




# **CITY OF FLORENCE**

**FISCAL YEAR  
2017/2018  
BUDGET**



# CITY OF FLORENCE, KENTUCKY

## FISCAL 2018 BUDGET

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June 30, 2017

Honorable Mayor and City Council:

#### Executive Summary – Fiscal 2018 Operating Budget

The information in this document is to present the fiscal year 2018 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 2018 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 totals \$47,493,950 and the projected for expenditures for all funds totals \$48,598,264. The projected revenues for FY 2018 represent a 0.59% decrease over the amended revenues for the FY 2017 budget. The overall decrease is a result of a decrease in the loss of one-time grant funds, specifically the SAFER grant. The projected expenditures for FY 2018 represent a 11.64% increase over the amended expenditures for the FY 2017 budget. The overall increase is a result of two new capital projects for the General Fund. The first project would be the construction of a training facility for all City departments in the amount of \$3.7 million. The second project would be the renovation of the Nature Park shelter building and the construction of a larger shelter building for rental. That project is estimated at \$1.4 million.

At the end of the previous fiscal year, the City's government funds reported combined ending fund balances of \$75,419,592, an increase of \$8,721,222 in comparison with the prior year. Approximately 73.91 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.

#### General Fund:

The General Fund revenue budget totals \$34,190,000 in fiscal year 2018. This compares to \$33,306,000 in revenue for fiscal year 2017 budget amendment. There are slight increases in property tax and payroll tax. These increases are offset by decreases in the insurance premium tax and SAFER grant revenues.

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 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016
Property Taxes	\$ 7,222,802	\$ 6,980,878	\$ 7,003,025	\$ 7,112,868	\$ 7,248,021	\$ 7,356,483
Payroll Taxes	\$ 14,077,419	\$ 14,912,330	\$ 14,870,599	\$ 15,119,231	\$ 15,830,529	\$ 16,412,440
Insurance Taxes	\$ 3,578,837	\$ 3,751,078	\$ 4,098,924	\$ 4,274,919	\$ 4,467,479	\$ 4,265,760

General Fund expenditures in the proposed budget total \$35,396,590 which is an increase of \$6,706,012 from the \$28,690,578 that was approved in the amended fiscal 2017 budget. This budget figure includes operating and capital expenditures including transfers to other city funds. The operating expenditures are \$23.8 million, a 4.8% increase over those budgeted for fiscal year 2017. Salary and related benefits cost are contributing to the increase. The city also has planned expenditures for capital items in the amount of \$11.5 million. The majority of these costs are due to the inclusion of one-time capital projects in the form of a training facility, a new shelter house, the purchase of property and new radios for all departments. The cost of those projects is budgeted at \$6.7 million. The remaining capital amount also includes recurring equipment and vehicle replacement, multiple street projects, and debt service for previous capital expenditures.

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 \$55,741,050 while total fund balance was \$63,345,677. 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 196.95 percent of total general fund expenditures and transfers for that year, while total fund balance represents 223.83 percent of that same amount. The City also maintains a rainy day fund in the amount of \$5.0 million as a part of that fund balance.

### **Municipal Personnel:**

A 2.7 cost of living adjustment (COLA) salary increase is budgeted for each employee of the City. As a result, no salary increases, upon approval, will take effect July 1, 2017. Employees will be considered for a step increase in accordance with the pay plan. Step increases would be effective January 1, 2018 if approved. Not all employees will be eligible for a step increase depending on the length of time step increases are provided for each authorized position classification in the pay plan. In addition, all full-time employees must be in their current position for at least one full year to be eligible for their first step increase for that position.

In place of step raises in January 2017, the City adjusted the pay plan due to the cumulative effect of a lack of a COLA being applied the last few years. A 8.4% COLA was applied to the pay plan at that time. In addition, the City agreed to hire three additional firefighter/paramedics in January 2017. The cost of these additional personnel will be paid for out of the current year tax revenues.

The County Employees Retirement System (CERS) approved rates for fiscal year 2018 have decreased for the fourth year. The rate for non-hazardous duty will increase from 18.68% to 19.15%. The hazardous duty rate will increase from 31.06% to 31.55%. Legislation passed by the 2013 Kentucky General Assembly in Senate Bill 2 (Pension Reform) is expected to stabilize CERS rates moving forward. Based on the actual 2018 rates, the increases for fiscal 2018 are 2.52% and 1.58%, respectively.

The employee medical benefits are in the second year of a three year plan. Total plan costs spiked in fiscal year 2013 due to multiple large claimants but returned to a more normal level in fiscal 2014. The trend for fiscal year 2015 resulted in somewhat higher claims with fiscal year 2016 remaining



consistent with that trend. Due to the renewal of another three year plan, the City has made modifications to the self-insured plan in respect to deductibles, copays and prescription drug plan. FY 2019 will require the next adoption of a new three-year plan moving forward.

However, the City has introduced a new value based pricing for FY 2018 for the employees in addition to the traditional high deductible plan. This plan eliminates the PPO network and the plan design is all copays. The City will evaluate the results of this plan during FY 2018. If the plan works as perceived to be designed to, the City will most likely eliminate the traditional high deductible plan.

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

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

The overall increase is a result of two new capital projects for the General Fund. The first project would be the construction of a training facility for all City departments in the amount of \$3.7 million. The second project would be the renovation of the Nature Park shelter building and the construction of a larger shelter building for rental. That project is estimated at \$1.4 million.

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
- Annual web site maintenance
- Annual environmental
- Replacement of wireless bridges between Golf Course and Firehouses
- Upgrade disaster recovery memory
- Replace audio visual equipment in community rooms
- Lobby area reception digital message boards
- Wi-fi access for Golf Course

#### **Public Safety initiatives:**

- Purchase of nine cruisers
- Cruiser equipment
- Tasers and radar units
- Replacement of firearms
- Laser scanner for crime/accident scene investigations
- Incinerator to dispose of drugs
- Replace 41 units of SCBA
- Replace 4 defibrillators

#### **Public Services Initiatives:**

- Annual street and sidewalk replacement
- Annual street striping maintenance
- SUV's for code enforcement division
- Mowers
- One ton dump truck
- One ton pickup truck



Wheel balancer  
Resurface government center parking lot  
Mobile column lift

#### Recreational Initiatives:

Replacement of playground equipment  
Replacement of tennis court surface  
Urban Forest annual tree initiative

#### Facility Initiatives:

Nature Park shelter initiative  
Construction of a training facility at Rosetta garage facility  
Stadium annual maintenance  
800 MHz radios  
Property purchase  
Mall Road public plaza

#### Outside Agencies:

The City Council has awarded the following amounts to outside agencies for the 2018 fiscal year.

Planning Commission – The budget request of \$322,000 represents a 0.6% increase over the approved 2017 budget of \$320,000 with most of the increase attributed to costs of personnel services.

Florence Community Chorus – The budget request of \$4,000 is less than the amount that was approved in the 2017 budget by \$400. Funds will be used for the compensation for the music, uniforms, the pianist and Director.

Florence Community Band – The budget request of \$6,250 is an increase of \$475 over the amount that was approved in the 2017 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 \$615,200. This is an increase from the \$610,200 amended budget in fiscal 2017. The \$5,000 increase is attributable to the street resurfacing projects scheduled for FY 2018.

##### 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 2018 are \$2,885,000 which includes 15% of the estimated annual payroll tax collections along with storm water receipts. The proposed expenditures are \$1,795,000 which includes the annual street, sidewalk, and storm sewer maintenance projects for the fiscal year according to the five year plan.

Both proposed revenues and expenditures are a decrease from the fiscal year 2016 budget due to both of the Mall Road infrastructure projects being mostly complete.

##### Asset Forfeiture Fund:



The Asset Forfeiture Fund accounts for all funds received from seized assets and purchases made with those funds. The budgeted expenditures total \$243,200 which will be used for miscellaneous equipment, a laser scanner, ambush protection, drug incinerator and the Narcotics units overtime and buy money. This compares to \$90,000 budgeted in fiscal year 2017.

#### **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 do remain somewhat consistent from year to year. The budgeted expenditures total \$729,900 compared to \$520,400 for the amended fiscal year 2017 budget. This is an increase of \$209,500 or 40.26% primarily due to the facility need to repair the base of the pool area with a commercial liner product costing \$200,000 after the 2017 pool season.

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

The World of Golf Fund is responsible for the operations of the golf course facility. Total projected revenues of \$1,100,900 are projected to cover the estimated operating costs of the facility and produce an estimated net operating income of \$91,700. However, total projected expenditures will outpace total projected revenues and result in a projected net loss of \$118,300 due to depreciation expense.

#### **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 \$8,352,500 will result in a slight decrease of \$266,000 compared to fiscal 2016. The revenue decrease is primarily the result of a capital contribution of \$350,000 to rebuild the Greenview pump station in the FY 2016 budget.

Total projected expenses of \$8,514,174 are a slight increase over the fiscal year 2017 expenses of \$8,301,824. The result of this increase is due to the increase in personnel costs due to the COLA, an increase in the non-hazardous pension rates for the upcoming year and an increase in the water purchases costs due to a rate increase from the supplier.

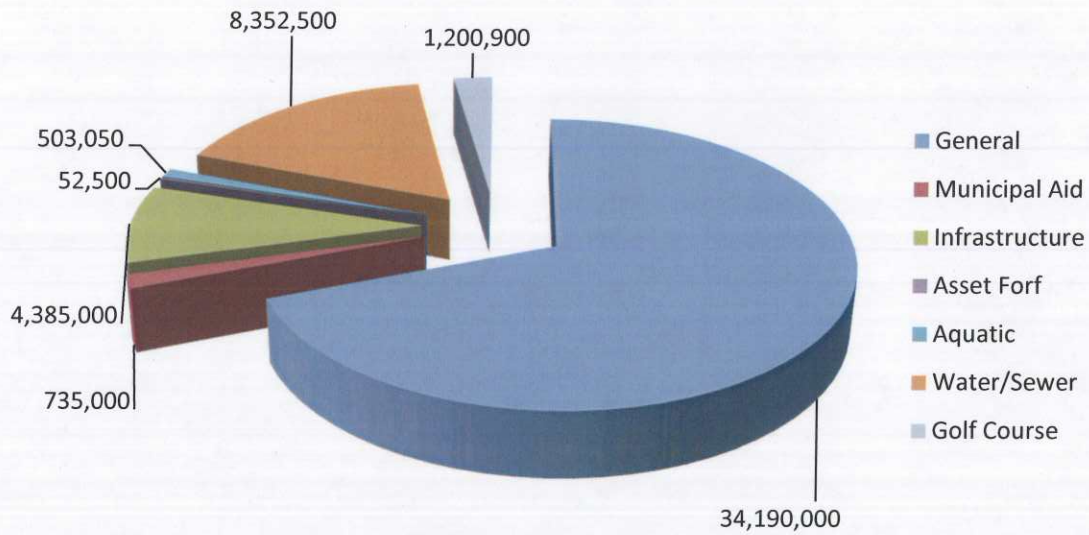
**Summary of Department/Fund Relationships**  
**Funds**

<b>Departments</b>	<b>Municipal/</b>			<b>Asset</b>		<b>Golf</b>	<b>Water/</b>
	<b>General</b>	<b>LGEA</b>	<b>Infrastructure</b>	<b>Forfeiture</b>	<b>Aquatic</b>		
Administration	X				X	X	
Public Services	X	X	X				X
Police	X			X			
Fire	X						
Aquatic					X		
Golf						X	
Water/Sewer							X

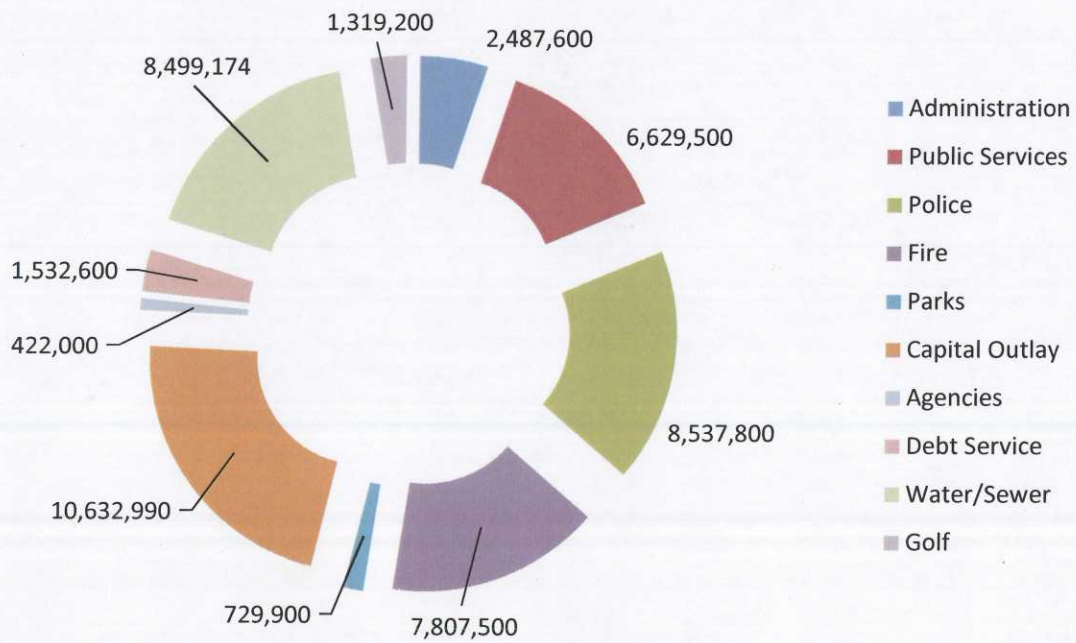
## BUDGET SUMMARY

	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	34,190,000	735,000	4,385,000	52,500	503,050	8,352,500	1,200,900
Beg. Fund Balance	66,011,099	1,226,272	12,121,672	315,483	1,394,799	26,279,919	8,502,737
<b>FOR APPROPRIATIONS</b>	<b>100,201,099</b>	<b>1,961,272</b>	<b>16,506,672</b>	<b>367,983</b>	<b>1,897,849</b>	<b>34,632,419</b>	<b>9,703,637</b>
Administrative	2,487,600	-	-	-	-	-	-
Public Services	4,834,500	-	1,795,000	-	-	-	-
Police Services	8,294,600	-	-	243,200	-	-	-
Fire / E.M.S. Services	7,807,500	-	-	-	-	-	-
Parks / Recreation	-	-	-	-	729,900	-	-
Capital Outlay	10,017,790	615,200	-	-	-	-	-
Other Agencies	422,000	-	-	-	-	-	-
Debt Service	1,532,600	-	-	-	-	-	-
Water and Sewer	-	-	-	-	-	8,499,174	-
Golf Course	-	-	-	-	-	-	1,319,200
<b>TOTAL EXPENDITURES</b>	<b>35,396,590</b>	<b>615,200</b>	<b>1,795,000</b>	<b>243,200</b>	<b>729,900</b>	<b>8,499,174</b>	<b>1,319,200</b>
Transfers	1,925,000	-	-	-	-	-	-
End. Fund Balance	62,879,509	1,346,072	14,711,672	124,783	1,167,949	26,133,245	8,384,437
	<b>100,201,099</b>	<b>1,961,272</b>	<b>16,506,672</b>	<b>367,983</b>	<b>1,897,849</b>	<b>34,632,419</b>	<b>9,703,637</b>

## 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 slight recovery in the areas of payroll tax and insurance premium taxes and occupational license fees during the current fiscal year. The City has been successful in dealing with budget realities in a positive manner to remain financially sound. The budget for the 2018 fiscal year calls for slight increases in core revenues in comparison to budgeted and projected results for fiscal year 2017. It is anticipated that property tax revenue will remain constant with the level experienced during the prior fiscal year and that Council will not adopt a property tax increase for the ninth year in a row. The City expects slight growth in the remainder of the core revenue line items. 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 expected to linger as the economic situation continues to recover and improve over the next couple of years. 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 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. Various changes have been made to the employee benefits to assist in curtailing personnel cost increases in the future.

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. The City is forecasting that we will have the ability to do this for the next five years.

The Council continues 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 82% of the general fund operating expenditures at an 8% annual increase. The City's pension costs have decreased very slightly over the past three years but are still an enormously large benefit item that it dictated to the City by the Kentucky Retirement System. The health and dental costs continue to increase. Since the City is self-insured, we have a strategy of 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 take care of the infrastructure and all of the City amenities that have been built 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. 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 tax base from them, the City will struggle to be the great place to live, work and play that it is today.

The City continues to implement its annual plan 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 annual 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.

