b>	<b>\$ 47,865,056</b>	<b>\$</b>	<b>52,756,313</b>	<b>\$</b>	<b>52,436,000</b>	<b>\$ 50,495,000</b>	<b>\$ (1,941,000)</b>	<b>-3.70%</b>

## All Funds - Revenue Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>201 Municipal Aid/LGEA</b>						
Municipal Aid	\$ 611,400	\$ 631,380	\$ 625,000	\$ 645,000	\$ 20,000	3.20%
LGEA Mineral Severance	19,372	17,770	15,000	15,000	-	0.00%
Interest	-	21,698	40,000	40,000	-	0.00%
<b>Total Municipal Aid/LGEA</b>	<b>\$ 630,772</b>	<b>\$ 670,848</b>	<b>\$ 680,000</b>	<b>\$ 700,000</b>	<b>\$ 20,000</b>	<b>2.94%</b>
<b>204 Asset Forfeiture</b>						
Asset Forfeitures	\$ 193,147	\$ 111,353	\$ 125,000	\$ 75,000	\$ (50,000)	-40.00%
Interest	245	5,440	9,500	10,000	500	5.26%
<b>Total Asset Forfeiture</b>	<b>\$ 193,392</b>	<b>\$ 116,793</b>	<b>\$ 134,500</b>	<b>\$ 85,000</b>	<b>\$ (49,500)</b>	<b>-36.80%</b>
<b>205 Aquatic Center</b>						
Daily Admission	\$ 176,951	\$ 316,424	\$ 300,000	\$ 320,000	\$ 20,000	6.67%
Memberships	163,280	128,896	150,000	150,000	-	0.00%
Concessions	-	26,239	28,500	28,500	-	0.00%
Programs	7,825	10,668	20,000	20,000	-	0.00%
Locker Rental	504	20,038	2,000	2,000	-	0.00%
Interest	7,240	28,455	65,000	65,000	-	0.00%
Miscellaneous	126	500	-	-	-	0.00%
<b>Total Aquatic Center</b>	<b>\$ 355,926</b>	<b>\$ 531,220</b>	<b>\$ 565,500</b>	<b>\$ 585,500</b>	<b>\$ -</b>	<b>0.00%</b>
<b>203 Infrastructure Fund</b>						
Payroll Taxes	\$ 3,321,639	\$ 3,748,515	\$ 3,200,000	\$ 3,500,000	\$ 300,000	9.38%
Grants	-	-	1,799,000	-	(1,799,000)	-100.00%
Storm Water	485,000	485,000	490,000	495,000	5,000	1.02%
Interest	-	249,638	700,000	700,000	-	0.00%
<b>Total Infrastructure</b>	<b>\$ 3,806,639</b>	<b>\$ 4,483,153</b>	<b>\$ 6,189,000</b>	<b>\$ 4,695,000</b>	<b>\$ -1,494,000</b>	<b>-24.14%</b>



## All Funds - Revenue Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>501 Golf Course</b>						
Greens Fees	\$ 236,748	\$ 308,484	\$ 310,000	\$ 300,000	\$ (10,000)	-3.23%
Driving Range	215,550	525,803	525,000	575,000	50,000	9.52%
Golf Carts	125,301	168,895	150,000	170,000	20,000	13.33%
Indoor Range	13,845	934	-	-	-	0.00%
Miniature Golf	160,109	222,830	225,000	235,000	10,000	4.44%
Junior Golf Revenue	41,437	46,850	45,000	45,000	-	0.00%
Golf Memberships	12,644	17,592	16,000	15,000	(1,000)	-6.25%
Golf Simulator	11,747	64,494	225,000	175,000	(50,000)	-22.22%
Club Rental	5,914	13,956	12,000	12,000	-	0.00%
Club Repair	2,249	-	-	-	-	0.00%
Tournaments	2,763	-	-	-	-	0.00%
Group lessons	15,812	15,518	10,000	12,000	2,000	20.00%
Private Lessons	132,198	119,855	120,000	140,000	20,000	16.67%
Coupons	(71,779)	(56,078)	(60,000)	(80,000)	(20,000)	33.33%
Merchandise	227,503	163,995	120,000	125,000	5,000	4.17%
Foot Golf	1,698	249	-	-	-	0.00%
Retail Food	200	-	-	11,000	11,000	-100.00%
Food	42,009	195,265	275,000	225,000	(50,000)	-18.18%
Beer	66,278	186,350	275,000	250,000	(25,000)	-9.09%
Non-alcoholic Drinks	16,512	36,012	20,000	40,000	20,000	100.00%
Wine	1,357	3,029	2,500	6,000	3,500	100.00%
Fountain Drinks	8,453	12,823	40,000	12,000	(28,000)	-70.00%
Liquor	7,301	23,735	60,000	60,000	-	0.00%
Interest	-	4,767	25,000	17,500	(7,500)	-30.00%
Miscellaneous	79,849	28,492	10,000	10,000	-	0.00%
Tips	3,501	67,871	-	-	-	0.00%
<b>Total Golf Course</b>	<b>\$ 1,359,199</b>	<b>\$ 2,171,721</b>	<b>\$ 2,405,500</b>	<b>\$ 2,355,500</b>	<b>\$ (50,000)</b>	<b>-2.08%</b>

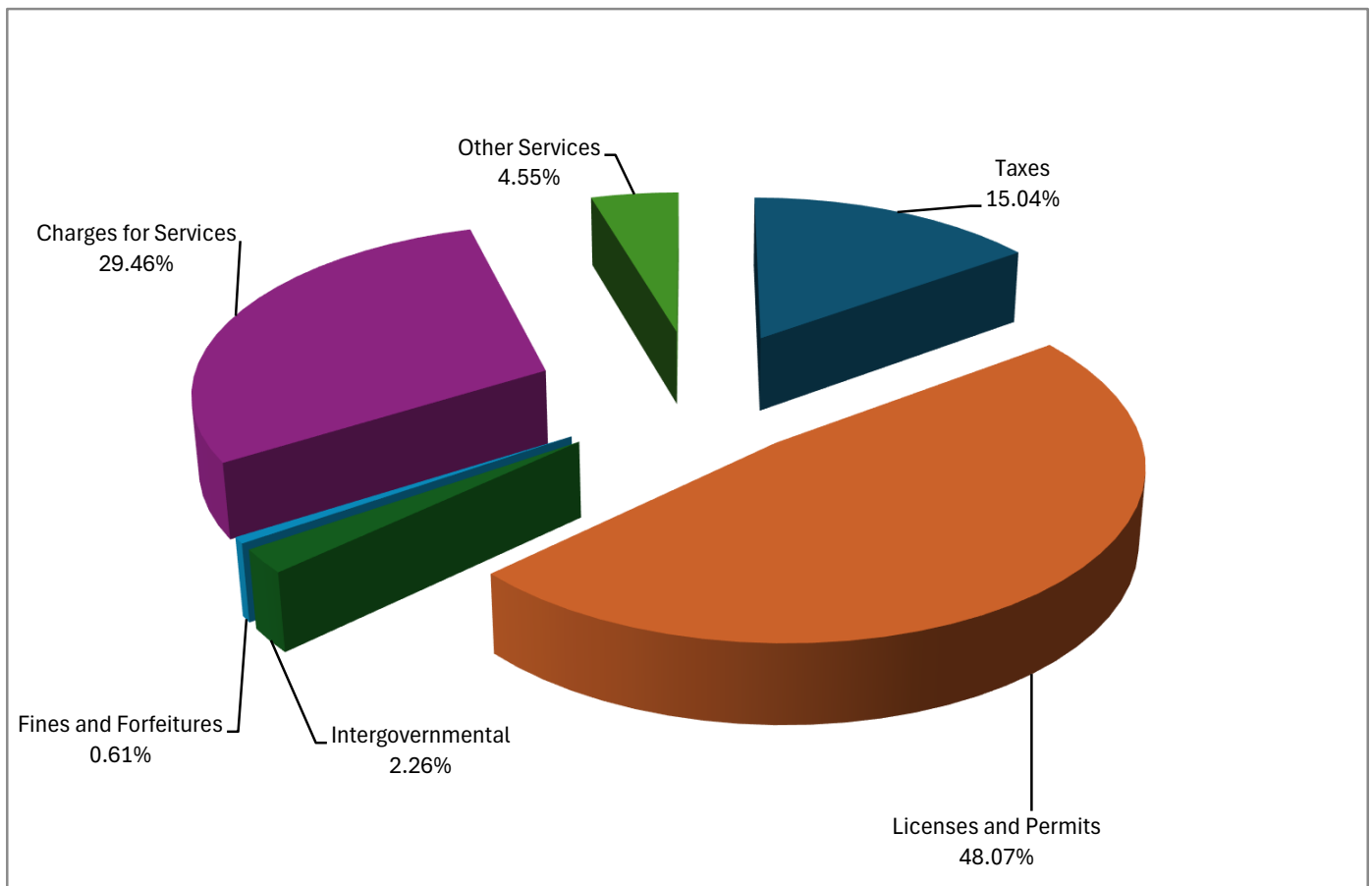
## All Funds - Revenue Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>503 Water and Sewer</b>						
Water Sales	\$ 6,344,189	\$ 6,718,443	\$ 6,630,000	\$ 7,050,000	\$ 420,000	6.33%
Water Taps	32,379	71,100	25,000	25,000	-	0.00%
Sewer Receipts	2,652,064	2,746,225	2,760,000	2,950,000	190,000	6.88%
Sewer Taps	69,400	129,200	25,000	25,000	-	0.00%
Penalties	99,944	135,045	95,000	140,000	45,000	47.37%
Service Charge	54,976	60,806	40,000	50,000	10,000	25.00%
Meter Installation	36,960	75,819	25,000	35,000	10,000	40.00%
Inspection Fees	2,200	7,700	2,000	5,000	3,000	150.00%
Miscellaneous	6,723	31,933	10,000	15,000	5,000	50.00%
Credit Card Fees	9,358	9,078	7,500	8,500	1,000	13.33%
Boone Florence Reimburse	17,311	41,072	17,500	17,500	-	0.00%
Dividend/Interest Income	475	94,847	150,000	200,000	50,000	33.33%
<b>Total Water and Sewer</b>	<b>\$ 9,325,979</b>	<b>\$ 10,121,268</b>	<b>\$ 9,787,000</b>	<b>\$ 10,521,000</b>	<b>\$ 734,000</b>	<b>7.50%</b>

## Where the Money Comes From

### All Funds

Revenues	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Taxes	\$ 9,573,251	\$ 10,170,714	\$ 10,291,095	\$ 9,645,000	\$ 10,025,000	\$ 10,430,000
Licenses and Permits	27,080,121	28,642,025	32,262,470	26,835,000	32,225,000	33,328,000
Intergovernmental	2,191,777	6,122,295	5,991,979	10,739,000	6,267,000	1,570,000
Fines and Forfeitures	308,716	614,602	872,508	305,000	480,000	425,000
Charges for Services	15,850,822	17,061,310	18,739,605	18,015,000	19,566,500	20,425,500
Other Services	3,288,133	3,026,717	3,077,677	3,053,500	3,127,500	3,155,500
Uses of Property	27,479	193,147	111,353	100,000	125,000	75,000
Interest	1,057,039	(114,674)	2,002,901	635,200	2,947,000	3,307,500
Miscellaneous	295,130	840,303	704,152	137,250	937,000	931,000
Total Sources Available	\$ 59,672,468	\$ 66,556,439	\$ 74,053,740	\$ 69,464,950	\$ 75,700,000	\$ 73,647,500