The City does have multiple major projects planned for fiscal year 2018 that will carry over into fiscal year 2019. Past fiscal year 2019 the only major project would be the development of an additional park on the east side of the City. All projects and operations in the rolling five year plan have been provided for with the City's current reserves. The recent addition of additional personnel and wage increases as part of operations will have a slight 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 amounts will be retired in September of 2032 with significant amounts of cash flow being increased with the two bond issues to be retired in June of 2027 and June of 2028. 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 whole and how will we be able to fund those needs. That is one of the reasons that the City has accumulated \$63.3 million in reserves knowing the importance of having a future funding mechanism for financial stability.

The successful enactment of the budget includes the commitment, support, and encouragement of our 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 2018-2021

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 2018-2021

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 Renton 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
- **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 Renton'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
  - 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 (1998);
- Central Florence Strategic Plan (2008);
- Main Street Zoning District (1994);
- Mall Road District Zoning Study (2011);

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

- Boone County Transportation Plan
- OKI 2030 Regional Transportation Plan
- Parks & Recreation Needs Assessment and Park Land Evaluation Study
- Mall Road Corridor Study, Jordan Jones & Goulding
- Florence City Center, Beame Architectural Partnership
- Florence Retail District Market Trending Analysis, Marketing Developments Inc.
- Mall Road Traffic Study

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.

In 2001, after researching local, regional, and national economic development incentive programs, and comparing those to the state-sponsored programs that the city already participates in, approved a local economic incentive program. This program was 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**

In 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

**July 1, 2016**

*Jeffrey R. Enos*

Executive Director

# **CITY OF FLORENCE, KENTUCKY**

## ***LIST OF PRINCIPAL OFFICIALS***

**June 30, 2018**

### **Mayor**

---

Diane E. Whalen

### **Council Members**

---

Mel D. Carroll

Duane Froelicher

Kelly Huff

Julie A. Metzger-Aubuchon

David A. Osborne

Gary Winn

### **Staff**

---

City Coordinator - Alex T. Mattingly

City Clerk - Erin Courts

CFO/HR - Linda J. Chapman

City Attorney - Hugh O. Skees

City Engineer - William R. Viox

Director of Public Services - Robert E Hall

Chief of Police - John V. McDermond

Fire/E.M.S. Chief - Kelly J. Aylor





# Organizational Chart 2017

Total Employees: 210 Full Time  
4 Part Time

Revised:  
2/22/2017

ORDINANCE NO. 0-10-17

**AN ORDINANCE OF THE CITY OF FLORENCE, KENTUCKY, ADOPTING THE  
OFFICIAL BUDGET FOR THE 2017-2018 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 2017-2018, 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 in full.

PASSED AND APPROVED ON FIRST READING THIS 6<sup>th</sup> DAY OF June, 2017.

PASSED AND APPROVED ON SECOND READING AND PUBLICATION ORDERED  
THIS 13<sup>th</sup> DAY OF June, 2017.

APPROVED:

Diane E. Whalen  
MAYOR

ATTEST:

Erin M. Courts  
CITY CLERK



## ORDINANCE NO. O-10-17

AN ORDINANCE OF THE CITY OF FLORENCE, KENTUCKY, ADOPTING THE  
OFFICIAL BUDGET FOR THE 2017-2018 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 2017-2018, 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 in full.

PASSED AND APPROVED ON FIRST READING THIS 6<sup>TH</sup> DAY OF JUNE, 2017

PASSED AND APPROVED ON SECOND READING AND PUBLICATION ORDERED THIS 13<sup>TH</sup> DAY OF JUNE, 2017.

APPROVED:

*Diane E. Whalen*  
MAYOR

ATTEST:

*Erin M. Couets*  
CITY CLERK

CITY OF FLORENCE  
ENACTED BUDGET  
FISCAL YEAR 2017-18

## Exhibit "A" to City of Florence Ordinance No. O-10-2017

	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	34,190,000	735,000	4,385,000	52,500	503,050	8,352,500	1,200,900	2,815,500
Beginning Fund Balance	66,011,099	1,226,272	12,121,672	315,483	1,394,799	26,279,919	8,502,737	15,272,695
<b>TOTAL RESOURCES AVAILABLE FOR APPROPRIATIONS</b>	<b>100,201,099</b>	<b>1,961,272</b>	<b>16,506,672</b>	<b>367,983</b>	<b>1,897,849</b>	<b>34,632,419</b>	<b>9,703,637</b>	<b>18,088,195</b>
<b>APPROPRIATIONS</b>								
Administrative	2,487,600							2,576,900
Public Service	4,834,500		1,795,000					
Police Services	8,294,600			243,200				
Fire / E.M.S Services	7,807,500							
Parks / Recreation					729,900			
Capital Outlay	410,017,790	615,200						
Other Agencies	422,000							
Debit Services	1,532,600							
Water and Sewer						8,499,174		
Golf Course							1,319,200	
<b>TOTAL EXPENDITURES</b>	<b>35,396,590</b>	<b>615,200</b>	<b>1,795,000</b>	<b>243,200</b>	<b>729,900</b>	<b>8,499,174</b>	<b>1,319,200</b>	<b>2,576,900</b>
Transfers	1,925,000	-	-	-	-	-	-	-
Estimated Fund Balance at Year-End	62,879,509	1,346,072	14,711,672	124,783	1,167,949	26,133,245	8,384,437	15,511,295
<b>TOTAL BUDGET</b>	<b>100,201,099</b>	<b>1,961,272</b>	<b>16,506,672</b>	<b>367,983</b>	<b>1,897,849</b>	<b>34,632,419</b>	<b>9,703,637</b>	<b>18,088,195</b>

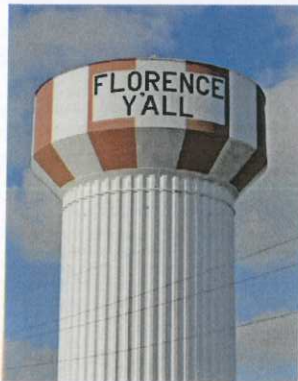
Note: The City's adopted budget in detail for Fiscal Year 2017-18 is available for public inspection at the Florence Government Center during normal business hours.

# City of Florence, Kentucky

## General Information

### 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



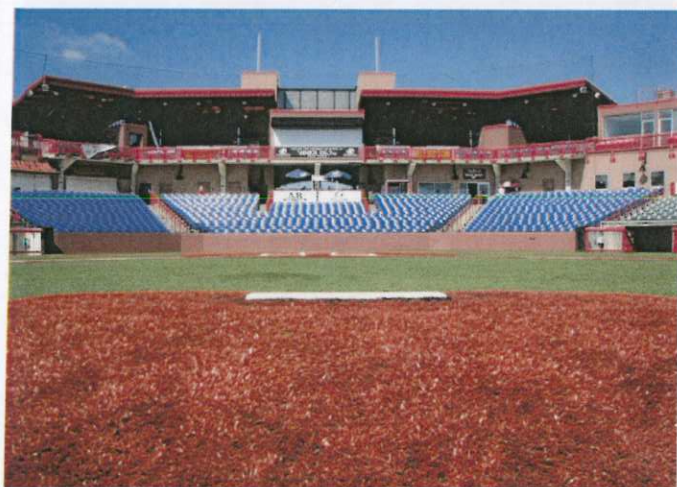
premier facility in the Greater Cincinnati area. The new Spine Center is intended to allow patients to get all service performed in one location. Seven nursing facilities and rehab facilities are located in the city as well.

## 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, swing sets, splash ground and sand volleyball. 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.





The Florence World of Golf was completely reconstructed in 2011 and 2012. The course is located along Interstate 75 and adjacent to Woodspoint trail. It offers a Par 3 18-hole golf course, driving range, indoor driving range, 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 concession/grill area, 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 Senior Services of Northern Kentucky. 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.



## 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.

Our Economic Development Team finalized many development projects and continues to search for the businesses our community needs and desires. The Florence Heights development is almost done – Costco and Dave & Buster have done very well over the last year and have been a welcomed addition to the Florence community. Construction of a new Outback Steakhouse on the corner of Pinnacle Drive and Mall Road has been completed and they are open for business. Directly across from Outback on the other corner of Pinnacle Drive will be the city's second Chick-Fil-A, where construction efforts have begun, with an anticipated opening date of Fall 2017. Menards has delayed their construction plans, not just here, but across the country. Menards does own the property near Costco, and according to all of our communications with their representatives, they remain committed to bringing their store to the Florence Heights Development.

Concerns remain nationwide about the future of brick and mortar retail stores and large urban Malls. Our discussions with some of the national retailers, as well as GGP, owner of the Florence Mall, have reassured us 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 for our community.

Major projects on the primary industry side include Bosch Automotive on Spiral Drive. In total they will add 70 new jobs and invest over \$100 million in a new building and equipment. A new road providing access to Bosch is under construction. Located off of Ted Bushelman Blvd, it will be named Renegade Way, in honor of our adopted military unit, "The Renegades".

As a result of the annexation of 170 acres of airport property, we continue to work with CVG on the Van Trust Development (right behind Wal-Mart) and other proposed developments. We welcomed the opportunity to annex and provide our excellent city services to this area. Amazon Prime has announced their intention to make CVG their new Air hub. The total build out is estimated to be more than \$1.5 billion dollars with employment opportunities for an estimated 2500 employees. While this project is not located within our city boundaries, we will be involved in discussions regarding flow of traffic and the positive impact this will have on our city as well as our entire region.

Other recent openings include Gabes (formally known as Gabriel Brothers), Bear Paddle Swim Club, CoreLife Eatery, T-Mobile and Vision Works. Magnolia Springs Senior Living and Gerner and Kearns Law Firm, both located off of Ewing Blvd. have opened recently. New hotels, Hilton Home to Suites (Woodspoint Drive), as well as Comfort Suites Hotel (Merchants Drive) are set to open in the near future, and "Villages of Florence" ranch style rental units located on Hopeful Church Road is also set to open later this year.

Mall Road has continued to see substantial growth and redevelopment with the opening of the 75 south bound ramp from Mall Road as well as increased traffic from the Florence Heights Development. The City hired a consultant to perform a traffic study looking at current and future traffic patterns in that area. This study has recommended signal timing changes, the possibility of an additional traffic light and increased signage that will benefit both residents and visitors to Florence.

Over several years, we have 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 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 to remain a viable City with strong reserves to maintain the services expected as well as the infrastructure. The 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. There is continuously the necessity to maintain and improve the infrastructure along with its amenities to remain attractive and to retain businesses. 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.



## **Community Profile and Demographics**

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 10.6 square miles and serves an estimated population of 31,888. 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, Kentucky    Kentucky

### Population

Population estimates, July 1, 2015, (V2015)	32,227	4,425,092
Population estimates base, April 1, 2010, (V2015)	29,962	4,339,349
Population, percent change - April 1, 2010 (estimates base) to July 1, 2015, (V2015)	7.6	2.0
Population, Census, April 1, 2010	29,951	4,339,367

### Age and Sex

Persons under 5 years, percent, April 1, 2010	8.2	6.5
Persons under 18 years, percent, April 1, 2010	24.6	23.6
Persons 65 years and over, percent, April 1, 2010	13.1	13.3
Female persons, percent, April 1, 2010	52.0	50.8

### Race and Hispanic Origin

White alone, percent, April 1, 2010 (a)	87.1	87.8
Black or African American alone, percent, April 1, 2010 (a)	4.5	7.8
American Indian and Alaska Native alone, percent, April 1, 2010 (a)	0.2	0.2
Asian alone, percent, April 1, 2010 (a)	3.0	1.1
Native Hawaiian and Other Pacific Islander alone, percent, April 1, 2010 (a)	0.2	0.1
Two or More Races, percent, April 1, 2010	2.3	1.7
Hispanic or Latino, percent, April 1, 2010 (b)	5.5	3.1
White alone, not Hispanic or Latino, percent, April 1, 2010	84.7	86.3

### Population Characteristics

Veterans, 2011-2015	2,439	297,312
Foreign born persons, percent, 2011-2015	8.0	3.4

### Housing

Housing units, April 1, 2010	13,447	1,927,164
Owner-occupied housing unit rate, 2011-2015	51.3	67.2
Median value of owner-occupied housing units, 2011-2015	136,500	123,200
Median selected monthly owner costs -with a mortgage, 2011-2015	1,183	1,112
Median selected monthly owner costs -without a mortgage, 2011-2015	362	339
Median gross rent, 2011-2015	849	675

### Families and Living Arrangements

Households, 2011-2015	12,877	1,708,499
Persons per household, 2011-2015	2.42	2.50
Living in same house 1 year ago, percent of persons age 1 year+, 2011-2015	77.2	84.7
Language other than English spoken at home, percent of persons age 5 years+, 2011-2015	9.9	5.1

### Income and Poverty

Median household income (in 2015 dollars), 2011-2015	52,053	43,740
Per capita income in past 12 months (in 2015 dollars), 2011-2015	27,535	24,063
Persons in poverty, percent	9.8	18.5

QuickFacts data are derived from: Population Estimates, American Community Survey, Census of 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.



**CITY OF FLORENCE, KENTUCKY**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Median Income (2)	Median Age (2)	Unemployment Rate (3)
2007	26,710	\$ 1,053,762,920	\$ 39,452	33.1	4.5%
2008	27,281	\$ 1,122,558,588	\$ 41,148	34.1	5.4%
2009	27,745	\$ 1,183,712,680	\$ 42,664	34.2	9.7%
2010	28,381	\$ 1,374,860,783	\$ 48,443	34.9	9.7%
2011	29,951	\$ 1,474,907,044	\$ 49,244	35.7	9.1%
2012	30,687	\$ 1,522,228,635	\$ 49,605	35.2	7.1%
2013	31,088	\$ 1,560,026,928	\$ 50,181	36.5	6.9%
2014	31,088	N/A	\$ N/A	N/A	5.6%
2015	31,888	N/A	\$ N/A	N/A	5.5%
2016	31,888	N/A	\$ N/A	N/A	5.5%

(1) Census Bureau and Kentucky State Data Center

(2) Tri-County Economic Development Corporation

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

# CITY OF FLORENCE, KENTUCKY

## Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year					
	2011	2012	2013	2014	2015	2016
Police:						
Physical arrests	2,431	2,542	2,571	2,563	2,736	2,501
Traffic violations	6,385	4,664	4,487	7,790	5,188	5,768
Parking violations	513	224	120	162	93	114
Fire:						
Number of calls answered:						
Fire	2,486	2,367	2,416	2,511	2,492	2,496
Ambulance	6,091	6,364	6,380	6,283	6,819	6,982
Inspections	2,255	1,945	2,005	2,186	2,575	2,527
Highways and streets:						
Street resurfacing(lane miles)	7.62	8.44	9.11	9.11	8.48	8.48
Water:						
New connections	45	50	42	27	46	35
Water main breaks	55	37	62	31	34	30
Average daily consumption (thousands of gallons)	3,055	3,090	3,035	3,021	2,995	2,945

Source: Various city departments



# CITY OF FLORENCE, KENTUCKY

## Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year					
	2011	2012	2013	2014	2015	2016
Police:						
Stations	1	1	1	1	1	1
Patrol units	34	34	34	34	34	34
Fire:						
Fire stations	3	3	3	4	4	4
Highways and streets:						
Streets(miles)	168	168	169	169	169	169
Streetslights	1,977	1,977	2,103	2,103	2,103	2,103
Culture and recreation:						
Parks	9	9	9	9	9	9
Parks acreage	163.5	163.5	163.5	163.5	163.5	163.5
Swimming pools	1	1	1	1	1	1
Ball fields	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4
Water:						
Water mains	145	145	149	150	150	146
Fire hydrants	1,520	1,520	1,583	1,598	1,598	1,605
Maximum daily capacity (thousands of gallons)	4,550	4,810	4,809	4,595	4,183	4,120
Sewer:						
Contained sanitary/storm sewers (miles)	286	286	278	276	274	274

Source: Various city departments

## Budget Process

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.

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. 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 except the capital projects fund, which is not budgeted. 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; however, with proper approval by the City Coordinator, budgetary transfers within departments can be made. All appropriations lapse at fiscal year-end.

Governmental fund types like the General Fund and Special Revenue Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. That basis of accounting recognizes revenues as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services in 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 Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of GAAP. This generally conforms to the way the City prepares its budget. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 Florence budget calendar is presented following this narrative.



**City of Florence  
2017 – 2018  
Budget Calendar**

March 6th	Issue FY 2017-2018 Budget Calendar
March 13th	Budget worksheets due to Department Heads
March 20th	Projected Salaries & Wages by Finance Department
March 24th	Budget recommendations due from Department Heads to Finance Director
Week of March 27th	Finance Director & City Coordinator Review
Week of April 3rd	Meet with Department Heads
April 6th/7th	Review preliminary budget with Mayor
Week of April 10th	Budget Books Prepared
April 21st	Distribution of preliminary budget to City Council
May 1st	Send out Notice of Special Call
May 3rd	Budget Retreat Budget presentation /comments & discussion
May 23rd	Proposed use hearing for Municipal Aid Road Fund Budget discussion and presentations by other agencies: Urban Forest Commission and Boone County Planning Commission
June 6th	FY 2016-17 budget amendment discussions
June 13th	Mayor's Budget Address First reading of the FY 2017-18 Budget Ordinance First reading of amendments to FY 2016-17 budget
June 20th	Second reading of the FY 2017-18 Budget Ordinance Second reading of amendments to FY 2016-17 budget
July 1	New budget becomes effective

## 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.

### Governmental Fund Types:

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 Fund:

#### General Fund

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.

### 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 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.

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 connection



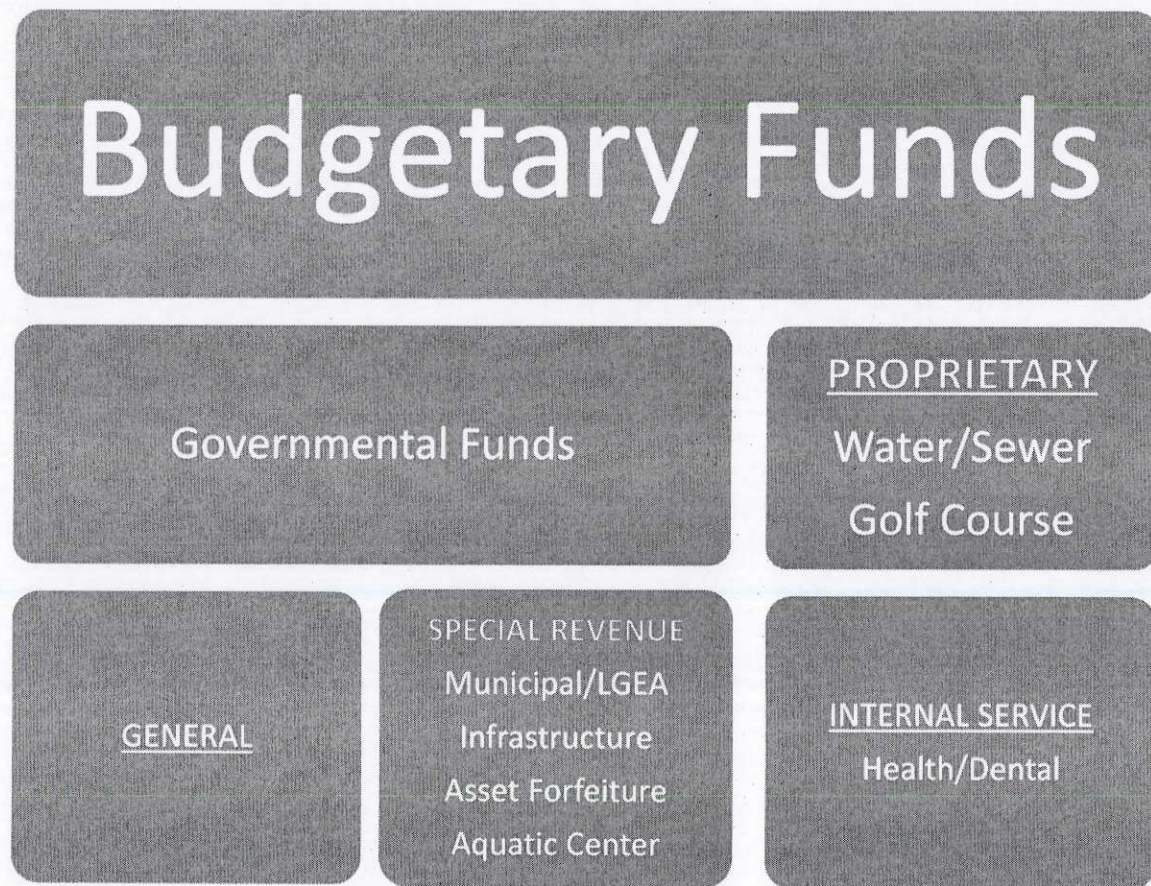
with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The government reports the following proprietary funds:

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.





## 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.

### 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 Comprehensive Annual Financial Report (CAFR) 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 to 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

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 \$1,000 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. The City's pension costs have decreased slightly over the past four years as a result of changes to the State health insurance plan. 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 it 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 2016, the City made 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. In addition, the City started to use the clinic this year for occupational health services as well. This will serve as a further reduction to what the City pays for outside services. 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 were hired and are replacing certain sidewalks storm sewers and curbs and are repaving City streets. However, the City also needs to plan for vehicle and equipment needs. 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 \$50,000 annual increases. All amounts are at estimated costs for vehicles and equipment. Frequently, with the 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.



**CITY OF FLORENCE  
GENERAL FUND PROJECTIONS  
FISCAL YEARS 2016-2019**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>REVENUES:</b>	<b>REV. &amp; EXPEND</b>	<b>PROJECTED</b>	<b>PROJECTED</b>	<b>PROJECTED</b>	<b>PROJECTED</b>
Taxes	7,356,483	7,250,000	74,000	7,250,000	7,300,000
Franchise Taxes	526,387	530,000	530,000	510,000	510,000
Bank Deposit Taxes	206,365	200,000	200,000	175,000	175,000
Payroll Taxes	13,924,508	13,500,000	14,000,000	13,703,259	13,806,034
Insurance Premium Taxes	4,265,760	4,300,000	4,250,000	4,364,742	4,397,477
Business Occupational Licenses	2,380,422	2,300,000	2,300,000	2,334,629	2,352,139
Other Licenses and Permits	124,339	116,000	115,000	95,000	95,000
Fines and forfeits	227,192	195,000	150,000	150,000	150,000
Intergovernmental-Operating	1,162,304	739,000	635,000	485,000	485,000
Intergovernmental-Capital	-	-	-	-	-
Charges for services	436,910	425,000	415,000	415,000	415,000
Rental Income Stadium	94,359	110,000	110,000	110,000	110,000
Fire Protection District	2,036,691	1,550,000	1,900,000	1,612,620	1,644,872
Emergency Medical Services	1,130,343	1,225,000	1,225,000	1,250,000	1,250,000
Storm Water Charges	237,545	210,000	210,000	700,000	700,000
Contractual Charges	90,000	90,000	90,000	90,000	90,000
Interest	726,253	475,000	500,000	100,000	90,000
Miscellaneous	108,496	91,000	81,000	70,000	70,000
<b>Total Revenues</b>	<b>35,034,357</b>	<b>33,306,000</b>	<b>34,190,000</b>	<b>33,415,251</b>	<b>33,640,523</b>
Fund Balance, Beginning of Year	56,612,694	51,645,677	54,311,099	51,179,509	55,623,714
<b>Total General Fund</b>	<b>91,647,051</b>	<b>84,951,677</b>	<b>88,501,099</b>	<b>84,594,760</b>	<b>89,264,237</b>
<b>EXPENDITURES:</b>					
Administrative Department	2,093,273	2,422,000	2,487,600	2,594,135	2,680,837
Public Services Department	4,222,681	4,713,700	4,834,500	4,991,818	5,154,042
Police Department	6,973,423	7,859,600	8,294,600	8,395,761	8,644,190
Fire / E.M.S. Department	6,805,500	7,276,000	7,807,500	7,688,399	7,896,935
Planning Commission	312,000	320,000	322,000	332,928	339,587
Senior Center	91,344	100,000	100,000	105,000	105,000
Tree Commission	99,656	70,000	94,000	70,000	70,000
<b>CAP Administrative Department</b>	<b>171,034</b>	<b>330,328</b>	<b>421,290</b>	<b>416,000</b>	<b>376,000</b>
<b>CAP Public Services Department</b>	<b>1,340,512</b>	<b>1,476,000</b>	<b>1,109,500</b>	<b>763,000</b>	<b>895,000</b>
<b>CAP Police Department</b>	<b>302,775</b>	<b>311,500</b>	<b>343,000</b>	<b>363,500</b>	<b>655,000</b>
<b>CAP Fire / E.M.S. Department</b>	<b>186,059</b>	<b>250,000</b>	<b>390,000</b>	<b>459,000</b>	<b>700,000</b>
<b>CAP City Projects</b>	<b>230,594</b>	<b>2,041,000</b>	<b>7,660,000</b>	<b>825,000</b>	<b>340,000</b>
<b>CAP Debt Service</b>	<b>1,547,525</b>	<b>1,545,450</b>	<b>1,532,600</b>	<b>1,541,505</b>	<b>1,543,699</b>
<b>Total Expenditures</b>	<b>24,376,376</b>	<b>28,715,578</b>	<b>35,396,590</b>	<b>28,546,046</b>	<b>29,400,289</b>
Transfers to Other Funds	3,925,000	1,925,000	1,925,000	425,000	425,000
<b>Total Expenditures &amp; Transfers</b>	<b>28,301,376</b>	<b>30,640,578</b>	<b>37,321,590</b>	<b>28,971,046</b>	<b>29,825,289</b>
<b>Total General Fund</b>	<b>91,647,051</b>	<b>84,951,677</b>	<b>88,501,099</b>	<b>84,594,760</b>	<b>89,264,237</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>63,345,677</b>	<b>54,311,099</b>	<b>51,179,509</b>	<b>55,623,714</b>	<b>59,438,948</b>
<b>RESTRICTED-EQUIP REPLACEMENT</b>	<b>(2,000,000)</b>				
<b>RESTRICTED-RAINY DAY</b>	<b>(5,000,000)</b>				
<b>MINIMUM FUND BALANCE</b>	<b>(4,700,000)</b>				
<b>FUND BALANCE, YEAR-END</b>	<b>51,645,677</b>	<b>54,311,099</b>	<b>58,611,759</b>	<b>65,990,371</b>	<b>69,805,605</b>



# Schedule of Sources and Uses by Fund

## General Fund

Description	2014 Actual	2015 Actual	2016 Actual	2016 Budget	Amended 2017 Budget	2018 Budget
Budgetary Fund Balance, July 1	\$ 46,009,442	\$ 49,834,282	\$ 56,612,694	\$ 56,612,694	\$ 63,345,677	\$ 66,011,099
<b>Revenues</b>						
Taxes	7,884,360	7,958,304	8,089,235	7,630,000	7,780,000	7,930,000
Licenses and Permits	19,292,358	20,267,029	20,695,029	19,696,000	20,416,000	20,841,000
Intergovernmental	1,030,027	1,101,016	1,162,304	993,350	751,000	672,000
Fines and Forfeitures	197,803	252,909	227,192	196,000	195,000	256,000
Charges for Services	3,452,188	3,742,741	4,025,848	3,476,000	3,610,000	3,911,000
Interest	492,161	380,528	726,253	400,000	475,000	500,000
Miscellaneous	120,386	110,915	108,496	66,000	79,000	80,000
Refunding Bonds Issued	-	6,249,494	-	-	-	-
<b>Total Sources Available</b>	<b>78,478,725</b>	<b>89,897,218</b>	<b>91,647,051</b>	<b>89,070,044</b>	<b>96,651,677</b>	<b>100,201,099</b>
<b>Expenditures</b>						
Administration	2,402,107	2,501,686	2,355,651	2,623,630	2,852,328	3,008,890
Police	7,437,084	7,470,284	7,276,198	7,406,904	8,171,100	8,637,600
Fire	6,188,391	7,327,239	6,991,557	7,064,800	7,526,000	8,197,500
Public Services	8,981,787	6,203,009	6,205,443	7,057,962	8,620,700	14,020,000
Debt Service	1,710,074	1,612,712	1,547,525	1,548,600	1,545,450	1,532,600
Payment to refunded bond escrow agent	-	6,170,894	-	-	-	-
Costs of Issuance	-	73,700	-	-	-	-
Transfers Out	1,925,000	1,925,000	3,925,000	425,000	1,925,000	1,925,000
<b>Total Uses</b>	<b>28,644,443</b>	<b>33,284,524</b>	<b>28,301,374</b>	<b>26,126,896</b>	<b>30,640,578</b>	<b>37,321,590</b>
Budgetary Fund Balance, June 30	\$ 49,834,282	\$ 56,612,694	\$ 63,345,677	\$ 62,943,148	\$ 66,011,099	\$ 62,879,509



## Municipal Aid/LGEA Fund

Description	2014 Actual	2015 Actual	2016 Actual	2016 Budget	Amended 2017 Budget	2018 Budget
Budgetary Fund Balance, July 1	\$ 670,556	\$ 967,268	\$ 1,222,806	\$ 1,222,806	\$ 1,103,972	\$ 1,226,272
<b>Revenues</b>						
Intergovernmental	718,726	713,755	599,400	740,000	602,500	605,000
Interest	2,414	3,398	5,119	2,200	5,000	5,000
Transfers In	125,000	125,000	125,000	125,000	125,000	125,000
Total Sources Available	1,516,696	1,809,421	1,952,325	2,090,006	1,836,472	1,961,272
<b>Expenditures</b>						
Public Services	549,428	586,615	848,353	995,200	610,200	615,200
Total Uses	549,428	586,615	848,353	995,200	610,200	615,200
Budgetary Fund Balance, June 30	\$ 967,268	\$ 1,222,806	\$ 1,103,972	\$ 1,094,806	\$ 1,226,272	\$ 1,346,072

## Asset Forfeiture Fund

Description	2014 Actual	2015 Actual	2016 Actual	2016 Budget	Amended 2017 Budget	2018 Budget
Budgetary Fund Balance, July 1	\$ 342,870	\$ 410,230	\$ 341,323	\$ 341,323	\$ 379,783	\$ 315,483
<b>Revenues</b>						
Uses of Property	98,394	95,545	100,879	25,000	25,000	50,000
Interest	1,132	1,198	1,446	900	900	2,500
Total Sources Available	442,396	506,973	443,648	367,223	405,683	367,983
<b>Expenditures</b>						
Police	32,166	165,650	63,865	126,100	90,200	243,200
Total Uses	32,166	165,650	63,865	126,100	90,200	243,200
Budgetary Fund Balance, June 30	\$ 410,230	\$ 341,323	\$ 379,783	\$ 241,123	\$ 315,483	\$ 124,783

## Aquatic Center Fund

Description	2014 Actual	2015 Actual	2016 Actual Budget	2016 Budget	Amended 2017 Budget	2018 Budget
Budgetary Fund Balance, July 1	\$ 1,623,633	\$ 1,444,521	\$ 1,369,642	\$ 1,369,642	\$ 1,452,149	\$ 1,394,799
<b>Revenues</b>						
Charges for Services	303,940	262,706	335,857	300,800	296,800	296,800
Interest	4,748	3,937	6,009	4,700	6,000	6,000
Miscellaneous	295	253	1,383	500	250	250
Transfers In	200,000	200,000	200,000	200,000	200,000	200,000
Total Sources Available	2,132,616	1,911,417	1,912,891	1,875,642	1,955,199	1,897,849
<b>Expenditures</b>						
Public Services	688,095	541,775	460,742	533,450	560,400	729,900
Total Uses	688,095	541,775	460,742	533,450	560,400	729,900
Budgetary Fund Balance, June 30	\$ 1,444,521	\$ 1,369,642	\$ 1,452,149	\$ 1,342,192	\$ 1,394,799	\$ 1,167,949

## Infrastructure Fund

Description	2014 Actual	2015 Actual	2016 Actual	2016 Budget	Amended 2017 Budget	2018 Budget
Budgetary Fund Balance, July 1	\$ 2,006,396	\$ 4,756,831	\$ 7,151,905	\$ 7,151,905	\$ 9,138,011	\$ 12,121,672
<b>Revenues</b>						
Licenses and Permits	2,289,901	2,394,698	2,487,932	2,300,000	2,300,000	2,350,000
Intergovernmental	53,075	1,780,130	1,508,167	3,456,137	2,098,661	-
Charges for Services	450,000	475,000	475,000	475,000	475,000	475,000
Interest	9,080	17,373	30,866	15,000	20,000	60,000
Miscellaneous	-	-	-	-	640,000	-
Transfers In	1,500,000	1,500,000	3,500,000	-	1,500,000	1,500,000
Total Sources Available	6,308,452	10,924,032	15,153,870	13,398,042	16,171,672	16,506,672
<b>Expenditures</b>						
Public Services	1,551,621	3,772,127	6,015,859	8,090,137	4,050,000	1,795,000
Total Uses	1,551,621	3,772,127	6,015,859	8,090,137	4,050,000	1,795,000
Budgetary Fund Balance, June 30	\$ 4,756,831	\$ 7,151,905	\$ 9,138,011	\$ 5,307,905	\$ 12,121,672	\$ 14,711,672