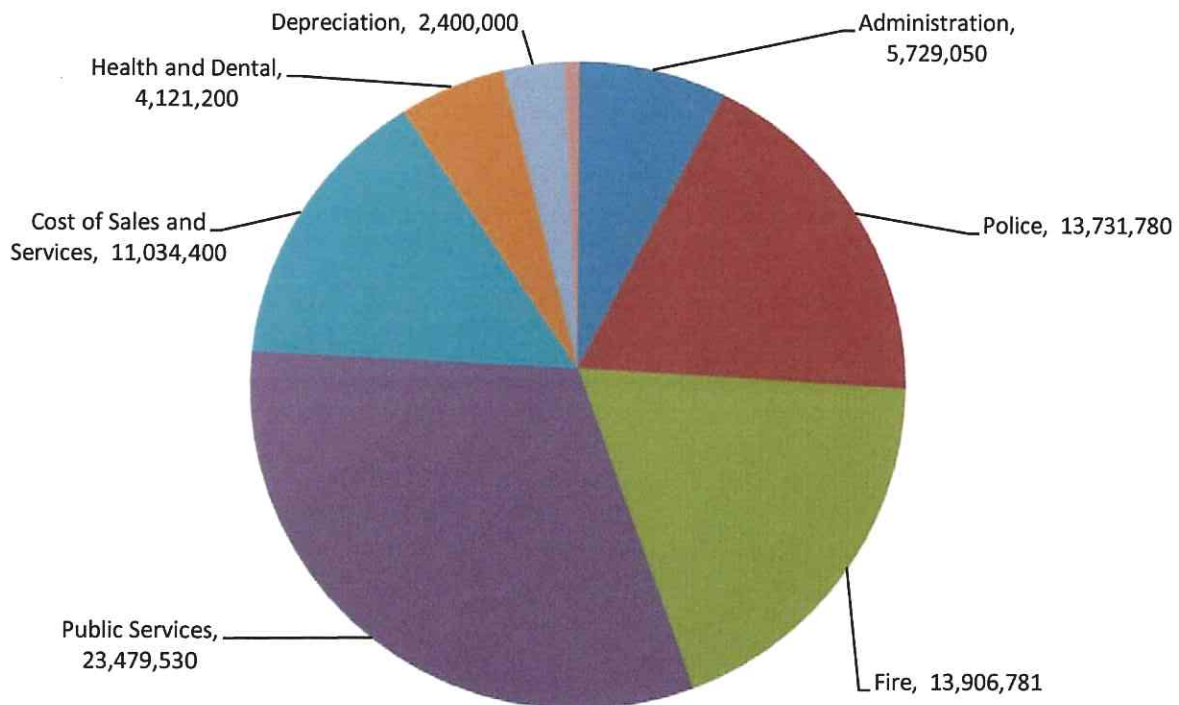




## Where the Money Goes

### All Funds

Expenses/Expenditures	2021 Actual	2022 Actual	2023 Actual	2023 Budget	2024 Budget	2025 Budget
Administration	\$ 3,006,714	\$ 3,429,748	\$ 3,675,649	\$ 4,687,930	\$ 5,358,580	\$ 5,729,050
Police	9,360,696	10,657,611	11,900,558	12,543,413	13,197,600	13,731,780
Fire	10,826,789	10,115,673	14,137,480	14,596,279	13,215,709	13,906,781
Public Services	14,352,097	18,236,676	28,980,116	53,841,200	45,798,400	23,479,530
Cost of Sales and Services	8,672,246	9,061,328	10,357,178	10,865,690	10,867,300	11,034,400
Health and Dental	4,035,594	3,332,375	3,482,247	3,858,500	3,934,500	4,121,200
Depreciation	2,056,106	1,685,952	1,856,140	2,410,000	2,345,000	2,400,000
Debt Service	6,648,530	4,649,177	602,633	612,549	589,008	585,600
Transfers Out	425,000	225,000	2,725,000	4,725,000	6,725,000	3,225,000
<b>Total Uses</b>	<b>\$ 59,383,772</b>	<b>\$ 61,393,540</b>	<b>\$ 77,717,001</b>	<b>\$ 108,140,561</b>	<b>\$ 102,031,097</b>	<b>\$ 78,213,341</b>



## EXPENDITURE DISCUSSIONS

General Fund – FY 2024-25 operating expenditures for the General Fund increased by \$1,567,300, or 30.04%. This decrease is primarily due to:

- Personnel – The City has authorized a COLA in the amount of 3.2% and has built in step increases as well for January 1, 2025. The City also authorized the addition of 15 personnel. The additions include 12 for fire and 3 for the police department. The additional salary and benefit costs will be \$1,000,500.
- Pension Rates – The City's pension rate for the non-hazardous decreased from 23.34% to 19.71% and the hazardous rate has decreased from 43.69% to 38.61%. This will save an estimated \$140,000.
- Liability Insurance – The City policies will require an additional \$60,000 for the upcoming year.
- Operating/Contractual – Various expenditures in each department are projected to increase for FY 2025. Most increases are in motor fuel, utilities and overall supplies.

General Fund – FY 2024-2025 capital expenditures decreased by \$22.3 million, or 68.6%. The decrease was primarily due to the decrease in one-time city-wide projects such as a main Street redevelopment, new fire station and baseball clubhouse. Some capital expenditures for the upcoming year are as follows:

- Administration – There are additional expenditures for battery backup replacements, security system, AV laser projectors, wireless upgrade, staff vehicles and hardware and software updates.
- Public Services – There is a decrease in this capital budget due to a traffic signal project in the amount of \$3.5 million in the prior year. Other planned capital projects include the urban forest tree planting project, park projects and street striping funds. Current year requests include Veteran's commission funding, staff vehicle, mini excavator, and a two ton dump truck.
- Police – There is a slight increase in this budget due to a switchover by Ford to only supply SUV interceptors instead of sedans. This also resulted in an increase in cruiser equipment since the sedan equipment cannot be retrofitted to the SUV's. In addition, the police department routinely purchases nine vehicle a year. Due to the hiring of additional personnel, eleven vehicles will be purchased again this fiscal year and will more likely become the norm.
- Fire – There is a slight decrease in this capital budget due to prior year purchases for cardiac monitors. An ambulance will be purchased again this year with protective gear, breathing apparatus sets and a staff vehicle.
- City-wide Projects – The City budgeted a planned fire substation and a clubhouse for the stadium for fiscal year 2023 in the amount of \$20.5 million. These projects carried over into the fiscal year 2024 budget. The two major projects for fiscal year 2025 will be the Veteran's memorial improvements and the stadium improvements \$2.2 million. There will be multiple carryovers for projects not completed in the amended fiscal year 2024 budget.

Special Revenue Expense Funds – Special Revenue Funds are made up of Municipal Aid/LGEA, Infrastructure, Asset Forfeiture and Aquatic Center Funds. FY 2024-25 expenditures for Special Revenue Expense Funds increased \$569,000, or 6.6%. This increase is the result of the following:

- Municipal Aid – Decrease of \$2.5 million due to ARPA funded projects coming to an end in the prior fiscal year.
- Infrastructure – Increase of \$2.8 million due to a project on US 42 to widen the street and make infrastructure improvements. There is an additional project to mill and overlay Mall Road as well.
- Asset Forfeiture – The budget has remained at the same level as fiscal year 2024.
- Aquatic Center – Increase of \$183,000 due to the capital outlay costs to replace the splash ground spray feature, replace chairs and tables and the sand media filters.

Enterprise Funds – The Enterprise Funds are made up of the Golf Course Fund and the Water and Sewer Fund. The FY 2024-25 expenditures for the Enterprise Funds increased by \$801,000, or 7.5%. This increase is primarily due to:

- Golf Course – Expenditures for this fund do not have enough analysis to predict accurately where expenses will settle out due to the recent renovations. An increase in expenses of \$561,000 has been forecasted for general operating and contractual obligations. The renovations have led to some one-time purchases being made that should go away in the upcoming fiscal year. There is also a slight increase for depreciation expense. Once the remodel has been completed, the City will have a better idea of what the amounts should be.
- Water and Sewer – The water and sewer fund expenses increased by \$240,000. The majority of this decrease is due to personnel, utility cost and water purchases.

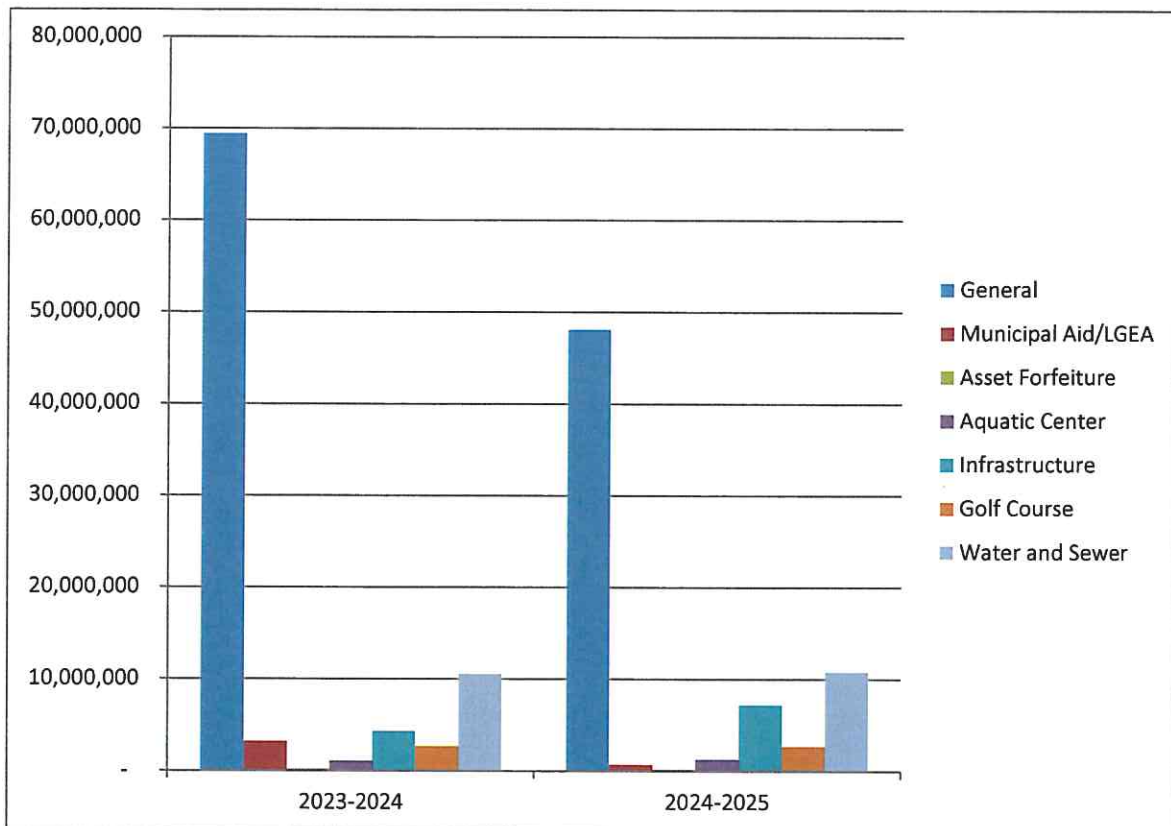


## Budget Appropriation Comparisons By Fund

### Fiscal 2023-2024 to Fiscal 2024-2025

Fund	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
General	\$ 69,386,939	\$ 48,093,031	\$ (21,293,908)	-30.69%
Municipal Aid/LGEA	3,185,000	695,180	(2,489,820)	-78.17%
Asset Forfeiture	200,000	200,180	180	0.09%
Aquatic Center	1,073,700	1,256,700	183,000	17.04%
Infrastructure	4,304,000	7,180,150	2,876,150	66.83%
Golf Course	2,670,000	2,651,600	(18,400)	-0.69%
Water and Sewer	10,551,958	10,790,300	238,342	2.26%
<b>Total</b>	<b>\$ 91,371,597</b>	<b>\$ 70,867,141</b>	<b>\$ (20,504,456)</b>	<b>-22.44%</b>

Total does not include transfers or internal service fund.