## Health and Dental Fund

	2014	2015	2016	2016	Amended	2017
Description	Actual	Actual	Actual	Budget	2017	2017
					Budget	Budget
Budgetary Fund Balance, July 1	\$ 13,326,093	\$ 14,223,927	\$ 14,840,503	\$ 14,840,503	\$ 14,988,595	\$ 15,272,695
<b>Revenues</b>						
Interest	30,632	50,711	60,145	36,000	45,000	90,000
Employee Contributions	2,527,908	2,614,376	2,588,250	2,608,500	2,598,000	2,610,500
Reinsurance Reimbursement	60,292	12,849	11,438	25,000	25,000	25,000
FSA Contributions	96,648	90,866	95,088	100,000	90,000	90,000
Transfer In	-	-	-	-	-	-
Total Sources Available	16,041,573	16,992,729	17,595,424	17,610,003	17,746,595	18,088,195
<b>Expenditures</b>						
Administrative Fees	482,670	456,094	444,100	471,900	471,900	501,900
Wellness Program	1,606	1,190	1,208	15,000	15,000	25,000
Clinic	94,723	141,244	240,215	100,000	215,000	260,000
HRA Claims	64,887	78,430	87,454	65,000	65,000	90,000
Health and Dental Claims	1,085,199	1,364,664	1,729,988	1,800,000	1,600,000	1,600,000
Workers Compensation	-	-	-	-	-	-
ACA Taxes/Fees	-	21,995	15,994	20,000	17,000	10,000
FSA Claims	88,561	88,609	87,870	100,000	90,000	90,000
Total Uses	1,817,646	2,152,226	2,606,829	2,571,900	2,473,900	2,576,900
Budgetary Fund Balance, June 30	\$ 14,223,927	\$ 14,840,503	\$ 14,988,595	\$ 15,038,103	\$ 15,272,695	\$ 15,511,295

## Golf Course Fund

	2014	2015	2016	2016	Amended	2018
Description	Actual	Actual	Actual	Budget	2017	2018
					Budget	Budget
Budgetary Fund Balance, July 1	\$ 8,813,287	\$ 8,787,233	\$ 8,709,998	\$ 8,709,998	\$ 8,650,661	\$ 8,502,737
<b>Revenues</b>						
Interest	2,996	2,840	3,062	3,000	3,000	3,500
Charges for Services	1,226,209	1,155,379	1,112,149	1,170,250	1,117,700	1,097,400
Transfer In	100,000	100,000	100,000	100,000	100,000	100,000
Total Sources Available	10,142,492	10,045,452	9,925,209	9,983,248	9,871,361	9,703,637
<b>Expenditures</b>						
Cost of Sales and Services	924,525	911,077	900,968	925,900	989,300	1,009,200
Depreciation	324,215	329,515	296,428	325,000	330,000	310,000
Loss on Disposal of Assets	-	2,725	-	-	-	-
Interest Expense	106,519	92,137	77,152	92,043	49,324	-
Total Uses	1,355,259	1,335,454	1,274,548	1,342,943	1,368,624	1,319,200
Budgetary Fund Balance, June 30	\$ 8,787,233	\$ 8,709,998	\$ 8,650,661	\$ 8,640,305	\$ 8,502,737	\$ 8,384,437

## Water and Sewer Fund

Description	2014 Actual	2015 Actual	2016 Actual	2016 Budget	Amended 2017 Budget	2018 Budget
Budgetary Fund Balance, July 1	\$ 26,179,320	\$ 26,971,683	\$ 25,735,761	\$ 25,735,761	\$ 25,887,344	\$ 26,279,919
Prior Period Adjustment- GASB 68	-	(1,958,635)	-	-	-	-
<b>Revenues</b>						
Water Charges	5,980,608	5,990,642	5,824,078	5,800,000	5,800,000	5,850,000
Sewer Charges	2,223,999	2,225,265	2,260,943	2,200,000	2,200,000	2,200,000
Penalties	118,989	117,610	100,923	95,000	95,000	95,000
Tap in Fees	41,517	64,769	107,370	45,000	50,000	70,000
Meter Installations	24,982	44,825	70,798	25,000	25,000	28,000
Other Service Charges	51,620	37,199	61,140	52,500	52,500	44,500
Miscellaneous	24,550	67,851	30,351	10,000	10,000	10,000
Interest	20,115	21,424	32,276	18,000	36,000	55,000
Capital Contributions	-	-	-	-	350,000	-
<b>Total Sources Available</b>	<u>34,665,700</u>	<u>33,582,633</u>	<u>34,223,640</u>	<u>33,981,261</u>	<u>34,505,844</u>	<u>34,632,419</u>
<b>Expenditures</b>						
Cost of Sales and Services	6,238,999	6,304,866	6,793,235	6,486,800	6,785,925	6,941,275
Depreciation	1,350,147	1,424,704	1,485,189	1,345,000	1,440,000	1,500,000
Loss on Disposal	12,241	3,988	-	-	-	-
Interest Expense	92,630	113,314	57,872	85,899	75,899	57,899
<b>Total Uses</b>	<u>7,694,017</u>	<u>7,846,872</u>	<u>8,336,296</u>	<u>7,917,699</u>	<u>8,301,824</u>	<u>8,499,174</u>
Budgetary Fund Balance, June 30	\$ <u>26,971,683</u>	\$ <u>25,735,761</u>	\$ <u>25,887,344</u>	\$ <u>26,063,562</u>	\$ <u>26,279,919</u>	\$ <u>26,133,245</u>



# Approved Budget and Estimated Fund Balances GOVERNMENTAL FUNDS

	General Fund		Non-Major Governmental Funds		Total Governmental Funds	
	FY 2017 Amended	FY 2018 Approved	FY 2017 Amended	FY 2018 Approved	FY 2017 Amended	FY 2018 Approved
REVENUES						
Taxes	\$ 7,780,000	\$ 7,930,000	\$ -	\$ -	\$ 7,780,000	\$ 7,930,000
Licenses and permits	20,416,000	20,841,000	2,300,000	2,350,000	22,716,000	23,191,000
Intergovernmental	751,000	672,000	2,703,661	605,000	3,454,661	1,277,000
Fines and forfeitures	195,000	256,000	-	-	195,000	256,000
Charges for services	3,610,000	3,911,000	772,050	778,050	4,382,050	4,689,050
Uses of property	-	-	25,000	50,000	25,000	50,000
Interest	475,000	500,000	29,400	67,500	504,400	567,500
Miscellaneous	79,000	80,000	640,000	-	719,000	80,000
Total revenues	33,306,000	34,190,000	6,470,111	3,850,550	39,776,111	38,040,550
EXPENDITURES						
Current:						
Administration	2,422,000	2,487,600	-	-	2,422,000	2,487,600
Police	7,859,600	8,294,600	90,200	243,200	7,949,800	8,537,800
Fire	7,276,000	7,807,500	-	-	7,276,000	7,807,500
Public services	4,783,700	4,834,500	1,270,600	1,145,100	6,054,300	5,979,600
Other Agencies	420,000	422,000	-	-	420,000	422,000
Capital Outlay	4,408,828	10,017,790	3,950,000	1,995,000	8,358,828	12,012,790
Debt service:						
Principal	945,000	950,000	-	-	945,000	950,000
Interest	600,450	582,600	-	-	-	582,600
Total expenditures	28,715,578	35,396,590	5,310,800	3,383,300	33,425,928	38,779,890
Excess(deficiency) of revenues over(under) expenditures	4,590,422	(1,206,590)	1,159,311	467,250	6,350,183	(739,340)
OTHER FINANCING SOURCES(USES)						
Transfers in	-	-	1,825,000	1,825,000	1,825,000	1,825,000
Transfers out	(1,925,000)	(1,925,000)	-	-	(1,925,000)	(1,925,000)
Total other financing sources and uses	(1,925,000)	(1,925,000)	1,825,000	1,825,000	(100,000)	(100,000)
Net change in fund balances	2,665,422	(3,131,590)	2,984,311	2,292,250	5,649,733	(839,340)
Fund balances - beginning	63,345,677	66,011,099	12,073,915	15,058,226	75,419,592	81,069,325
Fund balances - ending	\$ 66,011,099	\$ 62,879,509	\$ 15,058,226	\$ 17,350,476	\$ 81,069,325	\$ 80,229,985

# Approved Budget and Estimated Fund Balances PROPRIETARY FUNDS

	Water and Sewer		Golf Course		Totals	
	FY 2017 Amended	FY 2018 Approved	FY 2017 Amended	FY 2018 Approved	FY 2017 Amended	FY 2018 Approved
<b>OPERATING REVENUES</b>						
Charges for sales and services:						
Water fees	\$ 5,800,000	\$ 5,850,000	\$ -	\$ -	\$ 5,800,000	\$ 5,850,000
Sewer charges	2,200,000	2,200,000	-	-	2,200,000	2,200,000
Penalties	95,000	95,000	-	-	95,000	95,000
Tap in fees	50,000	60,000	-	-	50,000	60,000
Meter installations	25,000	30,000	-	-	25,000	30,000
Other service charges	52,500	52,500	-	-	52,500	52,500
Golf course revenues	-	-	1,117,700	1,097,400	1,117,700	1,097,400
Other services	-	-	-	-	-	-
Miscellaneous	10,000	10,000	-	-	10,000	10,000
Total operating revenues	8,232,500	8,297,500	1,117,700	1,097,400	9,350,200	9,394,900
<b>OPERATING EXPENSES</b>						
Cost of sales and services	6,785,925	6,941,275	989,300	1,009,200	7,775,225	7,950,475
Depreciation	1,440,000	1,500,000	330,000	310,000	1,770,000	1,810,000
Total operating expenses	8,225,925	8,441,275	1,319,300	1,319,200	9,545,225	9,760,475
<b>NET OPERATING INCOME(LOSS)</b>	6,575	(143,775)	(201,600)	(221,800)	(195,025)	(365,575)
<b>NON-OPERATING REVENUES</b>						
Interest income	36,000	55,000	3,000	3,500	39,000	58,500
Interest expense	(75,899)	(57,899)	(49,324)	-	(125,223)	(57,899)
Total non-operating income	(39,899)	(2,899)	(46,324)	3,500	(86,223)	601
Capital contributions	350,000	-	-	-	350,000	-
Transfers	-	-	100,000	100,000	100,000	100,000
<b>NET INCOME</b>	316,676	(146,674)	(147,924)	(118,300)	(181,248)	(264,974)
<b>NET POSITION-BEGINNING OF YEAR</b>	25,887,344	26,204,020	8,650,661	8,502,737	34,538,005	34,356,757
<b>NET POSITION-END OF YEAR</b>	\$ 26,204,020	\$ 26,057,346	\$ 8,502,737	\$ 8,384,437	\$ 34,356,757	\$ 34,091,783



## **Departmental Structure**

### **Administration**

The Administration department has a staff of 10 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 \$2,487,600. 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 \$8,294,600.

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 team receives 130 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, officers arrested 47 drivers, cited 431 drivers for no seat belt, cited 201 drivers for speeding and cited 768 drivers for non-hazardous violations. The Honor Guard is composed of 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 four fatal incidents this year with a total of six fatalities. The canine unit performs searches of buildings, areas, articles and narcotic searches of both vehicles and buildings. The unit consists of two handlers and performed 169 searches during last year resulting in 30 finds and 22 arrests.

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 community resource unit partners with the community to reduce crime in the City. There are two Community Resource Officers supervised by a Sergeant. In the past year there were 30 fifth grade classrooms with over 800 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 20 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 four administrative professionals that handles 3,970 walk-up requests and answered over 26,000 phone calls. The crime scene investigation unit is responsible for evidence collection, preservation and processing crime scenes. The criminal investigation unit consists of three detectives that are assigned to personal and property crimes. They were called out 15 times during the past year.

## **Fire**

The Fire and EMS department provides fire and rescue services, emergency medical services, code compliance and public fire education. The total department budget is \$7,807,500.

The fire and rescue services are provided for EMS assists, structure fires, vehicles fires as well as vegetation fires. A total of 2,692 responses occurred during calendar 2016. Of those responses there were no fire casualties and one fire injury. There were 175 structure fires, 7 overpressure, explosions, 1,134 rescue and emergency medical incidents, 199 hazardous condition responses, 146 service calls, 526 good intent call, 494 false alarms, 6 severe weather responses and 5 special type incidents.

The emergency medical services utilizes Advanced Life Support training and equipment for all incidents. A total of 7,310 responses occurred during calendar 2016. The most common response were: Subject ill 1,209, person falling 895, injury accident 613, unconscious/fainting 540, emotional crisis 516 and chest pain/heart attack 482.

The code compliance staff performs fire prevention inspections and enforces portions of the City Property Maintenance Code. The staff performed 2,611 business inspections during calendar 2016. In addition to inspections, 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 public fire education staff provides fire prevention and citizen CPR/first-aid training, safety fairs, city nights out, the annual smoke detector blitz and safe car seat installation.

## **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 \$4,834,500.

The facilities division maintains and manages the 26 City owned building structures at 240,703 square feet and 561 pieces of equipment. The fleet division consists of employees whom 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 168 lane miles on more than 372 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 whom are



responsible for grounds maintenance of nearly 175.7 acres. 172,548 square feet of landscape beds, 7,810 trees and 20 city owned detention basins. 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 water lines, 2,897 curb inlets and 604 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 \$767,775.

### **Sanitary Sewer**

This department is responsible for the maintenance and management of 132 miles of sanitary sewer lines, 3,429 sewer manholes and 6 pump stations. The total department budget is \$1,414,800.

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.

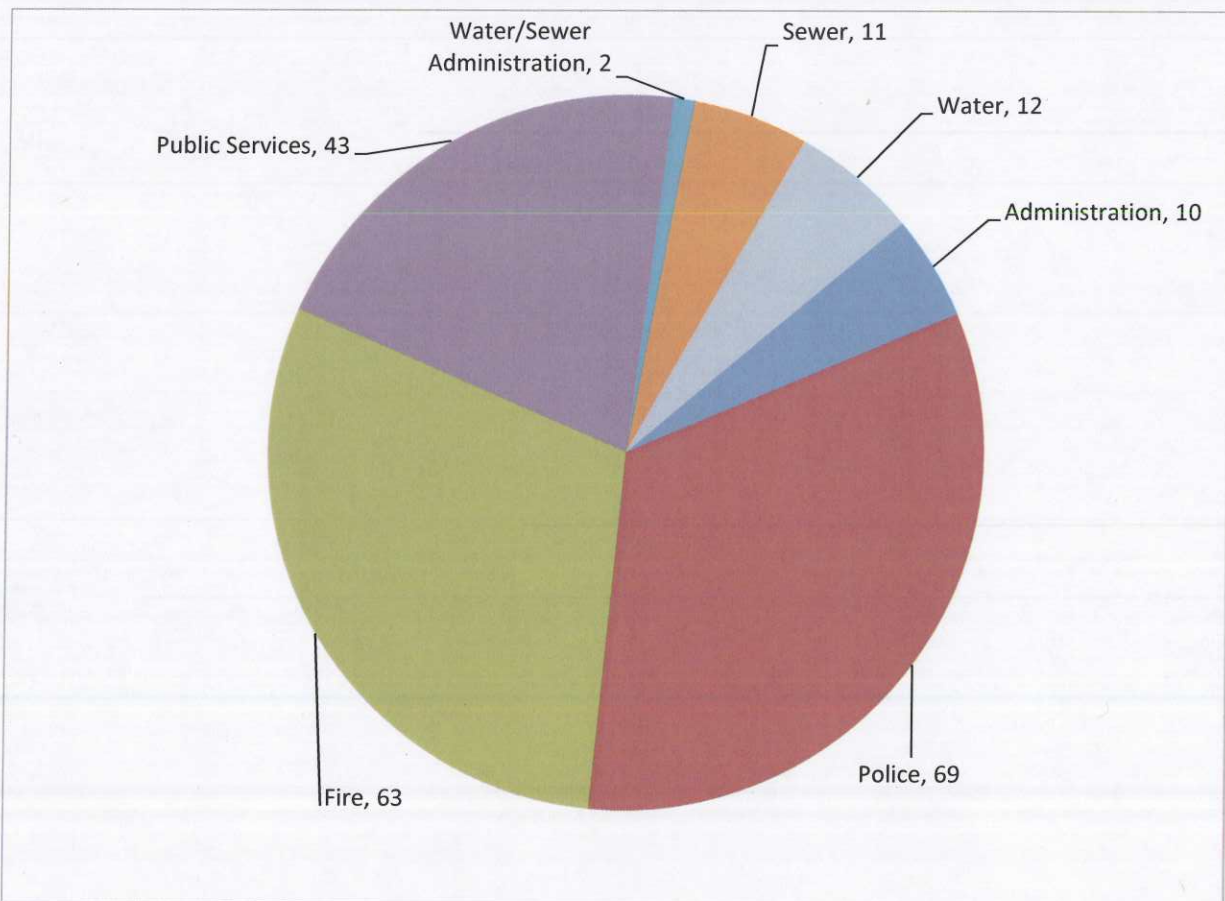
### **Water**

The department maintains 150 miles of water lines and takes a very proactive role in providing potable water of the highest quality. The total department budget is \$4,758,700.