## All Funds - Appropriations Summary

	Audit		Audit		Budget		Budget		Change	
ACCOUNT TITLE	2021-2022	2022-2023	2023-2024	2024-2025	From	Prior Year	Percent	Change		
001 General Fund										
Administration/Finance										
Mayor/Council Salaries	\$ 132,339	\$ 155,713	\$ 157,500	\$ 163,000	\$ 5,500		3.49%			
Salaries	755,531	906,737	1,517,100	1,495,000	(22,100)		-1.46%			
Temporary Employees	13,920	-	5,000	5,000	-		0.00%			
Unscheduled	77	416	1,000	2,000	1,000		100.00%			
F.I.C.A.	67,081	79,814	109,000	128,000	19,000		17.43%			
Non-Hazardous Duty	204,639	254,159	330,000	330,000	-		0.00%			
Deferred Compensation	31,483	33,518	45,000	50,000	5,000		11.11%			
Health Insurance	122,919	134,896	160,000	170,000	10,000		6.25%			
Dental Insurance	6,517	7,645	9,500	9,500	-		0.00%			
Group Life	899	1,072	1,200	1,500	300		25.00%			
Long Term Disability	2,257	3,008	3,300	4,000	700		21.21%			
Workers Compensation	2,910	3,600	4,000	4,000	-		0.00%			
Unemployment Insurance	3,784	2,859	10,000	10,000	-		0.00%			
Volunteer/Employee Apprec	804	1,453	1,500	5,000	3,500		233.33%			
Special Attorney's Fees	121,581	137,248	130,000	170,000	40,000		30.77%			
Professional Fees	15,601	15,131	25,000	30,000	5,000		20.00%			
Bank Service Charges	33,157	74,180	125,000	125,000	-		0.00%			
Prop Valuation Admin Fees	60,000	60,000	60,000	60,000	-		0.00%			
Computer Svcs - Prof Supp	306,970	395,444	420,000	430,000	10,000		2.38%			
Posatge Machine Lease	16,106	13,284	-	-	-		0.00%			
Code Enforcement Services	-	1,639	15,000	20,000	5,000		33.33%			
Special Projects Codification	-	-	5,000	5,000	-		0.00%			
Special Projects Consulting	216,995	188,730	215,000	220,000	5,000		2.33%			
Special Studies Contracts	38,196	25,072	118,500	30,000	(88,500)		-74.68%			
Hiring Expenditures	248	248	1,000	1,000	-		0.00%			
Legal Advertising	3,009	3,921	7,000	7,000	-		0.00%			
Community Relations	10,959	36,039	30,000	35,000	5,000		16.67%			
Community Events	33,245	39,965	100,000	150,000	50,000		50.00%			
Event Center Supplies	-	18,881	12,000	60,000	48,000		400.00%			
Program Supplies	976	-	13,000	13,000	-		0.00%			
Office Supplies	8,632	12,973	11,000	12,000	1,000		9.09%			
Mailing House	1,459	1,145	1,500	1,500	-		0.00%			
Motor Fuels	718	901	1,000	2,000	1,000		100.00%			
Local Telephone Service	38,641	38,107	38,000	38,000	-		0.00%			
Liability Insurance	450,235	459,787	501,000	561,000	60,000		11.98%			
Training & Travel	15,636	28,642	60,000	60,000	-		0.00%			
Equipment Repairs & Maint	3,268	5,207	5,000	6,000	1,000		20.00%			
Vehicle Maintenance	190	82	2,000	2,000	-		0.00%			
Prof. Memberships & Publ.	34,326	34,268	45,000	48,000	3,000		6.67%			
Postage	22,157	39,184	31,000	40,000	9,000		29.03%			
Miscellaneous	13,383	16,897	20,000	20,000	-		0.00%			
Cable TV / Recreation	-	5,182	7,000	7,000	-		0.00%			
Ins Loss - Reimb of Deductible	2,118	-	3,000	3,000	-		0.00%			
Total Administration/Finance	\$ 2,792,966	\$ 3,237,047	\$ 4,356,100	\$ 4,533,500	\$ 177,400		4.07%			

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit		Audit		Budget		Budget		Change	Percent Change
	2021-2022	2022-2023	2023-2024	2024-2025	From Prior Year					
Public Services										
Salaries	\$ 2,562,999	\$ 2,789,667	\$ 3,150,000	\$ 3,305,000	\$ 155,000	4.92%				
Education Incentive	1,269	1,340	1,500	1,500	-	0.00%				
Temporary Employees	64,203	58,465	100,000	100,000	-	0.00%				
Unscheduled	62,390	76,603	75,000	75,000	-	0.00%				
F.I.C.A.	203,423	221,411	253,000	270,000	17,000	6.72%				
Non-Hazardous Duty	700,485	762,954	775,000	700,000	(75,000)	-9.68%				
Deferred Compensation	85,208	88,339	102,000	90,000	(12,000)	-11.76%				
Health Insurance	518,155	530,894	575,000	575,000	-	0.00%				
Dental Insurance	27,360	27,530	35,000	35,000	-	0.00%				
Group Life	3,867	4,082	5,000	5,000	-	0.00%				
Long Term Disability	7,024	8,126	8,600	9,000	400	4.65%				
Workers Compensation	71,391	109,530	105,000	110,000	5,000	4.76%				
Unemployment Insurance	1,839	-	10,000	10,000	-	0.00%				
Employee Health Programs	5,926	5,272	3,000	3,000	-	0.00%				
HVAC Preventative Maint	-	-	-	57,000	57,000	100.00%				
Special Engineering Fees	24,857	36,811	25,000	25,000	-	0.00%				
Debris & Weed Cutting	10,430	9,235	8,000	8,000	-	0.00%				
Contracted Services	7,943	7,279	8,000	8,000	-	0.00%				
Hiring Expenses	1,811	1,560	1,000	1,000	-	0.00%				
Community Relations	19,430	17,253	13,000	13,000	-	0.00%				
Community Services Program	102	656	1,000	1,000	-	0.00%				
Janitorial Supplies	28,222	30,785	30,000	30,000	-	0.00%				
Office Supplies	2,929	3,967	5,000	5,000	-	0.00%				
Maintenance Supplies	13,631	2,296	30,000	30,000	-	0.00%				
Motor Fuels	109,205	120,146	110,000	110,000	-	0.00%				
Street Signs	20,647	19,981	20,000	20,000	-	0.00%				
Small Tools	8,531	6,679	10,000	10,000	-	0.00%				
Uniforms and Mats	22,905	26,734	27,000	27,000	-	0.00%				
Utility Service - Street Lights	219,377	200,182	200,000	200,000	-	0.00%				
Utility Service	290,715	296,408	300,000	300,000	-	0.00%				
Local Telephone Service	33,750	40,524	30,000	30,000	-	0.00%				
Rental of Equipment & Vehicles	2,253	3,725	4,000	4,000	-	0.00%				
Custodial	113,062	119,081	100,000	100,000	-	0.00%				
Training and Travel	26,317	26,361	20,000	20,000	-	0.00%				
Equipment Rep & Maint	72,651	70,777	71,000	71,000	-	0.00%				
Vehicle Maintenance	64,450	68,532	71,000	109,000	38,000	53.52%				
Building Maintenance	152,451	153,611	150,000	150,000	-	0.00%				
Grounds Maintenance	189,350	154,777	191,000	191,000	-	0.00%				
Storm Sewer Maintenance	32,505	41,858	50,000	50,000	-	0.00%				
Memberships & Publications	10,118	8,242	3,000	3,000	-	0.00%				
Miscellaneous	11,286	13,168	11,000	11,000	-	0.00%				
Insurance Loss - Reimb. of Ded	9,183	10,184	5,000	5,000	-	0.00%				
Cemetery Expenditures	-	-	1,500	1,500	-	0.00%				
Total Public Services	\$ 5,813,650	\$ 6,175,025	\$ 6,693,600	\$ 6,879,000	\$ 185,400	2.77%				



# All Funds - Appropriations Summary

ACCOUNT TITLE	Audit		Audit		Budget		Budget		Change	Percent Change
	2021-2022	2022-2023	2023-2024	2024-2025	From Prior Year					
Police										
Salaries	\$ 5,074,998	\$ 5,530,146	\$ 6,475,000	\$ 6,995,000	\$ 520,000	8.03%				
Shift Differential	11,972	11,533	13,000	13,000	-	0.00%				
Education Incentive	6,149	6,041	7,000	7,000	-	0.00%				
Training Incentive	259,850	277,466	285,000	285,000	-	0.00%				
Unscheduled	159,324	162,445	215,500	215,500	-	0.00%				
F.I.C.A.	420,645	456,518	500,000	545,000	45,000	9.00%				
Non-Hazardous Duty	45,665	41,394	50,000	45,000	(5,000)	-10.00%				
Hazardous Duty	2,379,690	2,885,223	2,910,000	2,765,000	(145,000)	-4.98%				
Deferred Compensation	36,635	44,325	50,000	55,000	5,000	10.00%				
Health Insurance	880,850	861,077	935,000	935,000	-	0.00%				
Dental Insurance	47,700	46,921	51,000	51,000	-	0.00%				
Group Life	6,226	6,470	7,000	7,000	-	0.00%				
Long Term Disability	16,054	18,106	20,000	20,000	-	0.00%				
Workers Compensation	138,301	207,497	200,000	210,000	10,000	5.00%				
Unemployment Insurance	-	-	10,000	10,000	-	0.00%				
Employee Health Programs	2,134	1,915	2,000	2,000	-	0.00%				
Contracted Services	28,458	44,042	45,000	45,000	-	0.00%				
Hiring Expenditures	4,362	6,555	6,000	6,000	-	0.00%				
Community Relations	10,941	14,010	16,000	16,000	-	0.00%				
Office Supplies	4,178	4,023	6,000	6,000	-	0.00%				
Crime Prevention	1,214	949	5,000	5,000	-	0.00%				
Motor Fuels	181,013	169,031	180,000	180,000	-	0.00%				
License Plates	231	528	500	500	-	0.00%				
Technical Supplies	30,229	36,774	39,000	39,000	-	0.00%				
Uniforms	37,268	54,759	43,000	53,000	10,000	23.26%				
Clothing Allowance	4,560	5,460	6,500	6,500	-	0.00%				
Local Telephone Service	14,346	13,355	20,000	20,000	-	0.00%				
Training & Travel	46,842	52,579	47,000	52,000	5,000	10.64%				
Equipment Repairs & Maint	16,416	13,737	18,500	18,500	-	0.00%				
Vehicle Maintenance	80,135	70,859	65,000	65,000	-	0.00%				
Prof. Memberships & Publ.	2,461	3,548	4,000	4,000	-	0.00%				
Miscellaneous	6,371	6,210	10,000	10,000	-	0.00%				
Range Operations	6,435	7,265	10,100	10,100	-	0.00%				
Ins Loss - Reimb of Dedct	4,844	11,673	10,000	10,000	-	0.00%				
Printing & Publishing	974	665	2,000	2,000	-	0.00%				
Canine Expenditures	4,450	8,800	10,000	10,000	-	0.00%				
Revolving Vice/Informant Fund	-	-	500	500	-	0.00%				
Immediate Care Fund	-	-	500	500	-	0.00%				
Prisoner Medical Charges	-	-	1,000	500	(500)	-50.00%				
Vehicle Towing	1,245	2,401	1,500	2,000	500	33.33%				
Total Police	\$ 9,973,166	\$ 11,084,300	\$ 12,277,600	\$ 12,722,600	\$ 445,000	3.62%				

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>Fire</b>						
Salaries	\$ 3,392,133	\$ 4,018,347	\$ 4,497,000	\$ 5,355,500	\$ 858,500	19.09%
Education Incentive	8,434	7,076	9,000	7,000	(2,000)	-22.22%
Training Incentive	228,631	275,466	275,000	314,000	39,000	14.18%
Unscheduled	268,095	143,356	130,500	130,500	-	0.00%
Scheduled Overtime	1,368,980	1,650,805	1,920,000	2,015,000	95,000	4.95%
F.I.C.A.	397,902	460,874	525,000	555,000	30,000	5.71%
Non-Hazardous Duty	24,862	27,146	31,000	23,500	(7,500)	-24.19%
Hazardous Duty	2,305,149	2,972,296	3,100,000	2,700,000	(400,000)	-12.90%
Deferred Compensation	21,708	32,282	35,000	45,000	10,000	28.57%
Health Insurance	786,608	882,735	900,000	900,000	-	0.00%
Dental Insurance	44,592	49,973	55,000	55,000	-	0.00%
Group Life	5,895	6,731	9,000	9,000	-	0.00%
Long Term Disability	14,469	18,119	18,000	18,500	500	2.78%
Workers Compensation	128,631	193,041	200,000	215,000	15,000	7.50%
Unemployment insurance	-	-	10,000	10,000	-	0.00%
Employee Health Programs	21,221	18,230	23,000	30,000	7,000	30.43%
Medical Director	26,000	43,734	26,000	26,000	-	0.00%
Special Teams	1,775	23,833	3,000	3,000	-	0.00%
Hiring Expenditures	16,074	7,064	8,000	19,000	11,000	137.50%
Community Relations	1,844	3,823	4,000	7,500	3,500	87.50%
Extended Warranties	7,617	8,002	11,209	13,209	2,000	17.84%
E.M.S. Billing	31,208	39,056	76,800	76,800	-	0.00%
Computer Services	-	-	46,000	50,000	4,000	8.70%
Janitorial Supplies	11,806	12,526	11,500	11,500	-	0.00%
Office Supplies	2,000	1,435	2,000	2,000	-	0.00%
Motor Fuels	101,635	110,912	70,000	100,000	30,000	42.86%
Medical Supplies	81,390	93,655	90,000	90,000	-	0.00%
Fire Equipment-Personal	11,146	21,302	20,000	20,000	-	0.00%
Fireground Equipment	8,141	9,049	16,000	16,000	-	0.00%
E.M.S. Equipment	12,537	14,997	20,000	20,000	-	0.00%
Uniforms	32,326	28,000	30,000	50,000	20,000	66.67%
Utility Service	79,576	53,745	55,000	55,000	-	0.00%
Local Telephone Service	30,419	31,657	40,000	40,000	-	0.00%
Training & Travel	41,751	27,253	71,000	71,000	-	0.00%
Equipment Repairs & Maint	26,939	24,298	26,000	28,000	2,000	7.69%
Building Maintenance	7,997	7,981	8,000	8,000	-	0.00%
Vehicle Maint - Fire Trk.	86,368	135,428	100,000	105,000	5,000	5.00%
Prof. Memberships & Publ.	3,155	5,049	4,700	6,700	2,000	42.55%
Postage	287	483	1,000	1,000	-	0.00%
Miscellaneous	6,535	5,476	7,500	10,000	2,500	33.33%
Insurance Loss-Reim of Deduct	(12,703)	21,463	2,000	2,000	-	0.00%
Certifications	-	6,751	10,000	12,000	2,000	20.00%
<b>Total Fire</b>	<b>\$ 9,633,133</b>	<b>\$ 11,493,449</b>	<b>\$ 12,497,209</b>	<b>\$ 13,226,709</b>	<b>\$ 729,500</b>	<b>5.84%</b>

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit		Budget		Change	Percent Change
	2021-2022	2022-2023	2023-2024	2024-2025	From Prior Year	
Capital Outlay						
Computer Hardware	\$ 87,469	\$ 5,065	\$ 137,000	\$ 114,250	\$ (22,750)	-16.61%
Computer Software	-	44,835	67,600	52,100	(15,500)	-22.93%
Server/Switch blades	-	-	217,000	160,500	(56,500)	-26.04%
Web Site Maintenance	2,473	2,400	12,400	12,640	240	1.94%
Environmental/Infrastructure	15,460	17,618	17,980	18,520	540	3.00%
Security System	7,702	71,087	130,000	72,000	(58,000)	-44.62%
Project Labor	32,789	26,245	36,500	36,500	-	0.00%
Aquatic POS	-	-	30,000	12,000	(18,000)	-100.00%
Staff Car	35,607	-	-	80,000	80,000	0.00%
Out of Warranty Allocation	-	-	39,000	39,000	-	100.00%
Office Furniture	-	-	-	4,000	4,000	100.00%
Aruba Licenses	-	-	-	49,500	49,500	100.00%
Battery Backup/Cooling	-	-	-	130,000	130,000	100.00%
Audio processor/Laser Proj	-	-	-	64,000	64,000	100.00%
Aquatic Center AV Refresh	-	-	-	25,000	25,000	100.00%
Digitization/Microfilming	-	54,088	-	-	-	-100.00%
Microsoft Exchange Upgrade	47,575	73,637	57,000	45,540	(11,460)	-20.11%
Disaster Recovery	253,515	-	38,000	-	(38,000)	-100.00%
Wireless Upgrade	-	1,643	48,000	45,000	(3,000)	-6.25%
Senior Center AV Refresh	-	-	-	65,000	65,000	-100.00%
Temperature Monitoring	-	-	32,000	-	(32,000)	100.00%
Disab. Committee Expend.	-	-	2,000	2,000	-	0.00%
Municipal Building Alteration	10,791	17,157	20,000	20,000	-	0.00%
Mowers	9,923	11,532	12,500	12,500	-	0.00%
Major Equipment PS	34,928	39,991	46,000	46,000	-	0.00%
Office Furniture	6,120	3,977	5,000	5,000	-	0.00%
Special Projects - Parks	70,278	182,767	1,050,000	920,000	(130,000)	-12.38%
Replacement Equip - Parks	50,347	43,367	60,000	60,000	-	0.00%
Street Striping	218,726	158,896	190,000	195,000	5,000	2.63%
Maintenance Van	-	71,837	-	-	-	-100.00%
2-Pickup/Snow Equipment	126,283	-	160,000	-	(160,000)	-100.00%
One-Ton Dump	62,269	-	-	-	-	0.00%
Two-Ton Dump	-	-	-	250,000	250,000	0.00%
F350 Utility Truck	73,909	-	85,000	-	(85,000)	-100.00%
F450 Utility Truck	-	101,827	100,000	-	(100,000)	100.00%
Technology and Software	127,363	136,069	190,000	205,000	15,000	7.89%
4 Ton Asphalt Hot Box	-	-	45,000	-	(45,000)	100.00%
Staff car	63,968	38,540	40,000	40,000	-	0.00%
Backhoe	-	106,590	-	-	-	-100.00%
Mini Excavator	-	-	-	150,000	150,000	0.00%
Traffic Signal Upgrades	103,950	44,229	3,550,000	-	(3,550,000)	-100.00%
Florence Tower Lighting	-	92,730	-	-	-	0.00%
Leaf Vactor	-	50,706	-	-	-	0.00%
Project-Annual Street Project	435,760	550,000	65,000	40,000	(25,000)	-38.46%



## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit		Audit		Budget		Budget		Change		
	2021-2022		2022-2023		2023-2024		2024-2025		From	Percent	
									Prior Year	Change	
Capital Outlay-Continued											
Veteran's Commission	\$	-	\$	-	\$	-	\$	30,000	\$	30,000	100.00%
Snow Equipment		29,996		53,592		-		-		-	0.00%
Dumpster Improvements		114,044		(34,900)		-		-		-	0.00%
Urban Forest Commission		175,273		95,928		100,000		165,000		65,000	65.00%
Major Equipment PD		19,891		21,613		22,000		22,000		-	0.00%
Cruiser Equipment		167,409		197,855		145,500		180,000		34,500	23.71%
Police Cruisers		400,036		385,330		467,500		482,000		14,500	3.10%
Radios		1,495		1,500		20,000		20,000		-	0.00%
Firearms		7,305		9,993		10,000		10,000		-	0.00%
Body Camera Software/Storage		49,663		-		55,000		55,000		-	0.00%
Flock Camera Project		-		-		-		40,000		40,000	100.00%
Major Equipment FD		61,030		60,615		150,000		150,000		-	0.00%
Ambulance		260,000		302,500		350,000		350,000		-	0.00%
Pumper		-		655,000		-		-		-	0.00%
Bunker gear		54,921		55,000		55,000		75,000		20,000	36.36%
Personal Protective Gear		-		-		50,000		50,000		-	0.00%
Cardiac Monitors		-		-		85,000		-		(85,000)	100.00%
Office/Station Furniture		4,459		8,148		28,500		-		(28,500)	-100.00%
Engine		52,667		1,516,175		-		-		-	0.00%
Staff Car		49,465		33,631		-		55,072		55,072	100.00%
Computer Services		-		10,000		-		-		-	0.00%
Baseball Park-2011/2012		4,032,037		-		-		-		-	0.00%
Government Center 2005		579,850		574,650		579,350		578,100		(1,250)	-0.22%
City Enhancement		522,422		356,263		285,000		200,000		(85,000)	-29.82%
Stadium Improvements		1,062,745		3,835,512		5,900,000		1,030,000		(4,870,000)	-82.54%
Directional Signage		1,533		-		-		-		-	0.00%
New Buffington Sidewalk		-		-		1,250,000		-		(1,250,000)	-100.00%
Building/Equipment Replacement		207,075		201,179		200,000		215,000		15,000	7.50%
Dream Street Fire Station		-		567,800		10,500,000		-		(10,500,000)	-100.00%
Main Street Master Plan		-		-		140,000		-		(140,000)	-100.00%
Main Street Tenant Build Out		-		-		-		150,000		150,000	100.00%
Main Street Parking Lot		430,020		1,294,166		-		-		-	0.00%
KY 18 Overpass		20,511		1,268,872		-		-		-	0.00%
Council Chamber		420		123,838		450,000		-		(450,000)	-100.00%
Property Purchases		3,626		1,756,429		920,000		720,000		(200,000)	-21.74%
Boone County 225TH		-		-		50,000		-		(50,000)	-100.00%
Tanner Facility Structure		15,546		-		250,000		100,000		(150,000)	-60.00%
Urban Beautification		-		-		-		10,000		10,000	100.00%
Office Space Renovations		198,090		36,996		-		50,000		50,000	100.00%
Veteran's Memorial Improvements		-		-		-		1,100,000		1,100,000	100.00%
Sculpture Park		-		-		100,000		150,000		50,000	100.00%
Golf Course Capital		2,883,972		2,767,881		-		-		-	0.00%
Sr Ctr Retaining Wall		-		-		-		150,000		150,000	100.00%
Gov't Ctr Facility Assessment		-		-		120,000		65,000		(55,000)	-45.83%

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>Capital Outlay-Continued</b>						
Office Bldg A Facility Assess	\$ -	\$ -	\$ -	\$ 73,000	\$ 73,000	100.00%
Aquatic Center Master Plan	-	-	-	120,000	120,000	100.00%
Trans Improvement District	-	-	-	30,000	30,000	100.00%
US 42 Prop Reno/Environ	-	-	-	200,000	200,000	100.00%
21 Girard Master Plan	-	-	-	100,000	100,000	100.00%
Montrose Group	-	-	-	75,000	75,000	100.00%
Florence Gap Assessment	-	-	-	30,000	30,000	100.00%
Social Services Grant	-	-	-	15,000	15,000	100.00%
US42/Main St/Sr Ctr Master Plan	-	-	-	150,000	150,000	100.00%
PeeWee Athletics	-	-	573,350	-	(573,350)	-100.00%
Florence Business Council	-	-	-	50,000	50,000	100.00%
Main Street Murals	-	-	40,000	60,000	20,000	50.00%
Florence Visitors Guide	-	-	-	50,000	50,000	100.00%
Mall Rd/Cayton/Connector	-	-	1,750,000	-	(1,750,000)	-100.00%
Main Street Revitalization	-	1,879,430	1,400,000	-	(1,400,000)	-100.00%
Mall Road Public Plaza	-	20,450	8,250	-	(8,250)	-100.00%
Locust/Glenrose Paving	192,273	-	-	-	-	0.00%
HOME/Demolition Grants	-	-	115,000	-	(115,000)	-100.00%
Façade/Opioid Grants	-	-	110,000	50,000	(60,000)	-54.55%
City Signage	-	28,705	275,000	-	(275,000)	-100.00%
<b>Total Capital Outlay</b>	<b>\$ 13,474,979</b>	<b>\$ 20,030,984</b>	<b>\$ 33,037,430</b>	<b>\$ 10,176,222</b>	<b>\$ (22,861,208)</b>	<b>-69.20%</b>
<b>Other Agencies</b>						
Senior Center	\$ 154,194	\$ 141,983	\$ 140,000	\$ 170,000	\$ 30,000	21.43%
Planning Commission	349,540	363,399	385,000	385,000	-	0.00%
<b>Total Other Agencies</b>	<b>\$ 503,734</b>	<b>\$ 505,382</b>	<b>\$ 525,000</b>	<b>\$ 555,000</b>	<b>\$ 30,000</b>	<b>5.71%</b>
<b>Total General Fund</b>	<b>\$ 42,191,628</b>	<b>\$ 52,526,187</b>	<b>\$ 69,386,939</b>	<b>\$ 48,093,031</b>	<b>\$ (21,293,908)</b>	<b>-30.69%</b>

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>201 Municipal Aid/LGEA</b>						
Street Materials	\$ 228,270	\$ 230,910	\$ 260,000	\$ 265,180	\$ 5,180	1.99%
Resurfacing Projects	472,722	121,456	275,000	280,000	5,000	1.82%
Snow Removal	165,656	576,558	150,000	150,000	-	0.00%
Street Projects ARPA	-	868,721	2,500,000	-	(2,500,000)	-100.00%
<b>Total Municipal Aid/LGEA</b>	<b>\$ 866,648</b>	<b>\$ 1,797,645</b>	<b>\$ 3,185,000</b>	<b>\$ 695,180</b>	<b>\$ -2,489,820</b>	<b>-78.17%</b>

### 204 Asset Forfeiture

Miscellaneous	\$ 38,645	\$ 199,968	\$ 200,000	\$ 200,180	\$ 180	0.09%
<b>Total Asset Forfeiture</b>	<b>\$ 38,645</b>	<b>\$ 199,968</b>	<b>\$ 200,000</b>	<b>\$ 200,180</b>	<b>\$ 180.00</b>	<b>0.09%</b>

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>205 Aquatic Center</b>						
Bank Service Charges	\$ 11,003	\$ 11,981	\$ 14,000	\$ 14,000	\$ -	0.00%
Management Contract	153,612	440,237	500,000	510,000	10,000	2.00%
Supplies	2,772	4,126	4,000	4,000	-	0.00%
Utilities-Electric	31,078	80,085	60,000	70,000	10,000	16.67%
Utilities-Water	39,852	46,531	60,000	55,000	(5,000)	-8.33%
Utilities-Sewer	9,357	6,815	10,000	8,000	(2,000)	-20.00%
Repairs and Maintenance	59,248	52,344	60,000	70,000	10,000	16.67%
Telephone	653	653	700	700	-	0.00%
Miscellaneous	4,312	11,753	5,000	5,000	-	0.00%
Annual Replacement Costs	-	114,744	360,000	520,000	160,000	44.44%
-	-	-	-	-	-	0.00%
<b>Total Aquatic Center</b>	<b>\$ 311,887</b>	<b>\$ 769,269</b>	<b>\$ 1,073,700</b>	<b>\$ 1,256,700</b>	<b>\$ 183,000</b>	<b>17.04%</b>