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.

## Personnel Summary Full-Time Employees

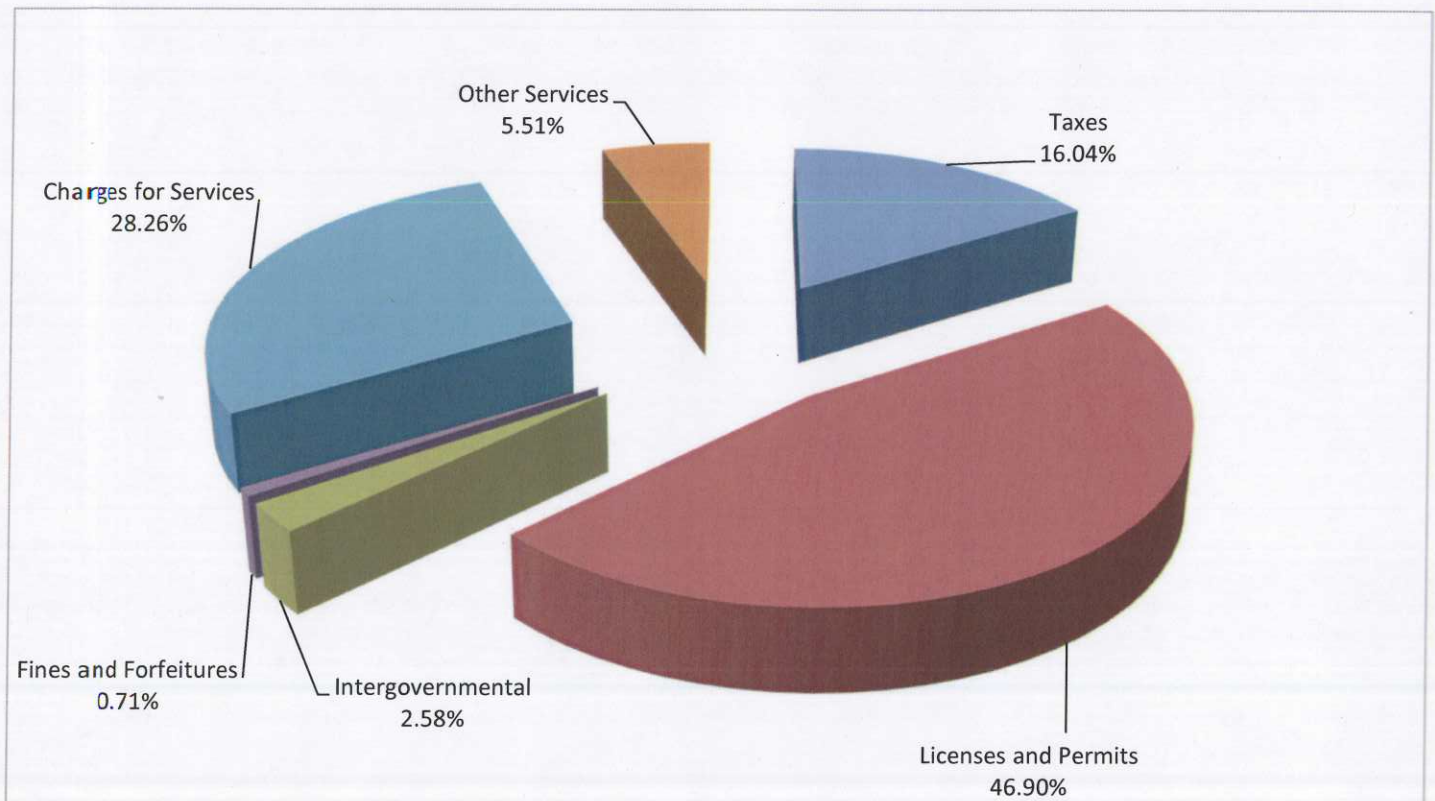
Personnel	2013	2014	2015	2016	2017	Budgeted 2018
Administration	10	10	10	10	10	10
Police	66	65	68	68	68	69
Fire	51	51	57	60	63	63
Public Services	42	42	42	42	42	43
Water/Sewer Administration	2	2	2	2	2	2
Sewer	11	11	11	11	11	11
Water	12	12	12	12	12	12
<b>Total Full-Time</b>	<b>194</b>	<b>193</b>	<b>202</b>	<b>205</b>	<b>208</b>	<b>210</b>





## Where the Money Comes From All Funds

	2013	2014	2016	2016	Amended	2018
Revenues	Actual	Actual	Actual	Budget	2017 Budget	Budget
Taxes	\$ 7,884,360	\$ 7,958,304	\$ 8,089,235	\$ 7,630,000	\$ 7,780,000	\$ 7,930,000
Licenses and Permits	21,582,259	22,661,727	23,182,961	21,996,000	22,716,000	23,191,000
Intergovernmental	1,801,828	3,594,901	3,269,871	5,189,487	3,452,161	1,277,000
Fines and Forfeitures	316,792	370,519	328,115	291,000	290,000	351,000
Charges for Services	13,305,063	13,523,526	14,273,183	13,544,550	13,152,000	13,972,700
Other Services	2,684,848	2,718,091	2,694,776	2,733,500	2,713,000	2,725,500
Uses of Property	98,394	95,545	100,879	25,000	25,000	50,000
Interest	1,004,198	939,036	865,176	479,800	1,045,900	722,000
Miscellaneous	154,311	196,392	140,230	76,500	109,250	90,250
Refunding Bonds Issued	-	6,249,494	-	-	-	-
<b>Total Sources Available</b>	<b>\$ 48,832,053</b>	<b>\$ 58,307,535</b>	<b>\$ 52,944,426</b>	<b>\$ 51,965,837</b>	<b>\$ 51,283,311</b>	<b>\$ 50,309,450</b>



## REVENUE DISCUSSIONS

### General Fund

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.

**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.

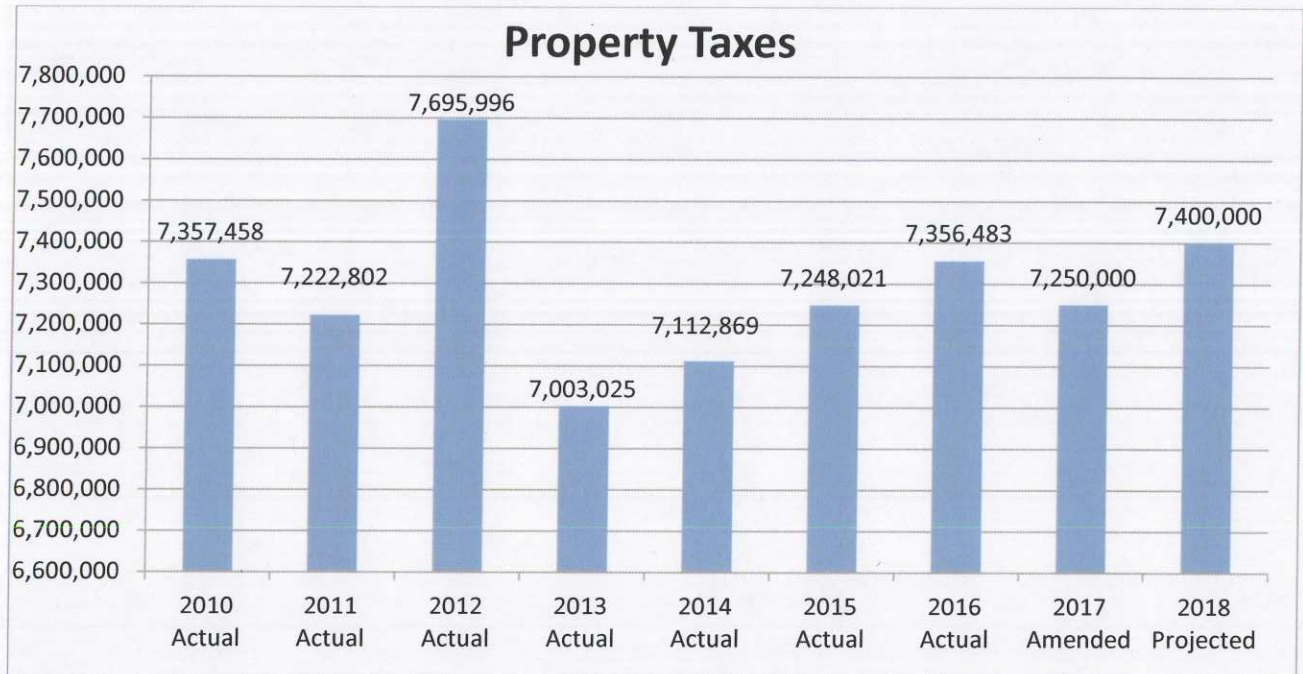
**Current Data** – This method predicts future revenue based on actual or annualized current year revenues and is often used when historical data and trends are not available or, if used, would result in an inaccurate revenue projection.

#### 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



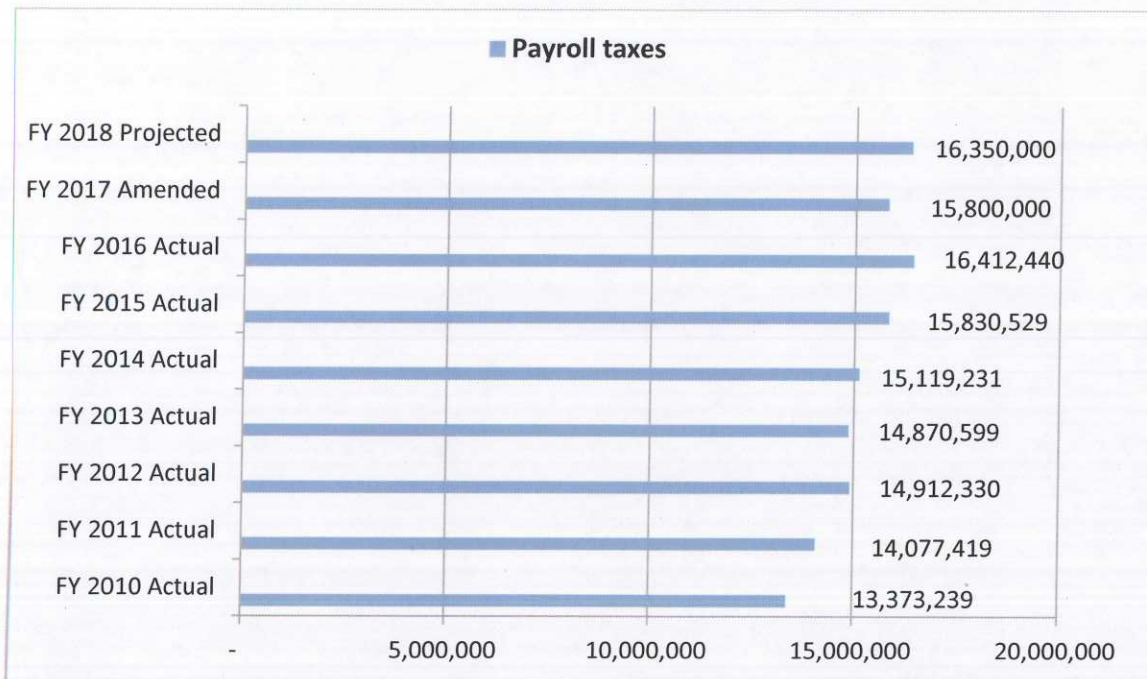
Property Valuation Administration (PVA) these taxes are levied annually by ordinance in September. The taxes are billed on approximately October 1 and are due and payable on December 31. On January 1, the bill becomes delinquent and penalties and interest may be assessed by the City. A lien may be placed on the property on January 1. Total real property tax assessments were \$2,512,069,089 and tangible tax assessments were \$413,566,187. The real tax rate was \$.246 per \$100 assesses and the personal property tax rate was \$ .348 per \$100 assessed.



### Occupational License Fees

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.

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.



### 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.





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

### **Interest**

Interest income has been dropping due to cuts made by the financial institutions during the past couple of fiscal years. Cash flow has continued to improve.

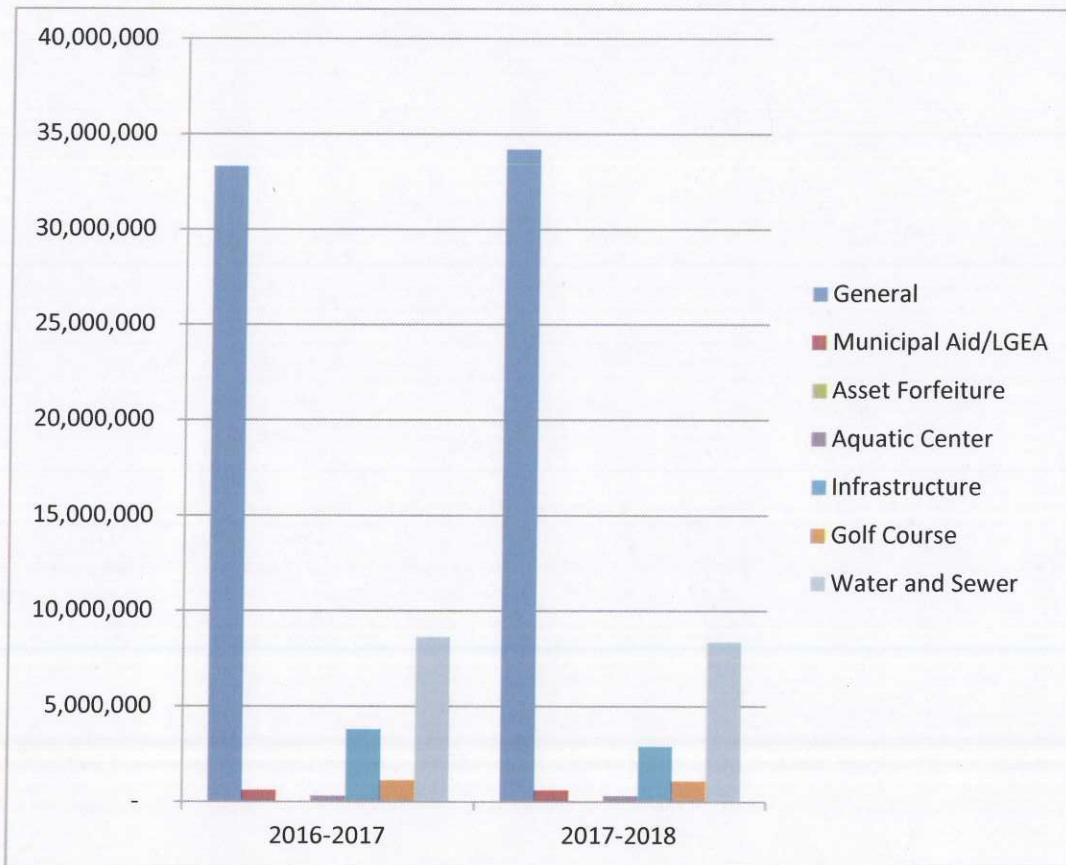
### **Miscellaneous Revenue**

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.

## Budget Revenue Comparisons By Fund Fiscal 2016-2017 to Fiscal 2017-2018

Fund	Amended Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
General	\$ 33,306,000	\$ 34,190,000	\$ 884,000	2.65%
Municipal Aid/LGEA	607,500	610,000	2,500	0.41%
Asset Forfeiture	25,900	52,500	26,600	102.70%
Aquatic Center	303,050	303,050	-	0.00%
Infrastructure	3,795,000	2,885,000	(910,000)	-23.98%
Golf Course	1,120,700	1,100,900	(19,800)	-1.77%
Water and Sewer	8,618,500	8,352,500	(266,000)	-3.09%
<b>Total</b>	<b>\$ 47,776,650</b>	<b>\$ 47,493,950</b>	<b>\$ (282,700)</b>	<b>-0.59%</b>

Total does not include transfers or internal service fund.





## All Funds - Revenue Summary

001 General

ACCOUNT TITLE	Audit		Amended		Change	
	2015-2016	Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	From Prior Year	Percent Change
Property Taxes (Less Disc.)	\$ 7,356,484	\$ 7,100,000	\$ 7,250,000	\$ 7,400,000	\$ 150,000	2.07%
Franchise Taxes	278,381	280,000	280,000	280,000	-	0.00%
Cable Franchise Taxes	248,006	250,000	250,000	250,000	-	0.00%
Insurance Premium Taxes	4,265,760	4,200,000	4,300,000	4,250,000	(50,000)	-1.16%
Bank Deposits Taxes	206,365	185,000	200,000	200,000	-	0.00%
Occupational Licenses	2,380,421	2,200,000	2,300,000	2,300,000	-	0.00%
Alcoholic Beverage Licenses	123,450	110,000	115,000	115,000	-	0.00%
Payroll Taxes	13,924,508	13,000,000	13,500,000	14,000,000	500,000	3.70%
Inspection Fees	889	1,000	1,000	1,000	-	0.00%
HB 413 Revenue	36,416	38,000	34,000	35,000	1,000	2.94%
Grant Receipts	145,659	125,350	25,000	25,000	-	0.00%
Police Incentive	245,898	250,000	260,000	300,000	40,000	15.38%
Fire Incentive	227,257	223,000	245,000	280,000	35,000	14.29%
SAFER grant	494,345	342,000	175,000	-	(175,000)	0.00%
Rent - Nature Park Building	29,015	20,000	25,000	30,000	5,000	20.00%
Gov't Center-O/S Maint	10,639	10,000	10,000	10,000	-	0.00%
Gov't Center-Utilities	25,057	25,000	25,000	25,000	-	0.00%
Rent - Government Center	142,067	137,000	137,000	143,000	6,000	4.38%
Rent - Telecommunications	33,088	29,000	32,000	35,000	3,000	9.38%
Rent - State Office Building	173,204	173,000	173,000	173,000	-	0.00%
Rent - Land	22,740	23,000	23,000	23,000	-	0.00%
Storm Water Charges	237,545	210,000	210,000	210,000	-	0.00%
Contractual Charges	90,000	90,000	90,000	90,000	-	0.00%
Rental - Baseball Prop.	94,359	110,000	110,000	110,000	-	0.00%
Service to Fire District	2,036,691	1,449,000	1,550,000	1,900,000	350,000	22.58%
Ambulance Svc revenues	1,130,343	1,200,000	1,225,000	1,225,000	-	0.00%
Interest on Investments	474,757	400,000	475,000	500,000	25,000	5.26%
False alarm Fees	6,500	9,000	9,000	7,000	(2,000)	-22.22%
Penalty / Interest	117,875	150,000	150,000	150,000	-	0.00%
Code Enforcement	101,827	35,000	35,000	35,000	-	0.00%
Parking Tickets	990	2,000	1,000	1,000	-	0.00%
Drug Enforcement Agency	12,729	15,000	12,000	12,000	-	0.00%
Miscellaneous Revenue	52,013	25,000	25,000	20,000	(5,000)	-20.00%
Seniot Ctr Funding	8,667	-	13,000	13,000	-	0.00%
Insurance Claims	5,236	15,000	15,000	15,000	-	0.00%
Police Auction	31,037	14,000	14,000	15,000	1,000	7.14%
Parks/Recreation	12,643	12,000	12,000	12,000	-	0.00%
Gain/Loss on Investments	251,495	-	-	-	-	0.00%
<b>Total General</b>	<b>\$ 35,034,356</b>	<b>\$ 32,457,350</b>	<b>\$ 33,306,000</b>	<b>\$ 34,190,000</b>	<b>\$ 884,000</b>	<b>2.65%</b>

ACCOUNT TITLE	Audit 2015-2016	Budget 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>201 Municipal Aid/LGEA</b>						
Municipal Aid	\$ 595,031	\$ 735,000	\$ 600,000	\$ 600,000	-	0.00%
LGEA Coal Severance	-	-	-	-	-	0.00%
LGEA Mineral Severance	4,369	5,000	5,000	5,000	-	0.00%
Interest	5,119	2,200	2,500	5,000	2,500	100.00%
<b>Total Municipal Aid/LGEA</b>	<b>\$ 604,519</b>	<b>\$ 742,200</b>	<b>\$ 607,500</b>	<b>\$ 610,000</b>	<b>\$ 2,500</b>	<b>0.41%</b>

#### 204 Asset Forfeiture

Asset Forfeitures	\$ 100,878	\$ 25,000	\$ 25,000	\$ 50,000	25,000	100.00%
Interest	1,446	900	900	2,500	1,600	177.78%
<b>Total Asset Forfeiture</b>	<b>\$ 102,324</b>	<b>\$ 25,900</b>	<b>\$ 25,900</b>	<b>\$ 52,500</b>	<b>\$ 26,600</b>	<b>102.70%</b>

#### 205 Aquatic Center

Daily Admission	\$ 259,620	\$ 220,000	\$ 220,000	\$ 220,000	-	0.00%
Memberships	47,483	45,000	45,000	45,000	-	0.00%
Concessions	4,383	10,000	6,000	6,000	-	0.00%
Programs	23,080	25,000	25,000	25,000	-	0.00%
Locker Rental	1,292	800	800	800	-	0.00%
Interest	6,009	4,700	6,000	6,000	-	0.00%
Miscellaneous	1,383	500	250	250	-	0.00%
<b>Total Aquatic Center</b>	<b>\$ 343,250</b>	<b>\$ 306,000</b>	<b>\$ 303,050</b>	<b>\$ 303,050</b>	<b>\$ -</b>	<b>0.00%</b>

#### 203 Infrastructure Fund

Payroll Taxes	\$ 2,487,932	\$ 2,300,000	\$ 2,300,000	\$ 2,350,000	50,000	2.17%
Grants	1,508,167	3,456,137	360,000	-	(360,000)	-100.00%
Storm Water	475,000	475,000	475,000	475,000	-	0.00%
Interest	30,866	15,000	20,000	60,000	40,000	200.00%
Sale of Land	-	-	640,000	-	(640,000)	-100.00%
<b>Total Infrastructure</b>	<b>\$ 4,501,965.00</b>	<b>\$ 6,246,137</b>	<b>\$ 3,795,000</b>	<b>\$ 2,885,000</b>	<b>\$ -910,000</b>	<b>-23.98%</b>



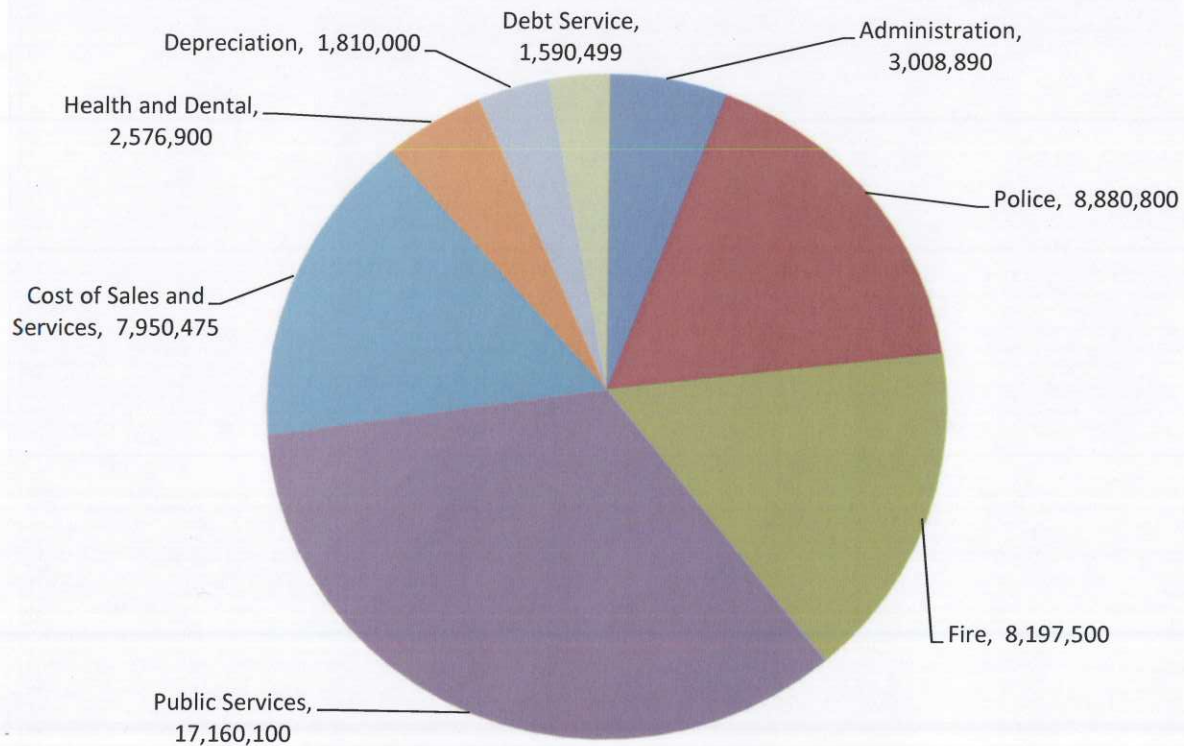
ACCOUNT TITLE	Audit 2015-2016	Budget 2016-2017	Amended Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>501 Golf Course</b>						
Greens Fees	\$ 200,605	\$ 225,000	\$ 225,000	\$ 200,000	\$ (25,000)	-11.11%
Driving Range	254,109	235,000	235,000	250,000	15,000	6.38%
Golf Carts	100,352	105,000	105,000	95,000	(10,000)	-9.52%
Indoor Range	18,676	28,000	28,000	17,000	(11,000)	-39.29%
Miniature Golf	206,988	205,000	205,000	205,000	-	0.00%
Junior Golf Revenue	39,037	30,000	30,000	35,000	5,000	16.67%
Golf Memberships	6,825	3,000	3,000	5,000	2,000	66.67%
Golf Simulator	18,571	17,000	17,000	18,000	1,000	5.88%
Club Rental	4,770	2,500	2,500	4,000	1,500	60.00%
Club Repair	2,086	2,000	2,000	400	(1,600)	-80.00%
Tournaments	1,434	1,000	1,000	6,500	5,500	550.00%
Group lessons	15,081	17,000	17,000	20,000	3,000	17.65%
Private Lessons	66,800	85,000	85,000	65,000	(20,000)	-23.53%
Coupons	(89,420)	(90,000)	(90,000)	(80,000)	10,000	-11.11%
Merchandise	114,207	95,000	95,000	115,200	20,200	21.26%
Foot Golf	18,311	22,700	22,700	16,100	(6,600)	-29.07%
Hall Rental	456	500	500	500	-	0.00%
Food and beverage	30,535	40,000	40,000	26,000	(14,000)	-35.00%
Beer	49,078	45,000	45,000	53,000	8,000	17.78%
Soft drinks	18,687	23,000	23,000	16,000	(7,000)	-30.43%
Fountain Drinks	13,928	11,000	11,000	14,000	3,000	27.27%
Liquor and wine	1,734	1,500	1,500	1,700	200	13.33%
Interest	3,062	3,000	3,000	3,500	500	16.67%
Miscellaneous	14,000	10,000	10,000	10,000	-	0.00%
Video Games	1,888	1,000	1,000	1,500	500	50.00%
Tips	3,411	2,500	2,500	2,500	-	0.00%
<b>Total Golf Course</b>	<b>\$ 1,115,211</b>	<b>\$ 1,120,700</b>	<b>\$ 1,120,700</b>	<b>\$ 1,100,900</b>	<b>\$ (19,800)</b>	<b>-1.77%</b>

ACCOUNT TITLE	Audit 2015-2016	Budget 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>503 Water and Sewer</b>						
Water Sales	\$ 5,824,078	\$ 5,800,000	\$ 5,800,000	\$ 5,850,000	\$ 50,000	0.86%
Water Taps	39,500	15,000	20,000	25,000	5,000	25.00%
Sewer Receipts	2,260,943	2,200,000	2,200,000	2,200,000	-	0.00%
Sewer Taps	67,870	30,000	30,000	35,000	5,000	16.67%
Penalties	100,923	95,000	95,000	95,000	-	0.00%
Service Charge	49,896	30,000	28,000	28,000	-	0.00%
Meter Installation	70,798	25,000	25,000	30,000	5,000	20.00%
Inspection Fees	3,450	1,000	1,000	1,000	-	0.00%
Miscellaneous	13,816	10,000	10,000	10,000	-	0.00%
Credit Card Fees	7,794	6,500	6,500	6,500	-	0.00%
Boone Florence Reimburse	16,536	15,000	17,000	17,000	-	0.00%
Dividend/Interest Income	32,276	18,000	36,000	55,000	19,000	52.78%
Greenville Pump Station	-	-	350,000	-	(350,000)	-100.00%
<b>Total Water and Sewer</b>	<b>\$ 8,487,880</b>	<b>\$ 8,245,500</b>	<b>\$ 8,618,500</b>	<b>\$ 8,352,500</b>	<b>(266,000)</b>	<b>-3.09%</b>



## Where the Money Goes All Funds

	2014	2015	2016	2016	Amended	2018
Revenues	Actual	Actual	Actual	Budget	2017	Budget
Administration	\$ 2,402,107	\$ 2,501,686	\$ 2,355,651	\$ 2,623,630	\$ 2,852,328	\$ 3,008,890
Police	7,469,250	7,635,934	7,340,063	7,533,004	8,261,300	8,880,800
Fire	6,188,391	7,327,239	6,991,557	7,064,800	7,526,000	8,197,500
Public Services	11,770,931	11,103,526	13,530,397	16,676,749	13,841,300	17,160,100
Cost of Sales and Services	7,163,524	7,215,943	7,694,203	7,412,700	7,775,225	7,950,475
Health and Dental	1,817,646	2,152,226	2,606,829	2,571,900	2,473,900	2,576,900
Depreciation	1,674,362	1,754,219	1,781,617	1,670,000	1,770,000	1,810,000
Loss on Disposal	-	2,725	-	-	-	-
Debt Service	1,909,223	1,818,163	1,682,549	1,726,542	1,670,673	1,590,499
Payment to Refunded Bond						
Escrow Agent	-	6,170,894	-	-	-	-
Cost of Issuance	-	73,700	-	-	-	-
Transfers Out	1,925,000	1,925,000	3,925,000	425,000	1,925,000	1,925,000
Total Uses	\$ 42,320,434	\$ 49,681,255	\$ 47,907,866	\$ 47,704,325	\$ 48,095,726	\$ 53,100,164



## Expenditure Discussion

General Fund – FY 2017-18 operating expenditures for the General Fund increased by \$1,084,900, or 4.77%. This increase is primarily due to:

- Personnel – The City has authorized a COLA in the amount of 2.7% and has built in step increases as well. The additional salary cost will be \$424,905.
- Pension Rates – The City's pension rate for the non-hazardous increased from 18.68% to 19.18% and the hazardous rate has increased from 31.06% to 31.55%. This will cost an estimated \$375,000.
- Liability Insurance – The City policies will require an additional \$12,000 for the upcoming year.
- Operating/Contractual – Various expenditures in each department are projected to increase for FY 2018.

General Fund – FY 2017-2018 capital expenditures decreased by \$5.6 million, or 127.73%. The increase was primarily due to:

- Administration – There are additional expenditures for audio visual equipment and software.
- Public Services/Police/Fire – There were slight decreases in each one of these capital budgets due to the nature of the capital purchases.
- City-wide Projects – The City has budgeted additional improvements for the Mall Road Public Plaza project, the Nature Park master plan, the Rosetta facility master plan, the purchase of property and new 800MHz radios.
- 

Special Revenue Expense Funds – Special Revenue Funds are made up of Municipal Aid/LGEA, Infrastructure, Asset Forfeiture and Aquatic Center Funds. FY 2017-18 expenditures for Special Revenue Expense Funds decreased \$1.93 million, or 36.30%. This decrease is the result of the following:

- Municipal Aid – Decrease of \$385,000 due to moving the annual additional street resurfacing project to the General Fund.
- Infrastructure – Decrease of \$2.1 million due to the finished development of a parcel of property on Mall Road that the City had agreed to provide infrastructure improvements for in conjunction with additional State funding.
- Asset Forfeiture – Increase of \$153,000 due to the planned purchase of additional equipment.
- Aquatic Center – Increase of \$209,000 mostly due to a capital project to reline the base of the pool at the end of the season. That cost will be \$200,000 as a result of leaks in the pool basin being repaired that will allow the decrease in the water usage line item.