### 203 Infrastructure Fund

Highway Street Repairs	\$ 1,376,902	\$ 1,860,685	\$ 1,600,000	\$ 1,955,150	\$ 355,150	22.20%
Sidewalk Construction	163,753	143,501	160,000	165,000	5,000	3.13%
Storm Sewer Improvements	759,722	540,685	555,000	560,000	5,000	0.90%
Houston Road Sewer	1,342,414	467,398	-	-	-	0.00%
Old US 42 Widening	-	-	-	3,500,000	3,500,000	100.00%
Mall Road(mill and Overlay)	-	-	-	1,000,000	1,000,000	100.00%
Center Street Sidewalk	-	-	489,000	-	(489,000)	-100.00%
Weaver Road Sidewalks	-	960,155	1,500,000	-	(1,500,000)	-100.00%
<b>Total Infrastructure</b>	<b>\$ 3,642,791</b>	<b>\$ 3,972,424</b>	<b>\$ 4,304,000</b>	<b>\$ 7,180,150</b>	<b>\$ 2,876,150</b>	<b>66.83%</b>



## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit		Audit		Budget		Budget		Change	Percent Change	
	2021-2022	2022-2023	2023-2024	2024-2025	From Prior Year						
501 Golf Course											
Clubhouse wages	\$	149,716	\$	213,330	\$	238,000	\$	243,000	\$	5,000	2.10%
Food and beverage Wages		126,241		409,823		325,000		380,000		55,000	16.92%
Course Maintenance Wages		103,297		150,847		175,000		170,000		(5,000)	-2.86%
Tips-Contra		-		-		(75,000)		(75,000)		-	0.00%
Putt Putt Wages		6,655		4,612		6,000		6,000		-	0.00%
Management Wages		106,085		111,684		110,000		130,000		20,000	18.18%
Junior League Wages		5,152		6,016		6,500		7,500		1,000	15.38%
FICA		39,226		69,856		70,000		70,000		-	0.00%
Pension		8,308		21,204		1,500		-		(1,500)	-100.00%
Health/Dental Insurance		10,974		19,867		19,000		19,000		-	0.00%
Employer Life		47		106		150		-		(150)	-100.00%
Disability		101		295		300		-		(300)	-100.00%
Workers Compensation		8,314		5,716		25,000		28,000		3,000	12.00%
Unemployment Insurance		4,040		4,889		6,000		6,000		-	0.00%
Legal Fees		-		-		1,000		1,000		-	0.00%
Accounting/Auditing Fees		3,500		4,000		4,000		4,000		-	0.00%
Bank Service Charges		42,984		66,201		72,000		82,000		10,000	13.89%
Computer Services		6,775		19,461		105,000		102,000		(3,000)	-2.86%
Private Lessons		48,872		48,003		50,000		55,000		5,000	10.00%
Group Lessons		51,760		49,294		60,000		60,000		-	0.00%
Grounds Contractual		5,000		44		5,000		1,000		(4,000)	-80.00%
Management Fee		49,164		67,470		85,000		90,000		5,000	5.88%
Bonus		35,000		25,000		-		-		-	0.00%
Advertising		8,246		41,155		25,000		10,000		(15,000)	-60.00%
Cable TV/Music		5,296		7,587		8,000		8,000		-	0.00%
Janitorial Supplies		6,387		19,535		25,500		25,500		-	0.00%
Office Supplies		1,494		3,579		3,500		3,500		-	0.00%
Office Supplies - F&B		307		256		500		500		-	0.00%
Motor Fuels		8,305		16,686		1,700		17,000		15,300	900.00%
Licenses and Fees		3,450		4,756		7,000		9,000		2,000	28.57%
Equipment Expense		32,943		50,395		35,000		35,000		-	0.00%
Fertilizer		9,325		5,877		12,000		12,000		-	0.00%
Uniforms		7,744		5,979		3,000		6,000		3,000	100.00%
Golf Course Supplies		5,958		27,962		17,500		17,500		-	0.00%
Miniature Golf Supplies		4,560		12,568		5,000		5,000		-	0.00%
Pro Shop Supplies		4,544		12,771		5,000		5,000		-	0.00%
Range Supplies		72,618		96,137		100,000		70,000		(30,000)	-30.00%
Fungicides/Herbicides		20,248		30,638		40,000		20,000		(20,000)	-50.00%
Maintenance Shop Supplies		6,798		10,757		7,000		9,000		2,000	28.57%
Golf Simulator Supplies		256		24,174		15,000		15,000		-	0.00%
Food and Kitchen Supplies		41,015		37,007		50,000		40,000		(10,000)	-20.00%
Utilities - Electric		49,247		82,764		90,000		85,000		(5,000)	-5.56%

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>Golf Course Cont'd</b>						
Utilities - Water	\$ 5,667	\$ 9,450	\$ 10,000	\$ 10,500	\$ 500	5.00%
Utilities - Sewer	2,534	7,069	10,000	10,000	-	0.00%
Local Telephone Service	9,347	10,702	10,500	11,000	500	4.76%
Equipment Rental	1,663	5,636	6,000	6,000	-	0.00%
Liability Insurance	19,364	18,470	28,000	21,000	(7,000)	-25.00%
Training & Travel	2,482	\$ 5,334	\$ 4,000	\$ 5,000	1,000	25.00%
Equipment Repairs & Maintenance	1,237	1,350	12,000	10,000	(2,000)	-16.67%
Repairs and Maintenance	17,096	3,286	10,000	10,000	-	0.00%
Repairs and Maintenance-F&B	11,391	2,059	17,000	5,000	(12,000)	-70.59%
Building Maintenance	51,661	84,314	50,000	50,000	-	0.00%
Course Maintenance Supplies	724	4,209	10,000	5,000	(5,000)	-50.00%
Course Maintenance Other	3,514	11,211	10,000	11,000	1,000	10.00%
Irrigation and Drainage	8,443	10,287	30,000	15,000	(15,000)	-50.00%
Cart Repairs	1,850	3,465	4,000	5,000	1,000	25.00%
Club Repairs	2,240	1,363	2,000	2,000	-	0.00%
Prof. Memberships & Publ.	5,842	6,815	4,500	4,500	-	0.00%
Postage	771	1,004	750	1,000	250	33.33%
Miscellaneous	34,956	30,782	20,000	20,000	-	0.00%
Miscellaneous - F&B	1,147	1,012	5,000	3,000	(2,000)	-40.00%
Patio Music	-	16,290	45,000	50,000	5,000	11.11%
Cash Over/Short	61	(1,973)	100	100	-	0.00%
Food COGS	41,918	125,195	125,000	135,000	10,000	8.00%
Beer COGS	27,323	55,028	85,000	75,000	(10,000)	-11.76%
Soft Drink COGS	10,035	10,315	11,000	11,000	-	0.00%
Pro Shop COGS	162,187	153,612	130,000	65,000	(65,000)	-50.00%
Fountain Drinks COGS	2,655	7,059	20,000	15,000	(5,000)	-25.00%
Liquor COGS	8,549	17,777	20,000	18,000	(2,000)	-10.00%
Wine COGS	254	3,243	5,000	5,000	-	0.00%
Depreciation Expense	168,721	290,432	245,000	300,000	55,000	22.45%
<b>Total Golf Course</b>	<b>\$ 1,703,584</b>	<b>\$ 2,683,097</b>	<b>\$ 2,670,000</b>	<b>\$ 2,651,600</b>	<b>\$ (71,400)</b>	<b>-2.67%</b>

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>503 Water and Sewer</b>						
<b>Administration Department</b>						
Administrative salaries	\$ 293,342	\$ 317,105	\$ 335,000	\$ 353,000	\$ 18,000	5.37%
Overtime	11	98	500	500	-	0.00%
F.I.C.A.	22,259	24,052	26,000	28,000	2,000	7.69%
Non-Hazardous	84,743	79,078	80,000	72,000	(8,000)	-10.00%
Deferred Comp	6,210	6,112	7,500	7,000	(500)	-6.67%
Health	45,960	36,729	45,000	40,000	(5,000)	-11.11%
Insurance-Dental	2,728	2,068	3,000	3,000	-	0.00%
Group Life Insurance	349	363	500	500	-	0.00%
Long Term Disability	951	993	1,000	1,000	-	0.00%
Workers Compensation	-	-	3,000	3,000	-	0.00%
Unemployment	-	-	10,000	10,000	-	0.00%
Employee Health Programs	804	895	900	900	-	0.00%
Legal fees	10,564	10,449	14,000	17,000	3,000	21.43%
Audit Fees	5,000	5,000	5,000	5,000	-	0.00%
Bank Service Charges	61,416	90,779	75,000	102,500	27,500	36.67%
Administrative Expense	100,000	112,660	115,000	90,000	(25,000)	-21.74%
Modeling Fees	13,383	10,399	3,400	3,400	-	0.00%
Planning/Zoning Comm	36,000	36,000	40,000	40,000	-	0.00%
Hiring Expense	-	-	500	500	-	0.00%
Advertising	-	-	500	500	-	0.00%
Office Supplies	6,443	5,605	7,000	7,000	-	0.00%
Utilities	1,354	2,127	2,500	2,500	-	0.00%
Telephone Service	14,087	18,358	21,500	9,000	(12,500)	-58.14%
Rent	6,622	6,622	7,000	7,000	-	0.00%
Maintenance Agreements	25,920	37,841	45,000	52,000	7,000	15.56%
Insurance and Bonds	54,557	58,583	73,000	73,000	-	0.00%
Travel/Training/Seminars	-	-	1,500	1,500	-	0.00%
Postage	19,444	22,570	30,000	30,000	-	0.00%
Miscellaneous	9,462	7,825	7,000	7,000	-	0.00%
Total Administration	\$ 821,609	\$ 892,311	\$ 960,300	\$ 966,800	\$ 6,500	0.68%



## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>Sanitary Sewer Department</b>						
Sanitary Sewer Salaries	\$ 534,192	\$ 620,369	\$ 680,000	\$ 715,000	\$ 35,000	5.15%
Temporary Employees	3,510	5,092	6,000	6,000	-	0.00%
Overtime	19,254	20,896	26,000	26,000	-	0.00%
F.I.C.A.	41,944	48,691	56,000	59,000	3,000	5.36%
Non-Hazardous	161,247	159,626	170,000	150,000	(20,000)	-11.76%
Deferred Comp	19,621	19,602	24,000	22,000	(2,000)	-8.33%
Health	118,450	119,765	130,000	135,000	5,000	3.85%
Dental	6,824	6,600	7,000	7,000	-	0.00%
Group Life Insurance	838	954	1,000	1,000	-	0.00%
Long Term Disability	1,692	1,736	2,000	2,000	-	0.00%
Workers' Compensation	11,838	13,668	14,000	14,000	-	0.00%
Unemployment	-	-	10,000	10,000	-	0.00%
Employee Health programs	804	895	1,000	1,000	-	0.00%
Uniforms	8,540	10,343	12,000	12,000	-	0.00%
Sub Contract Maintenance	51,296	60,615	76,000	70,000	(6,000)	-7.89%
Infiltration Program	50,673	41,952	55,000	50,000	(5,000)	-9.09%
Hiring Expense	-	-	1,000	1,000	-	0.00%
Chemical Supplies	68,278	81,684	100,000	100,000	-	0.00%
Office Supplies	1,185	1,023	3,000	3,000	-	0.00%
Safety Supplies	6,032	6,771	7,000	7,000	-	0.00%
Motor Fuels	32,938	36,619	35,000	35,000	-	0.00%
Small Tools	4,253	3,264	8,000	8,000	-	0.00%
Electric	38,857	43,500	40,000	40,000	-	0.00%
Telephone	11,223	8,143	10,000	10,000	-	0.00%
Rent	6,622	6,622	9,000	9,000	-	0.00%
Training/Travel/Seminars	2,836	5,129	8,500	8,500	-	0.00%
Equipment Maintenance	50,115	71,686	49,000	60,000	11,000	22.45%
System Maintenance	27,001	23,271	30,000	30,000	-	0.00%
Building Maintenance	3,694	2,172	4,500	4,500	-	0.00%
Lift Station Maintenance	35,073	29,722	35,000	35,000	-	0.00%
Maintenance Projects	-	4,383	15,000	15,000	-	0.00%
Reimb of Deductible	422	1,724	4,000	4,000	-	0.00%
<b>Total Sanitary Sewer</b>	<b>\$ 1,319,252</b>	<b>\$ 1,456,517</b>	<b>\$ 1,629,000</b>	<b>\$ 1,650,000</b>	<b>\$ 21,000</b>	<b>1.29%</b>

## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2021-2022	Audit 2022-2023	Budget 2023-2024	Budget 2024-2025	Change From Prior Year	Percent Change
<b>Water Department</b>						
Water Salaries	\$ 569,400	\$ 601,466	\$ 765,000	\$ 882,000	\$ 117,000	15.29%
Education Incentive	136	65	-	-	-	0.00%
Temporary Employee	3,700	-	6,000	6,000	-	0.00%
Overtime	43,904	48,985	35,000	45,000	10,000	28.57%
F.I.C.A.	46,731	49,307	63,000	65,000	2,000	3.17%
Non-Hazardous	179,576	162,015	190,000	167,000	(23,000)	-12.11%
Deferred Comp	12,993	12,410	15,000	20,000	5,000	33.33%
Health	121,450	120,596	132,000	145,000	13,000	9.85%
Dental	7,232	7,113	10,000	10,000	-	0.00%
Insurance-Group Life	901	950	1,500	1,000	(500)	-33.33%
Long Term Disability	1,267	1,388	1,500	2,000	500	33.33%
Workers' Compensation	12,108	18,202	16,000	20,000	4,000	25.00%
Unemployment	-	-	10,000	10,000	-	0.00%
Employee Health Programs	804	895	1,000	1,000	-	0.00%
Uniforms	7,488	7,682	8,000	8,000	-	0.00%
Water Purchases	4,037,137	4,087,409	4,150,000	4,225,000	75,000	1.81%
Server Hosting Contract Mueller	-	31,383	55,000	55,000	-	0.00%
Hiring Expenses	-	-	1,000	1,000	-	0.00%
Lab Testing	16,146	14,950	18,000	18,000	-	0.00%
Office Supplies	1,295	1,399	3,000	3,000	-	0.00%
Safety Supplies	4,014	4,867	5,000	5,000	-	0.00%
Motor Fuels	31,975	32,285	30,000	30,000	-	0.00%
Small Tools	4,863	4,804	5,000	5,000	-	0.00%
Electric	15,163	18,149	15,000	15,000	-	0.00%
Telephone	9,998	8,798	10,000	10,000	-	0.00%
Rent	6,622	6,622	7,000	7,000	-	0.00%
Training	5,128	2,750	8,000	8,000	-	0.00%
Equipment Maintenance	38,809	35,983	30,000	40,000	10,000	33.33%
Water System Maintenance	33,665	28,784	30,000	30,000	-	0.00%
Building maintenance	2,191	4,052	4,000	4,000	-	0.00%
Meter Repair Maintenance	170,484	182,468	180,000	180,000	-	0.00%
New Service Meter Purchases	-	108,871	30,000	30,000	-	0.00%
Maintenance Projects	-	9,090	15,000	15,000	-	0.00%
Reimb of Deductible	420	1,075	3,000	3,000	-	0.00%
<b>Total Water</b>	<b>\$ 5,385,600</b>	<b>\$ 5,614,813</b>	<b>\$ 5,853,000</b>	<b>\$ 6,066,000</b>	<b>\$ 213,000</b>	<b>3.64%</b>

## All Funds - Appropriations Summary

Depreciation	1,517,232	1,565,708	2,100,000	2,100,000	-	0.00%
Loss on Disposal	-	-	-	-	-	0.00%
Total Depreciation	<u>\$ 1,517,232</u>	<u>\$ 1,565,708</u>	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>	<u>\$ -</u>	<u>0.00%</u>
<b>Interest/Amortization</b>						
Interest Expense	\$ 11,395	\$ 6,405	\$ 7,500	\$ 7,500	\$ -	0.00%
Bond Issuance Costs	5,468	4,556	456	-	(456)	-100.00%
Bond Discount	2,111	1,759	176	-	(176)	-100.00%
Loss on Defeasance	18,317	15,263	1,526	-	(1,526)	-100.00%
Total Interest/Amortization	<u>\$ 37,291</u>	<u>\$ 27,983</u>	<u>\$ 9,658</u>	<u>\$ 7,500</u>	<u>\$ (2,158)</u>	<u>-22.34%</u>
<b>Total Water and Sewer</b>	<u><u>\$ 9,080,984</u></u>	<u><u>\$ 9,557,332</u></u>	<u><u>\$ 10,551,958</u></u>	<u><u>\$ 10,790,300</u></u>	<u><u>\$ 238,342</u></u>	<u><u>2.26%</u></u>



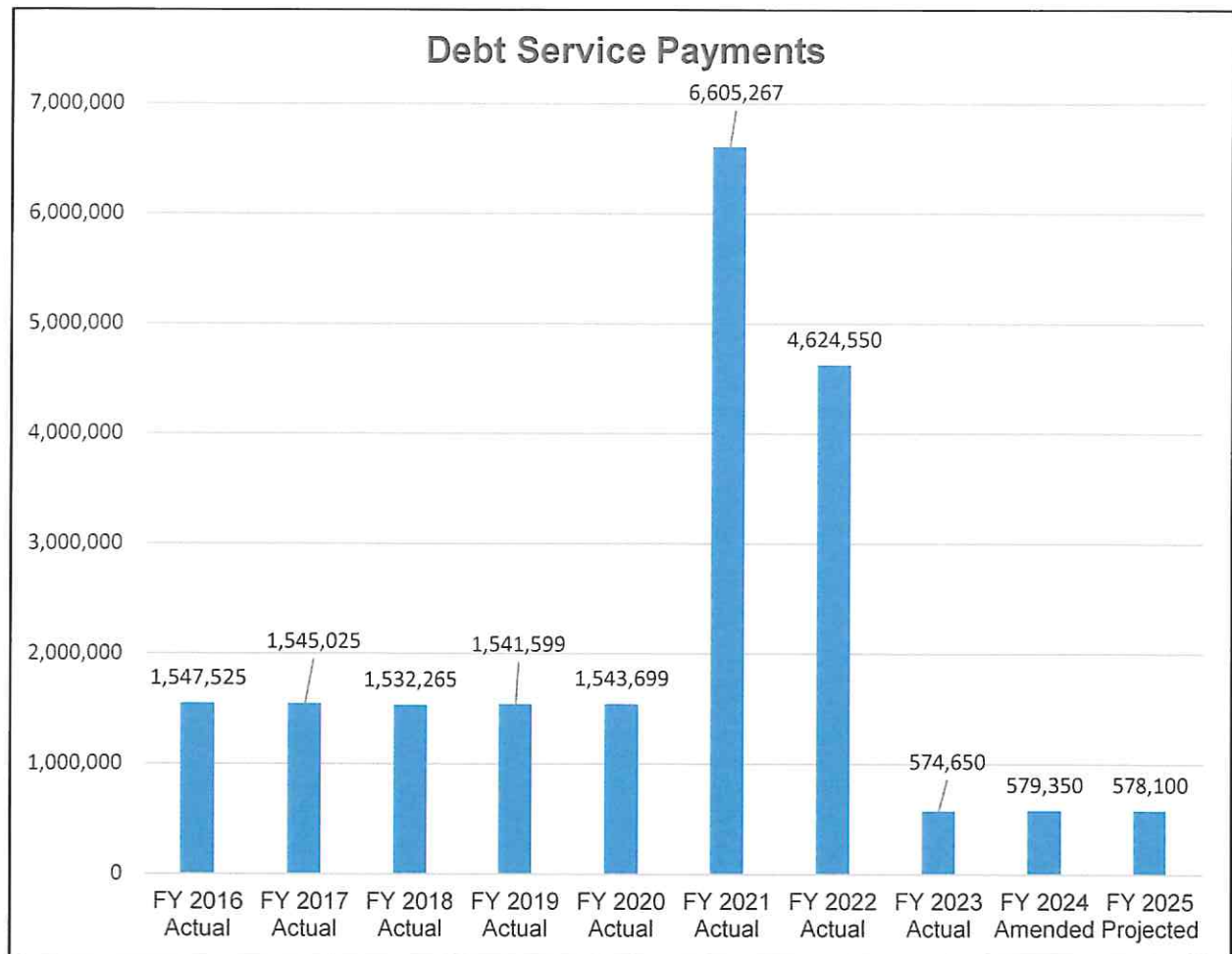
## SUMMARY OF OUTSTANDING DEBT

The City's last debt service issue was originated in 2003. Since then the City has been paying for all capital projects and improvements each year with current year resources and/or reserves. All debt service issues were refunded during the period of 2011 thru 2015 to reduce interest rates on each bond issue along with the annual debt service costs.

The Series 2008 bonds were paid off in August 2020 and the Series 2010 bonds were paid off in October 2020.

The Series 2011 bonds were paid off in November 2021 and the 2012 bonds were paid off in February 2022.

The last remaining bond issue will be paid off on June 1, 2027. This existing debt service requires resources from the General fund. With the annual debt service payments being approximately \$580,000 per year for the next three years, there will be no significant effect on the current operations of the City.



## SUMMARY OF OUTSTANDING DEBT

### Bonds Payable

The City of Florence had issued debt to fund major capital improvement projects in the past. Total bonds outstanding on the remaining issue at June 30, 2024 is as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Governmental Fund Type:		
General Fund		
General obligation refunding		
Construction of Government Center(Series 2015)	1.00-2.50%	<u>1,660,000</u>
Total General Fund		\$ <u><u>1,660,000</u></u>

## FUTURE DEBT SERVICE REQUIREMENTS

The following is a schedule of future debt service requirements to maturity at June 30, 2024 for bonds general activities and for business activities. All debt service annual payments are paid for with current year resources and have minimal impact on the annual operating budget at \$578,100 annually.

The City currently has a Moody's bond rating of Aa1 which is stronger than the median rating of Aa3 for US cities. Notable credit factors include a robust financial position, a negligible debt burden, a somewhat elevated pension liability and a sizeable tax base with a healthy wealth and income profile. The City's financial position is robust and favorable in relation to the assigned rating and the debt burden is moderate. However, the situation surrounding coronavirus is rapidly evolving and the longer-term impact will depend on both the severity and duration of the crisis. There were no changes to this credit rating in the Issuer Comment Report issued by Moody's investor Service on March 13, 2024.

### MOODY'S

#### Quality of ratings:

	Ratings		
Highest Quality	Aaa		
High quality/very low credit risk	Aa1	Aa2	Aa3
Upper medium grade/low credit risk	A1	A2	A3
Medium grade/moderate credit risk	Baa1	Baa2	Baa3

The City's general long-term debt service requirements to maturity at June 30, 2024, are as follows:

Fiscal Year June 30,	2015 GO Bonds	
	Principal	Interest
2025	\$ 540,000	\$ 38,088
2026	555,000	26,613
2027	565,000	14,125
2028	-	-
2029	-	-
<b>Total Debt Service</b>	<b>\$ 1,660,000</b>	<b>\$ 78,826</b>



## CHANGES IN LONG-TERM DEBT

During the year ended June 30, 2024, the following changes occurred in liabilities reported in the general long-term debt:

	June 30, 2023	Additions	Retirements	June 30, 2024	Amounts Due Within One Year
Compensated absences	\$ 1,073,195	\$ 1,778,213	\$ (1,540,243)	\$ 1,311,165	\$ 800,000
Bonds payable: Series 2015	2,190,000	-	(530,000)	1,660,000	540,000
Totals	<u>\$ 4,013,178</u>	<u>\$ 1,778,213</u>	<u>\$ (2,070,243)</u>	<u>\$ 2,971,165</u>	<u>\$ 1,340,000</u>

### Changes in Business-Type Long-Term Liabilities

Long-term liability activity for business-type activities for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Retired	Balance June 30, 2024	Amounts Due Within One Year
Bonds Payable - Water	\$ 240,000	\$ -	\$ (240,000)	\$ -	\$ -
Compensated absences	64,553	143,486	(141,313)	66,726	50,000
	<u>\$ 350,817</u>	<u>\$ 143,486</u>	<u>\$ (381,313)</u>	<u>\$ 66,726</u>	<u>\$ 645,000</u>

Compensated absences are liquidated by the general fund. For business-type activities, compensated absences are liquidated by the respective enterprise fund.

The City does not intend to issue any further debt in fiscal year 2024.

## LEGAL DEBT MARGIN

The City is subject to a legal debt limitation not to exceed 10% of assessed property value pursuant to section 158 of the Commonwealth of Kentucky Constitution. That section states that cities, having a population of 15,000 or more, shall not incur indebtedness to an amount exceeding 10% of the value of the taxable property therein, to be estimated by the last assessment previous to incurring the indebtedness, unless in the case of an emergency. The City's total outstanding debt in the amount of \$1.66 million is well below the 10% calculation of \$402 million as stated below for the year ended June 30, 2024.