Enterprise Funds – The Enterprise Funds are made up of the Golf Course Fund and the Water and Sewer Fund. The FY 2017-18 expenditures for the Enterprise Funds increased by \$215,000, or 2.2%. This increase is primarily due to:

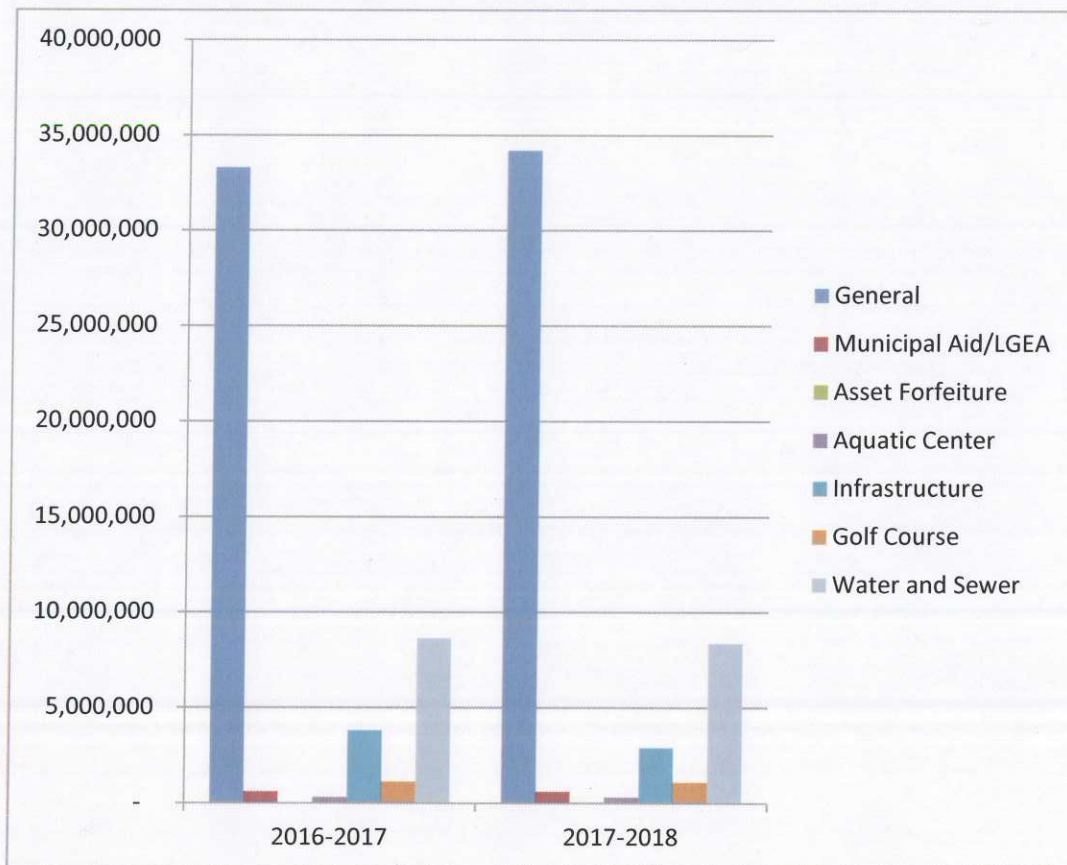
- Golf Course – Expenditures for this fund remain consistent with those of the previous year due to general operating and contractual obligations. There is a slight increase only for repair and maintenance accounts due to the aging of the facility. This is offset by the elimination of interest and amortization costs since the bonds were paid off in March 2017.
- Water and Sewer – The water and sewer fund expenses increased by \$215,000. The majority of this increase is due to the 2.7% COLA for salaries and the increase in the non-hazardous pension rate from the State. The depreciation expense has increased by \$60,000 due to infrastructure projects.



## Budget Revenue Comparisons By Fund Fiscal 2016-2017 to Fiscal 2017-2018

Fund	Amended Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
General	\$ 33,306,000	\$ 34,190,000	\$ 884,000	2.65%
Municipal Aid/LGEA	607,500	610,000	2,500	0.41%
Asset Forfeiture	25,900	52,500	26,600	102.70%
Aquatic Center	303,050	303,050	-	0.00%
Infrastructure	3,795,000	2,885,000	(910,000)	-23.98%
Golf Course	1,120,700	1,100,900	(19,800)	-1.77%
Water and Sewer	8,618,500	8,352,500	(266,000)	-3.09%
Total	\$ 47,776,650	\$ 47,493,950	\$ (282,700)	-0.59%

Total does not include transfers or internal service fund.



## All Funds - Appropriations Summary

ACCOUNT TITLE	Audit 2015-2016	Budget 2015-2016	Amended Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>001 General Fund</b>						
<b>Administration/Finance</b>						
Mayor/Council Salaries	\$ 124,318	\$ 125,000	\$ 125,200	\$ 128,700	\$ 3,500	2.80%
Salaries	564,158	545,000	628,000	665,000	37,000	5.89%
Education Incentive	1,495	1,600	1,600	1,100	(500)	-31.25%
Temporary Employees	-	10,000	10,000	10,000	-	0.00%
Unscheduled	259	5,000	5,000	5,000	-	0.00%
F.I.C.A.	49,855	53,000	56,650	63,000	6,350	11.21%
Non-Hazardous Duty	97,797	100,000	128,200	139,000	10,800	8.42%
Deferred Compensation	23,212	23,000	25,000	25,000	-	0.00%
Health Insurance	104,550	110,000	110,000	95,000	(15,000)	-13.64%
Dental Insurance	6,022	6,500	6,500	6,500	-	0.00%
Group Life	842	1,000	1,000	1,000	-	0.00%
Long Term Disability	1,574	1,500	1,550	1,550	-	0.00%
Workers Compensation	1,534	1,500	1,550	2,000	450	29.03%
Unemployment Insurance	-	10,000	10,000	10,000	-	0.00%
Volunteer/Employee Apprec	973	3,000	3,000	3,000	-	0.00%
Special Attorney's Fees	157,077	184,000	184,000	175,000	(9,000)	-4.89%
Accounting/Auditing Fees	10,746	35,780	38,000	30,000	(8,000)	-21.05%
Bank Service Charges	21,456	35,000	35,000	35,000	-	0.00%
Prop Valuation Admin Fees	50,000	50,000	50,000	50,000	-	0.00%
Computer Svcs - Prof Supp	189,479	224,500	225,700	235,000	9,300	4.12%
Posatge Machine Lease	2,187	4,500	4,500	4,500	-	0.00%
Code Enforcement Services	2,150	3,000	3,000	3,000	-	0.00%
Special Projects Codification	1,436	5,000	5,000	5,000	-	0.00%
Special Projects Consulting	174,099	195,000	195,000	195,000	-	0.00%
Special Studies Contracts	20,000	30,000	20,000	40,000	20,000	100.00%
Hiring Expenditures	344	1,000	1,000	1,000	-	0.00%
Legal Advertising	7,513	12,000	12,000	12,000	-	0.00%
Community Relations	18,046	30,000	30,000	30,000	-	0.00%
Office Supplies	9,288	10,000	10,000	10,000	-	0.00%
Mailing House	2,287	1,500	1,500	1,500	-	0.00%
Motor Fuels	284	2,000	2,000	2,000	-	0.00%
Local Telephone Service	12,772	16,500	16,500	16,500	-	0.00%
Liability Insurance	348,525	287,000	363,550	375,250	11,700	3.22%
Training & Travel	8,285	25,000	15,000	15,000	-	0.00%
Equipment Repairs & Maint	8,280	13,500	13,500	7,500	(6,000)	-44.44%
Vehicle Maintenance	1,144	1,000	2,000	2,000	-	0.00%
Prof. Memberships & Publ.	27,447	29,000	29,000	29,000	-	0.00%
Postage	20,407	29,000	26,000	26,000	-	0.00%
Miscellaneous	11,791	15,000	15,000	20,000	5,000	33.33%
Cable TV / Recreation	12	7,000	7,000	7,000	-	0.00%
Ins Loss - Reimb of Deductible	11,628	4,500	4,500	4,500	-	0.00%
<b>Total Administration/Finance</b>	<b>\$ 2,093,272</b>	<b>\$ 2,246,880</b>	<b>\$ 2,422,000</b>	<b>\$ 2,487,600</b>	<b>\$ 65,600</b>	<b>2.71%</b>



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Public Services</b>						
Salaries	\$ 1,893,571	\$ 1,910,000	\$ 2,102,000	\$ 2,120,000	\$ 18,000	0.86%
Education Incentive	3,058	3,500	3,500	3,000	(500)	-14.29%
Temporary Employees	45,244	65,000	68,000	68,000	-	0.00%
Unscheduled	61,948	76,000	76,000	76,000	-	0.00%
F.I.C.A.	142,798	158,000	170,600	177,000	6,400	3.75%
Non-Hazardous Duty	334,110	340,000	409,100	437,000	27,900	6.82%
Deferred Compensation	78,746	80,000	86,000	86,000	-	0.00%
Health Insurance	435,835	450,000	450,000	450,000	-	0.00%
Dental Insurance	24,511	26,000	26,000	26,000	-	0.00%
Group Life	3,906	4,000	4,000	4,000	-	0.00%
Long Term Disability	5,735	7,550	8,000	7,000	(1,000)	-12.50%
Workers Compensation	50,120	45,000	59,000	59,000	-	0.00%
Unemployment Insurance	706	10,000	10,000	10,000	-	0.00%
Employee Health Programs	2,161	6,000	6,000	6,000	-	0.00%
Special Engineering Fees	23,997	25,000	25,000	25,000	-	0.00%
Debris & Weed Cutting	10,182	18,000	15,000	15,000	-	0.00%
Contracted Services	7,124	10,000	8,000	8,000	-	0.00%
Hiring Expenses	110	1,000	1,000	1,000	-	0.00%
Community Relations	53,750	52,000	57,000	60,000	3,000	5.26%
Community Services Program	5,323	7,000	7,000	6,000	(1,000)	-14.29%
Janitorial Supplies	16,417	20,000	20,000	18,000	(2,000)	-10.00%
Office Supplies	4,987	6,000	6,000	6,000	-	0.00%
Maintenance Supplies	26,645	35,000	30,000	28,000	(2,000)	-6.67%
Motor Fuels	66,895	130,000	120,000	100,000	(20,000)	-16.67%
Street Signs	21,521	21,000	21,000	21,000	-	0.00%
Program Supplies/Printing	1,966	4,000	4,000	4,000	-	0.00%
Small Tools	8,007	8,000	8,000	12,000	4,000	50.00%
Uniforms and Mats	13,874	15,000	17,000	20,000	3,000	17.65%
Utility Service - Street Lights	261,615	255,000	260,000	260,000	-	0.00%
Utility Service	198,837	210,000	220,000	215,000	(5,000)	-2.27%
Local Telephone Service	19,803	23,000	23,000	21,000	(2,000)	-8.70%
Rental of Equipment & Vehicles	3,320	4,000	4,000	4,000	-	0.00%
Custodial	13,669	15,000	15,000	15,000	-	0.00%
Training and Travel	10,839	15,000	15,000	20,000	5,000	33.33%
Equipment Rep & Maint	59,684	59,000	65,000	65,000	-	0.00%
Vehicle Maintenance	59,815	50,000	50,000	60,000	10,000	20.00%
Building Maintenance	95,088	105,000	120,000	126,000	6,000	5.00%
Grounds Maintenance	97,831	95,000	120,000	126,000	6,000	5.00%
Storm Sewer Maintenance	44,313	60,000	55,000	50,000	(5,000)	-9.09%
Memberships & Publications	2,958	3,000	3,000	3,000	-	0.00%
Miscellaneous	11,414	10,000	10,000	10,000	-	0.00%
Insurance Loss - Reimb. of Ded	248	5,000	5,000	5,000	-	0.00%
Cemetery Expenditures	-	1,500	1,500	1,500	-	0.00%
<b>Total Public Services</b>	<b>\$ 4,222,681</b>	<b>\$ 4,443,550</b>	<b>\$ 4,783,700</b>	<b>\$ 4,834,500</b>	<b>\$ 50,800</b>	<b>1.06%</b>



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Police</b>						
Salaries	\$ 3,705,113	\$ 3,550,000	\$ 4,056,000	\$ 4,320,000	\$ 264,000	6.51%
Shift Differential	11,882	13,000	13,000	13,000	-	0.00%
Education Incentive	11,102	13,000	12,000	12,000	-	0.00%
Training Incentive	183,442	205,000	260,000	265,000	5,000	1.92%
Unscheduled	152,513	228,000	220,500	220,500	-	0.00%
F.I.C.A.	281,250	275,000	342,000	370,000	28,000	8.19%
Non-Hazardous Duty	27,217	27,500	38,000	38,000	-	0.00%
Hazardous Duty	1,277,361	1,260,000	1,395,000	1,525,000	130,000	9.32%
Deferred Compensation	2,148	4,000	3,500	3,500	-	0.00%
Health Insurance	786,784	835,000	835,000	835,000	-	0.00%
Dental Insurance	44,712	48,000	48,000	48,000	-	0.00%
Group Life	6,678	7,500	7,500	7,500	-	0.00%
Long Term Disability	11,954	11,500	13,000	13,000	-	0.00%
Workers Compensation	79,483	100,000	87,000	95,000	8,000	9.20%
Unemployment Insurance	-	10,000	10,000	10,000	-	0.00%
Employee Health Programs	2,815	2,000	2,000	2,000	-	0.00%
Contracted Services	14,670	15,000	20,000	25,000	5,000	25.00%
Hiring Expenditures	3,523	4,000	4,000	4,000	-	0.00%
Community Relations	13,736	16,000	16,000	16,000	-	0.00%
Office Supplies	5,320	6,000	6,000	6,000	-	0.00%
Crime Prevention	2,911	5,000	5,000	5,000	-	0.00%
Motor Fuels	114,913	218,100	213,100	205,100	(8,000)	-3.75%
License Plates	443	500	500	500	-	0.00%
Technical Supplies	30,140	39,000	39,000	39,000	-	0.00%
Uniforms	37,255	40,000	40,000	43,000	3,000	7.50%
Clothing Allowance	4,500	6,500	6,500	6,500	-	0.00%
Local Telephone Service	23,257	28,000	28,000	28,000	-	0.00%
Training & Travel	45,513	47,000	47,000	47,000	-	0.00%
Equipment Repairs & Maint	15,712	18,500	18,500	18,500	-	0.00%
Vehicle Maintenance	63,685	45,000	45,000	45,000	-	0.00%
Prof. Memberships & Publ.	1,416	4,000	4,000	4,000	-	0.00%
Miscellaneous	4,531	10,000	10,000	10,000	-	0.00%
Range Operations	1,189	3,000	3,000	3,000	-	0.00%
Ins Loss - Reimb of Dedct	810	2,000	2,000	2,000	-	0.00%
Printing & Publishing	1,653	2,000	2,000	2,000	-	0.00%
Canine Expenditures	2,535	4,000	4,000	4,000	-	0.00%
Revolving Vice/Informant Fund	-	500	500	500	-	0.00%
Immediate Care Fund	301	500	500	500	-	0.00%
Prisoner Medical Charges	-	1,000	1,000	1,000	-	0.00%
Vehicle Towing	955	1,500	1,500	1,500	-	0.00%
<b>Total Police</b>	<b>\$ 6,973,422</b>	<b>\$ 7,106,600</b>	<b>\$ 7,859,600</b>	<b>\$ 8,294,600</b>	<b>\$ 435,000</b>	<b>5.53%</b>