### Legal Debt Margin Calculation

Taxable assessed value	\$ 4,028,474,700
Debt limit(10% for total taxable assessed value)	<u>402,847,470</u>
Debt applicable to limit:	
General obligation bonds	1,660,000
Less: amount set aside for repayment general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>1,660,000</u>
Legal debt margin	<u><u>\$ 401,187,470</u></u>

### Debt Service Payments

	<u>Actual</u> <u>2021-2022</u>	<u>Actual</u> <u>2022-2023</u>	<u>Amended</u> <u>Budget</u> <u>2023-2024</u>	<u>Budget</u> <u>2024-2025</u>
General Fund:				
Debt Service	\$ <u>4,624,550</u>	\$ <u>574,650</u>	\$ <u>579,350</u>	\$ <u>578,100</u>

The actual amount for 2021-2022 is significant from paying off the bond issues for 2011 and 2012 during the fiscal year.

## DEBT SERVICE SCHEDULE

The future debt service payments for the City's General Fund appears below.

<b>1.00-2.5%</b>		
<b>Original 1997 PPC Bonds</b>		
<b>Refunded 2005 GO Bonds</b>		
<b>Series 2015 Gov't Ctr Bldg</b>		
	<b>Principal</b>	<b>Interest</b>
<b>12/1/2024</b>		19,043.75
<b>6/1/2025</b>	540,000.00	19,043.75
<b>12/1/2025</b>		13,306.25
<b>6/1/2026</b>	555,000.00	13,306.25
<b>12/1/2026</b>		7,062.50
<b>6/1/2027</b>	565,000.00	7,062.50
<b>TOTALS</b>	<b>1,660,000.00</b>	<b>78,825.00</b>



## CAPITAL IMPROVEMENT PROGRAM

Capital expenditures consist of buildings, building improvements, infrastructure improvements, equipment, vehicles and furniture and fixtures. Annual capital expenditures are identified in a rolling five year capital plan for all City departments and City projects. These expenditures will consist mainly of recurring capital expenditures but will occasionally include some non-recurring expenditures. Certain City projects may not be specifically identified in the five year plan but may arise out of an immediate necessity or an opportunity the presented itself. These assets are reported in the governmental activities column of the government-wide statement of net assets. The City's cash flow allows the flexibility to provide for City projects that arise and have not been included in the five year plan. All capital assets will impact the budget by using annual tax revenues, seized assets, charges for services and reserves when needed. General capital assets are those assets not specifically related to activities reported in the proprietary fund. Capital assets used by the proprietary fund are reported in the business type activities column of the government-wide statement of net assets. The accounting and reporting treatment applied to capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized (recorded and accounted for). Capital assets are defined by the City as assets with an initial, individual minimum cost of \$5,000 with a useful life in excess of two years. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical costs, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class are as follows:

Buildings	30 years
Building Improvements	10-20 years
Public Domain Infrastructure	25-40 years
Vehicles	5-10 years
Office Equipment	3-10 years

### General Fund

The General Fund is the main source where capital items are purchased using general tax dollars for all departments and most city projects. The city has no intent on issuing any more bonds in the future. Major capital projects that have been constructed in prior years were identified by the City in the capital plan. Two major construction projects for a new fire house and the baseball stadium club house that occurred in the last two years arose out of necessity and the opportunity to purchase land that became available. The baseball club house is complete. The fire station will be completed in January 2025. The impact of these two projects required reserves to be used in conjunction with tax revenues to complete these projects. The only major capital project in the fiscal year 2025 budget is the redo of the Veteran's memorial site to make it more centralized. The philosophy currently adopted by the City is to maintain the current infrastructure and amenities that exist when these projects are finished.

Per the following pages, the administration capital expenditures in the amount of \$1,025,550 are for recurring computer refreshes, security system and software upgrades and noted replacement/refreshes of network switches and battery replacements. All of the administration



## CAPITAL IMPROVEMENT PROGRAM

expenditures are annual updates for aging IT infrastructure. A new request from administration is for the wireless upgrades, point of sale terminal replacements, audio visual refreshes for the Government Center, senior center and aquatic center, two staff cars, along with the annual cost for the renewal of office 365. The expenditures are an annual anticipated cost to continually modernize the IT infrastructure. Since the City contracts this service out the only impact to the budget will be the IT Company's annual two percent contract increase in addition to the capital requests. The public services capital expenditures in the amount of \$2,140,500 are mostly forecasted replacement costs for infrastructure, equipment and vehicles on a created replacement schedule. The one item that is a new request is for various park projects including Phase II of a master plan for all City parks. The infrastructure projects will be managed by the public services staff and will impact their workload. The vehicles will have a warranty for a period of time to help offset any increased maintenance costs from the aging of the remainder of the vehicle fleet. The equipment replacements will have the same impact as the vehicles on the current operating budget. The police capital expenditures in the amount of \$809,000 are for recurring expenditures for the annual replacement of eleven vehicles along with the needed equipment for each, annual funds for the replacement of radios and firearms if needed, the annual maintenance fees for the body camera project, a new Flock camera project and funds for scheduled equipment refreshes. The vehicles will have a warranty for a period of time to help offset any increased maintenance costs from the aging of the remainder of the vehicle fleet. The fire capital expenditures in the amount of \$680,072 are planned replacements for an ambulance, bunker gear, staff vehicle, personal protective gear and miscellaneous equipment needs. The ambulance and staff vehicle will have a warranty for a period of time to help offset any increased maintenance costs from the aging of the remainder of the vehicle fleet. The equipment replacements will have the same impact as the vehicles on the current operating budget. All expenditures are scheduled replacements on an annual basis.

The debt service expenditures are planned annual expenditures based on each amortization schedule for each bond issue. The debt service expenditure for the General Fund is \$578,100. The City does not have any leases or loans.

The City Projects in the amount of \$4,943,000 are a combination of scheduled annual replacements and new projects/concepts that will have an additional effect moving forward as an added item for continued maintenance to eventually replacement. The city enhancement account includes funds made available throughout the fiscal year for replacement items that may become a need in the current year such as traffic lights, street banners, trash cans, Christmas decorations, signage, street benches that have become damaged. The baseball stadium improvements in the amount of \$1,030,000 includes the renovation of offices and the gift shop, safety repairs, annual parking lot and sidewalk repairs as well as painting. The building/equipment replacement account in the amount of \$215,000 is for interior painting, lighting upgrades, ceiling tile replacements, fire station kitchen upgrades and air volume replacements. Other City projects include the purchase of a parcel of property, murals, various grants, a facility assessments, Veteran's Memorial improvements, sculpture park and master plans. All City Projects are non-recurring projects that have an impact on the budget by using annual tax revenues and reserves when needed. However, due to the healthy reserves that the City has, these projects will not have a significant impact on the City's financial position overall.

### **Municipal Aid Fund**

The Municipal Aid Fund receives state gasoline tax funds that are used to do major street improvements each year according to the five year plan. All infrastructure improvements in the



## CAPITAL IMPROVEMENT PROGRAM

amount of \$280,000 are in accordance with the street replacement schedule as to the repavement of a street to a total reconstruction.

### **Infrastructure Fund**

The Infrastructure Fund receives 15% of the annual payroll tax revenue collected to annually fund street, sidewalk and storm sewer improvements in accordance with the five year plan. The five year City plan is matched up against the street/sidewalk/storm sewer replacement schedule to see what particular infrastructure improvements are slated for the upcoming fiscal year. There are two additional projects for improvements to old US 42 for widening and the Mall Road mill and overlay. Both projects will cost \$4,500,000.

### **Asset Forfeiture Fund**

The Asset Forfeiture fund receives annual funding from drug seizures. These funds can be used for new capital items and other items that will not supplant the General Fund budget. The annual funding for the narcotics drug buy funds and overtime are planned in the amount of \$26,000. A capital purchase to facilitate oxygen forensics in the amount of \$30,000. The shooting range needs some fencing repairs in the amount of \$10,000. A place holder has been put in the budget in the amount of \$129,000 for capital needs that develop during the fiscal year.

### **Water and Sewer Fund**

The Water and Sewer Fund utilizes the user fees generated from each service to fund annual infrastructure and equipment needs. The planned expenses of \$1,693,000 are for slated water and sewer line replacements and equipment and vehicle replacements.

### **Significant Non-recurring Projects for FY 2025**

There are three significant projects for fiscal year 2025 which are the Veteran's Memorial improvements, the old US 42 widening and the mall Road mill and overlay. The amounts for these projects will affect the year end excess over revenues and slightly impact reserves in the General Fund and Infrastructure Fund in a negative way. All of the projects are not projects that will produce any cost savings but will need to be added to the upkeep/replacement schedules maintained by the public service department when completed. Beyond the initial negative effect for the build, it will flow in line with the annual replacement/maintenance concerns addressed and planned for in the five year capital forecasts. With the new construction maintenance costs will be expected in about ten years from the date of finish.

The remaining capital budget is basically for recurring capital improvements in the General Fund budget for next year. The Municipal Aid, Infrastructure, Asset Forfeiture and Water and Sewer funds will have the annual recurring sidewalk, street projects, storm water, equipment and vehicle and water and sewer projects as planned improvements are in accordance with the replacement schedules maintained by the City departments. The expectation is that the City will balance out or minimize any increases in its operating, maintenance and repair costs with the newer equipment being purchased and infrastructure being replaced with the aging of the rest of the base.

The bulk of the Administration capital is to continually upgrade the IT infrastructure due to replacement of computers and servers on a rotating basis for speed, efficiency and storage. Specific projects such as replacements of office furniture, network switches, servers, wireless



## CAPITAL IMPROVEMENT PROGRAM

and data storage updates and migration renewal for Microsoft 365 are for continual rotation of aging and outdated needs.

The Public Services budget includes replacement equipment in the form of major equipment, office furniture, mowers, trucks and park equipment. The replacement of equipment items will save maintenance costs for repairs. The replacement of the trucks will provide for initial savings for maintenance costs as well as shifting the truck maintenance time for the mechanics on staff.

The Police capital items in the annual rotation of eleven police cruisers each year along with the needed cruiser equipment. This will save the department repair and maintenance costs as well as provide replacement vehicles for those wrecked in the previous year. The radio replacement provides funds for a couple radios a year that receive damage. The firearm budget provides for the occasional replacement of a gun when an officer retires.

The Capital budget for Special Projects consists of one-time expenditures for replacement items or the creation of a specific project. No savings from these items would be anticipated in the budget. These items usually enhance the vision and aesthetic of the City, negatively effecting the excess of revenues over expenditures.

All of the above budgeted projects for fiscal year 2025 in the General Fund, whether non-recurring or recurring, will be paid for using current year budgeted resources and fund balance. The proposed fiscal year 2025 does impact the unassigned fund balance, meaning all of the recommended projects included in the General Fund budget will be paid for with fiscal year 2025 operating revenues, funds previously set aside for capital projects and fund balance. Next year's capital budget consists of 99.8% for new projects and .20% for payments on existing debt.

The fiscal year 2024 provides \$8.8 million for streets and community projects, \$1.5 million for City vehicles, \$4.3 million for equipment and technology upgrades and \$4.9 million for special City projects.

The Municipal Aid and Infrastructure capital items are for continual replacement and upkeep of the City infrastructure for roads, sidewalks, storm sewers and parking surfaces. These repairs may contribute to some savings in maintenance and repair costs but are mostly done on a scheduled replacement program designed by the Public Services department based on surface and videoed conditions.

The Asset Forfeiture capital budget provides for new equipment for the Police department. The intent of this equipment is for improved technology and efficiency. No savings are anticipated from these purchases. They will be one-time negative impacts to the fund balance.

The Sanitary Sewer infrastructure capital are funds for the maintenance and scheduled repairs of the lines. These are annual costs to prevent the system from becoming distressed and to avoid major replacement costs in the future. The capital funds for the specific items of a utility truck, an SUV and an air compressor will be on their replacement cycle and will provide some savings to repairs and maintenance.

The Water Distribution infrastructure capital are funds for the maintenance and scheduled repairs of the lines. These are annual cost to prevent the system from becoming distressed and to avoid major replacement costs in the future. The capital funds for the specific items of a valve

## CAPITAL IMPROVEMENT PROGRAM

turner, fleet parts truck and shoring boxes will be on their replacement cycle and will provide some savings to repairs and maintenance.

The operating impact on the FY 2025 budget is \$19.5 million for the above projects. The outlay of those funds will not create any significant impact on any of the individual fund budgets. The City has adequate available resources to cover all capital initiatives as provided for in the rolling three year strategic plan and five-year capital plan.

# CAPITAL IMPROVEMENT PLAN

## GENERAL FUND (001)

Account Number	Account Description	FY 2025 BUDGET
5100	Computer Hardware	\$ 114,250
5100	Computer Software	52,100
5100	Web Site and Maintenance	12,640
5100	Environmental/Infrastructure	18,520
5100	Project Labor	36,500
5100	Security System	72,000
5100	Network Switches/Servers	160,500
5100	Out of Warranty Allocation	39,000
5100	Office Furniture	4,000
5100	Senior Center AV Refresh	65,000
5100	Aruba Licenses	49,500
5100	Battery Replacement Backup/Cooling	130,000
5100	Audio processor/Laser Projectors	64,000
5100	Wireless Upgrade	45,000
5100	POS System	12,000
5100	Aquatic Center AV Refresh	25,000
5100	Staff Cars	80,000
5100	Office 365 Migration	45,540
<b>ADMINISTRATION</b>		<b>\$ 1,025,550</b>
5200	Disab. Committee Expend.	\$ 2,000
5200	Municipal Building Alteration	20,000
5200	Street Striping	195,000
5200	Mowers	12,500
5200	Major Equipment	46,000
5200	Office Furniture	5,000
5200	Technology and Software	205,000
5200	Special Projects - Parks	920,000
5200	Replacement Equipment - Parks	60,000
5200	Two Ton Dump Truck	250,000
5200	Mini Excavator	150,000
5200	Facility Parking lot Striping	40,000
5200	Veteran's Commission	30,000
5200	Chevrolet Equinox	40,000
5200	Urban Forest Commission	165,000
<b>PUBLIC SERVICES</b>		<b>\$ 2,140,500</b>
5300	Major Equipment	\$ 22,000
5300	Cruiser Equipment	180,000
5300	Police Cruisers	482,000
5300	Radios	20,000
5300	Body Camera Project	55,000
5300	Flock Cameras	40,000
5300	Firearms	10,000
<b>POLICE</b>		<b>\$ 809,000</b>
5500	Major Equipment	\$ 150,000
5500	Personal Protective Gear	50,000
5500	Ambulance	350,000
5500	Bunker Gear	75,000
5500	Staff Vehicle	55,072
<b>FIRE</b>		<b>\$ 680,072</b>
5700	Debt Service - Government Center 2005	578,100
<b>DEBT SERVICE</b>		<b>\$ 578,100</b>

(Continued)



# CAPITAL IMPROVEMENT PLAN

## GENERAL FUND (001)

Account Number	Account Description	FY 2024 BUDGET
5900	Special Project - City Enhancement	\$ 200,000
5900	Special Project - Stadium Improvements	1,030,000
5900	Special Project - Building/Equipment Replacement	215,000
5900	Special Project - Tanner Facility Structure	100,000
5900	Special Project - Sculpture Park	150,000
5900	Special Project - Opioid Funds	50,000
5900	Special Project - Main Street Murals	60,000
5900	Special Project - Property Purchase	720,000
5900	Special Project - Veteran's Memorial Improvements	1,100,000
5900	Special Project - Senior Center Retaining Wall	150,000
5900	Special Project - Main Street Revitalization	150,000
5900	Special Project - Master Plans	570,000
5900	Special Project - Transportation Improvement District	30,000
5900	Special Project - Facility Assessments	138,000
5900	Special Project - Montrose Group	75,000
5900	Special Project - Urban Beautification/Gap Assessment/Social Services Grant	55,000
5900	Special Project - Business Council/Visitors Guide/Renovations	150,000

### **CITY PROJECTS**

\$ 4,943,000

### **TOTAL GENERAL FUND**

\$ 10,176,222

## MUNICIPAL AID (201)

201-5200-520-62-02	Resurfacing Projects	\$ 280,000
<b>TOTAL MUNICIPAL FUND</b>		<u>280,000</u>

## INFRASTRUCTURE FUND (203)

203-5200-520-62-04	Highway/Street Repairs	\$ 1,955,000
203-5200-520-62-06	Sidewalk Replacement	165,000
203-5200-520-62-14	Storm Sewer Improvements	560,000
203-5200-520-61-19	Old US 42 Widening/Improvements	3,500,000
203-5200-520-62-20	Mall Road - Mill and Overlay	1,000,000
<b>TOTAL INFRASTRUCTURE EXPENDITURES</b>		<u>7,180,000</u>

## ASSET FORFEITURE (204)

204-5300-530-59-01	Miscellaneous Expenditures	200,000
<b>TOTAL ASSET FORFEITURE</b>		<u>200,000</u>

## WATER AND SEWER ENTERPRISE FUND(503)

### **SANITARY SEWER DEPARTMENT (6200)**

6200	Infrastructure Improvements	\$ 400,000
<b>TOTAL SANITARY SEWER</b>		<u>\$ 400,000</u>

### **WATER DISTRIBUTION DEPARTMENT (6300)**

6300	Infrastructure Improvements	\$ 1,008,000
6300	Major Equipment	30,000
6300	F350 Utility Truck	85,000
6300	Backhoe	160,000
6300	Annexation Projects	10,000

**TOTAL WATER DISTRIBUTION** \$ 1,293,000

**TOTAL WATER AND SEWER FUND** \$ 1,693,000

**TOTAL CAPITAL OUTLAY** \$ 19,529,222

## GLOSSARY OF TERMS

**Accrual Basis** – The basis of accounting under which transactions are recognized when they occur, regardless of when related cash is actually received or spent.

**Adopted Budget** – Appropriation of funds by the City Council at the beginning of each fiscal year.

**ARPA** – American Rescue Plan Act

**Audit** - A formal examination of an City's accounts and financial situation to determine conformity or compliance with applicable laws, regulations, and/or standards.

**Property (Ad Valorem) Tax** – Tax levied on the assessed value of real and personal property.

**Appropriation** – A general term used to denote the amount authorized in the budget for expenditure by a department or division.

**Assessed Valuation** – Appraised value of property adjusted by a classification factor, to determine the basis for distributing the tax burden to property owners.

**Authorized Positions** – Employee positions, which are authorized in the adopted budget, to be filled during the year.

**Balanced Budget** – Management of the financial plan with the objective of ensuring that operating expenditures may not exceed anticipated revenues plus unreserved fund balance.

**Bond** – A certificate of debt issued by a government to finance a capital expenditure or other liabilities in which payment of the original investment plus interest is guaranteed by a specified future date.

**Budget** – A financial plan for a specific period of time (fiscal year) incorporating an estimate of planned expenditures and financing sources.

**Budget Amendment** – A legal procedure utilized by the City staff and City Council to revise a budget appropriation during the fiscal year.

**Budget Calendar** – The schedule of key dates which the City staff follows in the preparation, adoption, and administration of the budget.

**Budget Control** – The control or management of governmental units or enterprises in accordance with an approved budget for the purpose of keeping expenditures within limitations of available appropriations and revenues.

**Budget Document** – The official publication prepared by the City Coordinator which presents the proposed budget to the citizens and governing body. The budget document is also available on the City's website at [www.florence-ky.gov](http://www.florence-ky.gov)

**Budget Message** – A general discussion of the proposed budget presented in writing as part of the budget document. The transmittal letter explains the current budget issues compared to the background of financial experiences in recent years and present recommendations made by the City Coordinator.



## GLOSSARY OF TERMS

**Budget Ordinance** – The official enactment by the Mayor and City Council legally authorizing City officials to obligate and expend resources.

**Budgeted Positions** – The number of positions scheduled for a department. However, the number of staff on board may vary from the budgeted position level because of employee terminations, delays in hiring, or other authorized changes in position or staff levels.

**Capital Assets** – Property and equipment with a unit value of \$1,000 or more (depending on asset classification) and an estimated useful life of five years or more.

**Capital Budget** – A financial plan of proposed capital expenditures and the means of financing them.

**Capital Expenditures** – A capital expenditure is a purchase of any item over a specified amount depending upon the type asset (i.e., small tools, vehicles, and infrastructure) with a useful life of five years or more. Items purchased meeting the criteria are tracked in the asset management system.

**Compensated Absences** – City employees are granted vacation and sick leave in varying amounts. The City records vested vacation and sick leave benefits as earned in the accounting records for GAAP basis only.

**Comprehensive Plan** – A long-term plan to control and direct the use and development of property in the City. It is also used to make strategic decisions regarding the water and sewage lines, infrastructure, and roads.

**Cost of Living Allowance(COLA)** – An increase made in wages to counteract the effects of rising prices.

**Debt** – A specific source of funds represented by a loan note, bond, mortgage or other form stating repayment terms and, if applicable, interest requirements.

**Debt Limit** – A maximum amount of debt that can be legally incurred.

**Debt Service Fund** – A governmental fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Department** – An administrative segment of the City that indicates management responsibility for an operation or a group of related activities within a functional area. Departments are the basic units of the budget.

**Depreciation** – The expensing of the cost of a capital asset over the estimated useful life of a capital asset. Only used in enterprise funds.

**Enterprise Fund** – An enterprise fund is used for governmental functions that are self-supporting. Enterprise funds belong to a group of funds called “proprietary” and account for operations that provide services to the community at large. The City utilizes an enterprise fund to account for the daily operations of the Water and Sewer and World of Golf, which are funded by charges to commercial and residential customers.

**Expenditure** – The outflow of funds paid for an asset, good, or service in the Governmental Funds which use the modified accrual basis of accounting.



## GLOSSARY OF TERMS

**Expense** - E The outflow of funds paid for an asset, good, or service in the Proprietary Funds which use the full accrual basis of accounting.

**Fiscal Year (FY)** – The City’s accounting period of twelve months, that begins July 1 and ends June 30.

**Full Time Equivalent (FTE)** – Any employee that averages 30 or more hours per week.

**Franchise Fee** – An annual assessment paid by utilities for the privilege of doing business in the City of Florence.

**Fund** – An accounting entity that has a set of self-balancing accounts and records all financial transactions for specific activities or government functions. The City utilized the following fund types: general fund, special revenue funds, enterprise funds and an internal service fund.

**Fund Balance** – An accounting term used to describe the difference between a fund’s assets and liabilities. The goal is to maintain a fund balance reserve of 17% or three months of the General Fund expenditure budget.

**GAAP** – Generally Accepted Accounting Principles – guidelines for financial accounting and reporting which set uniform minimum standards for accepted accounting practices. They encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

**General Fund**- The fund used to account for all financial activities of the City except those required to be accounted for in another fund.

**General Obligation Bonds** – Bonds that finance a variety of public projects such as streets, buildings and improvements. The repayment of these bonds is usually made from taxes but are backed by the full faith and credit of the City.

**Governmental Funds** – An accounting entity used to account for operations that rely mostly on current assets and current liabilities. Governmental funds include the General Fund and Special Revenue Funds.

**Grants** – Contributions by another government or other organization to support a particular function.

**Infrastructure** – The physical assets or foundation of the City, including parks, sidewalks, culverts, bridges, drainage, and street system. This term is also frequently used to describe specifically the City’s street and drainage system.

**Intergovernmental Revenue** – Revenue received from other governments or local agencies.

**Internal Service Fund** – An accounting entity used to account for operations that provide services to City departments at cost. Like enterprise funds, internal service funds belong to the “proprietary” group of funds. The City’s self-insurance fund for the health and dental insurance operations are accounted for through the use of an internal service fund.

## GLOSSARY OF TERMS

**Licenses & Permits** – Fees collected for the issuance of licenses and permits such as occupational licenses.

**NKADD** – Northern Kentucky Area Development District. This is a state agency that helps local officials and citizens unite to provide for the planned growth of their area and provide technical and management assistance to local communities on a broad range of topics.

**Major Fund** – Governmental or enterprise fund reported as a separate fund in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of totals for all governmental or enterprise funds and at least 5 percent of the aggregated amount for all governmental or enterprise funds for the same item.

**Modified Accrual Basis** – The basis of accounting under which revenues are recognized when they become both measurable (i.e., an amount can be determined) and available to finance expenditures of the current period. Available means collected in the current period or soon enough thereafter to be used to pay liabilities of the current period.

**Operating Budget** – The portion of the City budget pertaining to daily operations that provides basic services. The operating budget contains appropriations for such expenditures as salaries, fringe benefits, goods and services.

**Operating Expenditures** – Expenditures for goods and services which primarily benefit the current period and are not defined as capital or personal services.

**Proprietary Funds** – Accounting entities to account for operations similar to a private enterprise with a balance sheet that incorporates long-term debt obligations, assets and liabilities, and depreciation. Enterprise funds and internal service funds are "proprietary" funds.

**Real Property** – Immobile property such as land, natural resources above and below the ground, and buildings and fixed improvements to land.

**Revenue** – Funds that the City receives as income. It includes such items as taxes, license fees, service charges, fines, penalties, and grants.

**Revenue Bond** – Bonds whose principal and interest are payable from pledged revenue sources, and are not legally backed by the full faith and credit of the City.

**Special Revenue Fund** – A governmental fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specific purpose such as road, aquatic center and asset forfeitures.

**Tax Increment Financing District (TIF)** - Tax Increment Financing ("TIF") is a method of facilitating development or redevelopment of a certain area by utilizing future tax revenues to pay for necessary public improvements. The area designated for development or redevelopment is called a "TIF District". Creation of a TIF District does not in and of itself mean that development or redevelopment will occur; market factors will also be the principal motivation for development or redevelopment.