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Fire</b>						
Salaries	\$ 2,364,621	\$ 2,272,000	\$ 2,642,500	\$ 2,890,000	\$ 247,500	9.37%
Education Incentive	19,851	22,000	22,000	20,000	(2,000)	-9.09%
Training Incentive	168,336	188,000	245,000	255,000	10,000	4.08%
Unscheduled	327,533	350,000	200,000	130,500	(69,500)	-34.75%
Scheduled Overtime	974,124	945,000	1,132,500	1,240,000	107,500	9.49%
F.I.C.A.	265,702	255,500	292,000	352,000	60,000	20.55%
Non-Hazardous Duty	7,336	7,300	8,500	9,400	900	10.59%
Hazardous Duty	1,293,065	1,288,000	1,285,000	1,429,000	144,000	11.21%
Deferred Compensation	2,510	2,500	3,000	2,600	(400)	-13.33%
Health Insurance	711,253	740,500	725,000	750,000	25,000	3.45%
Dental Insurance	39,679	45,000	45,000	43,000	(2,000)	-4.44%
Group Life	6,092	6,500	7,000	7,000	-	0.00%
Long Term Disability	9,525	8,500	10,500	10,500	-	0.00%
Workers Compensation	58,077	75,000	87,000	87,000	-	0.00%
Unemployment insurance	-	10,000	10,000	10,000	-	0.00%
Employee Health Programs	4,501	16,000	16,000	10,000	(6,000)	-37.50%
Medical Director	17,000	17,000	17,000	17,000	-	0.00%
Spec. Proj. - Vol. Progr.	8,027	35,000	15,000	10,000	(5,000)	-33.33%
Hiring Expenditures	3,600	3,000	4,000	4,000	-	0.00%
Community Relations	2,129	5,000	5,000	5,000	-	0.00%
E.M.S. Billing	50,398	79,000	50,000	60,000	10,000	20.00%
Janitorial Supplies	10,031	10,000	10,000	10,000	-	0.00%
Office Supplies	1,974	5,000	5,000	5,000	-	0.00%
Motor Fuels	47,360	83,000	70,000	60,000	(10,000)	-14.29%
Medical Supplies	60,749	70,000	60,000	70,000	10,000	16.67%
Fire Equipment-Personal	15,847	25,000	25,000	25,000	-	0.00%
Fireground Equipment	11,763	20,000	20,000	20,000	-	0.00%
E.M.S. Equipment	9,626	10,000	10,000	10,000	-	0.00%
Uniforms	34,620	33,000	23,000	23,000	-	0.00%
Utility Service	52,557	41,000	41,000	51,000	10,000	24.39%
Local Telephone Service	31,109	30,000	30,000	35,000	5,000	16.67%
Training & Travel	27,540	43,000	43,000	43,000	-	0.00%
Equipment Repairs & Maint	38,656	35,000	35,000	30,000	(5,000)	-14.29%
Building Maintenance	4,661	8,000	8,000	8,000	-	0.00%
Vehicle Maint - Fire Trk.	118,692	63,000	63,000	63,000	-	0.00%
Prof. Memberships & Publ.	2,060	2,000	2,000	3,500	1,500	75.00%
Postage	196	1,000	1,000	1,000	-	0.00%
Miscellaneous	4,401	6,000	6,000	6,000	-	0.00%
Insurance Loss-Reim of Deduct	298	2,000	2,000	2,000	-	0.00%
<b>Total Fire</b>	<b>\$ 6,805,499</b>	<b>\$ 6,857,800</b>	<b>\$ 7,276,000</b>	<b>\$ 7,807,500</b>	<b>\$ 531,500</b>	<b>7.30%</b>

ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Capital Outlay</b>						
Computer Hardware	\$ 45,445	\$ 76,000	\$ 59,000	\$ 47,600	\$ (11,400)	-19.32%
Computer Software	16,029	19,000	5,000	15,000	10,000	200.00%
Server/Switch blades	-	-	90,000	-	(90,000)	-100.00%
Web Site Maintenance	5,099	11,000	25,478	5,000	(20,478)	-80.38%
Environmental/Infrastructure	-	15,750	15,750	15,750	-	0.00%
FH bay ringer/light system	-	-	7,600	-	(7,600)	-100.00%
Wireless WOG/Tanners/FB3	-	-	15,000	47,800	32,800	218.67%
VEEAM Backup	-	-	45,000	-	(45,000)	-100.00%
Project Labor	993	35,000	36,500	36,500	-	0.00%
Disaster Recovery System	59,626	60,000	-	20,640	20,640	100.00%
Cat 6 Cabling	43,844	55,000	-	-	-	0.00%
Off Site Web Site Hosting	-	5,000	-	-	-	0.00%
POS Aquatic Center/Golf	-	-	31,000	-	(31,000)	-100.00%
Time Clock Plus Software	-	-	-	50,000	50,000	100.00%
Open.Gov Software	-	-	-	25,000	25,000	100.00%
Audio Visual Rooms A, B and C	-	-	-	110,000	110,000	100.00%
Conference Room Upgrades	-	-	-	16,500	16,500	100.00%
Lobby Message Boards	-	-	-	15,500	15,500	100.00%
Copier	-	-	-	7,500	7,500	100.00%
Wi-Fi Access WOG	-	-	-	8,500	8,500	100.00%
Disab. Committee Expend.	2,052	2,000	2,000	2,000	-	0.00%
Municipal Building Alteration	76,893	77,000	50,000	20,000	(30,000)	-60.00%
Mowers	-	10,000	10,000	11,000	1,000	10.00%
Major Equipment PS	45,586	44,000	44,000	46,000	2,000	4.55%
Office Furniture	9,817	10,000	5,000	5,000	-	0.00%
Special Projects - Parks	112,391	125,412	155,000	267,000	112,000	72.26%
Replacement Equip - Parks	18,124	21,000	22,000	30,000	8,000	36.36%
Street Striping	78,304	95,000	100,000	105,000	5,000	5.00%
Wheel Balancer	-	-	-	12,500	12,500	100.00%
Mobile Column Lift	-	-	-	40,000	40,000	100.00%
One-Ton Dump	69,170	70,000	-	70,000	70,000	100.00%
Two-Ton Dump	-	-	150,000	-	(150,000)	-100.00%
Truck - 4x4 Pickup	39,823	40,000	50,000	45,000	(5,000)	-10.00%
Leaf Vac	32,810	25,000	-	-	-	0.00%
Air Compressor	9,650	18,000	-	-	-	0.00%
Ventrac Tractor	33,754	38,000	-	-	-	0.00%
Staff car	-	-	25,000	56,000	31,000	124.00%
Project Sign Upgrade	17,302	18,000	18,000	-	(18,000)	-100.00%
Project-Gov't Center Irrigation	-	-	20,000	-	(20,000)	-100.00%
Project-Tanners Fuel Tanks	-	-	10,000	-	(10,000)	-100.00%
Project-Mall Road Traffic Study	-	-	45,000	-	(45,000)	-100.00%



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Capital Outlay-Continued</b>						
Project Annual Street Project	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ -	0.00%
Tanners Master Plan	794,836	784,000	300,000	-	(300,000)	-100.00%
Rosetta Master Plan	-	10,000	-	-	-	0.00%
Urban Forest Commission	99,656	105,000	70,000	94,000	24,000	34.29%
Major Equipment PD	14,441	14,000	8,000	15,000	7,000	87.50%
Cruiser Equipment	54,411	56,304	49,000	63,500	14,500	29.59%
Police Cruisers	224,907	225,000	237,000	260,000	23,000	9.70%
Radios	1,704	2,000	1,500	1,500	-	0.00%
Firearms	-	3,000	16,000	3,000	(13,000)	-81.25%
JAG	7,312	-	-	-	-	0.00%
Major Equipment FD	74,688	76,000	22,000	16,000	(6,000)	-27.27%
Ambulance	-	-	195,000	-	(195,000)	-100.00%
SCBA Replacement	-	-	-	370,000	370,000	100.00%
Office/Station Furniture	2,831	3,000	5,000	4,000	(1,000)	-20.00%
Engine	34,958	50,000	-	-	-	0.00%
Command Vehicle	45,712	50,000	-	-	-	0.00%
Staff Car	27,870	28,000	28,000	-	(28,000)	-100.00%
State Office Building-2008	159,855	160,000	161,700	158,500	(3,200)	-1.98%
Aquatic Ctr/Skate Park-2010	429,169	430,000	429,500	429,000	(500)	-0.12%
Baseball Park-2011/2012	380,101	380,200	375,500	366,000	(9,500)	-2.53%
Government Center 2005	578,400	578,400	578,750	579,100	350	0.06%
City Enhancement	95,420	150,000	180,000	100,000	(80,000)	-44.44%
Mall Road Public Services Plaza	-	250,000	450,000	200,000	(250,000)	-55.56%
Stadium Improvements	72,611	75,000	125,000	220,000	95,000	76.00%
Shelving/Archives for Vault	9,321	50,000	10,000	-	(10,000)	-100.00%
Lighting Upgrade	-	-	750,000	75,000	(675,000)	-90.00%
Radios	-	-	-	900,000	900,000	100.00%
Main Street/Turfway	24,320	35,000	126,000	-	(126,000)	-100.00%
Demolition Project	28,922	250,000	225,000	-	(225,000)	-100.00%
Building/Equipment Replacement	-	-	-	175,000	175,000	100.00%
Rosetta Master Plan	-	-	130,000	3,700,000	3,570,000	2746.15%
Kentaboo Construction Plan	-	-	-	100,000	100,000	100.00%
Southfork Frisbee Golf	-	-	-	20,000	20,000	100.00%
Florence Nursey/Demo	-	-	-	755,000	755,000	100.00%
Signage Boone Tennis Courts	-	-	-	15,000	15,000	100.00%
Nature Park Master Plan	-	-	20,000	1,400,000	1,380,000	6900.00%
Total Capital Outlay	\$ 3,878,157	\$ 4,635,066	\$ 5,929,278	\$ 11,550,390	\$ 5,621,112	94.80%
<b>Other Agencies</b>						
Senior Center	\$ 91,344	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	0.00%
Planning Commission	312,000	312,000	320,000	322,000	2,000	0.63%
Total Other Agencies	\$ 403,344	\$ 412,000	\$ 420,000	\$ 422,000	\$ 2,000	0.48%
<b>Total General Fund</b>	<b>\$ 24,376,375</b>	<b>\$ 25,701,896</b>	<b>\$ 28,690,578</b>	<b>\$ 35,396,590</b>	<b>\$ 6,706,012</b>	<b>23.37%</b>



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>201 Municipal Aid/LGEA</b>						
Bank Service Charges	\$ 205	\$ 200	\$ 200	\$ 200	-	0.00%
Street Materials	230,043	220,000	230,000	230,000	-	0.00%
Resurfacing Projects	497,974	635,000	240,000	245,000	5,000	2.08%
Snow Removal	120,131	140,000	140,000	140,000	-	0.00%
<b>Total Municipal Aid/LGEA</b>	<b>\$ 848,353</b>	<b>\$ 995,200</b>	<b>\$ 610,200</b>	<b>\$ 615,200</b>	<b>\$ 5,000</b>	<b>0.82%</b>

#### 204 Asset Forfeiture

Bank Service Charges	\$ 128	\$ 200	\$ 200	\$ 200	-	0.00%
Miscellaneous	63,737	103,900	90,000	243,000	153,000	170.00%
Shooting Range	-	22,000	-	-	-	0.00%
<b>Total Asset Forfeiture</b>	<b>\$ 63,865</b>	<b>\$ 126,100</b>	<b>\$ 90,200</b>	<b>\$ 243,200</b>	<b>\$ 153,000</b>	<b>169.62%</b>

#### 205 Aquatic Center

Bank Service Charges	\$ 5,637	\$ 6,500	\$ 6,500	\$ 7,000	500	7.69%
Management Contract	306,317	315,000	315,000	325,000	10,000	3.17%
Supplies	1,341	1,000	2,000	2,000	-	0.00%
Utilities-Electric	43,562	60,000	63,000	63,000	-	0.00%
Utilities-Water	19,472	50,000	30,000	30,000	-	0.00%
Utilities-Sewer	5,179	10,000	8,000	7,000	(1,000)	-12.50%
Repairs and Maintenance	41,401	50,000	50,000	50,000	-	0.00%
Telephone	653	700	700	700	-	0.00%
Miscellaneous	1,743	5,000	5,000	5,000	-	0.00%
Annual Replacement Costs	35,397	250	200	200	-	0.00%
Refunds/Shortages	40	35,000	40,000	40,000	-	0.00%
Pool Liner	-	-	-	200,000	200,000	100.00%
<b>Total Aquatic Center</b>	<b>\$ 460,742</b>	<b>\$ 533,450</b>	<b>\$ 520,400</b>	<b>\$ 729,900</b>	<b>\$ 209,500</b>	<b>40.26%</b>

#### 203 Infrastructure Fund

Highway Street Repairs	\$ 1,053,712	\$ 1,100,000	\$ 1,150,000	\$ 1,200,000	50,000	4.35%
Sidewalk Construction	102,457	110,000	115,000	120,000	5,000	4.35%
Storm Sewer Improvements	469,155	475,000	475,000	475,000	-	0.00%
Bosch Infrastructure Improvement	-	-	360,000	-	(360,000)	-100.00%
Mall Road Infrastructure	2,872,200	3,285,000	-	-	-	0.00%
Mall Road Phase III	1,518,336	3,120,137	1,850,000	-	(1,850,000)	-100.00%
<b>Total Infrastructure</b>	<b>\$ 6,015,860</b>	<b>\$ 8,090,137</b>	<b>\$ 3,950,000</b>	<b>\$ 1,795,000</b>	<b>\$ -2,155,000</b>	<b>-54.56%</b>



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>501 Golf Course</b>						
Clubhouse Sewages	\$ 82,068	\$ 95,000	\$ 107,000	\$ 90,000	\$ (17,000)	-15.89%
Food and Beverage Wages	48,533	20,000	25,000	40,000	15,000	60.00%
Course Maintenance Wages	120,965	80,000	100,000	100,000	-	0.00%
Putt Putt Wages	17,047	5,000	13,000	13,000	-	0.00%
Management Wages	12,602	40,000	40,000	60,000	20,000	50.00%
Junior League Wages	18,291	30,000	20,000	10,000	(10,000)	-50.00%
FICA	24,291	21,000	22,500	24,000	1,500	6.67%
Health Insurance	2,848	-	3,600	3,600	-	0.00%
Workers Compensation	4,512	7,000	9,000	9,000	-	0.00%
Unemployment Insurance	8,955	10,000	12,000	9,000	(3,000)	-25.00%
Legal Fees	-	1,000	1,000	1,000	-	0.00%
Accounting/Auditing Fees	3,500	3,500	3,500	3,500	-	0.00%
Bank Service Charges	34,918	40,000	40,000	38,000	(2,000)	-5.00%
Private Lessons	45,258	50,000	40,000	40,000	-	0.00%
Group Lessons	17,660	25,000	20,000	18,000	(2,000)	-10.00%
Grounds Contractual	1,509	-	7,500	5,000	(2,500)	-33.33%
Management Fee	42,619	43,000	44,000	45,000	1,000	2.27%
Grounds Consultant	5,275	25,000	-	-	-	0.00%
Advertising	6,340	8,000	7,000	10,000	3,000	42.86%
Cable TV/Music	3,691	4,000	4,000	4,000	-	0.00%
Janitorial Supplies	4,593	5,000	5,000	6,000	1,000	20.00%
Office Supplies	3,169	4,600	4,600	4,500	(100)	-2.17%
Motor Fuels	8,440	12,000	10,000	9,500	(500)	-5.00%
Licenses and Fees	4,344	4,000	4,000	5,000	1,000	25.00%
Equipment Expense	2,240	2,000	2,000	2,000	-	0.00%
Fertilizer	9,367	9,000	9,500	9,500	-	0.00%
Uniforms	2,287	2,000	2,000	2,000	-	0.00%
Golf Course Supplies	13,309	6,000	15,000	12,000	(3,000)	-20.00%
Miniature Golf Supplies	3,805	4,000	4,000	4,000	-	0.00%
Pro Shop Supplies	169	3,500	3,000	3,000	-	0.00%
Range Supplies	19,800	25,000	25,000	25,000	-	0.00%
Bar Supplies	12	500	500	-	(500)	-100.00%
Fungicides/Herbicides	7,791	13,000	10,000	10,000	-	0.00%
Golf Simulator Supplies	740	2,500	7,500	7,500	-	0.00%
Maintenance Shop Supplies	7,951	2,000	2,000	2,000	-	0.00%
Food and Beverage Supplies	6,216	8,000	7,000	7,000	-	0.00%
Foot Golf Supplies	-	2,000	2,000	1,000	(1,000)	-50.00%
Utilities - Electric	47,313	60,000	57,000	55,000	(2,000)	-3.51%
Utilities - Water	7,844	9,500	8,000	8,000	-	0.00%
Utilities - Sewer	2,948	3,500	3,500	7,000	3,500	100.00%
Local Telephone Service	6,599	7,000	7,000	7,500	500	7.14%
Equipment Rental	6,787	5,000	6,000	6,000	-	0.00%
Liability Insurance	18,660	16,000	20,000	20,000	-	0.00%

ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Golf Course Cont'd</b>						
Training & Travel	\$ 1,174	\$ 4,500	\$ 4,500	\$ 4,000	(500)	-11.11%
Equipment Repairs & Maintenance	7,143	9,000	10,000	10,000	-	0.00%
Repairs and Maintenance	13,154	15,000	15,000	15,000	-	0.00%
Building Maintenance	21,058	25,000	20,000	20,000	-	0.00%
Course Maintenance Supplies	2,572	6,000	6,000	6,000	-	0.00%
Course Maintenance Other	3,663	1,500	42,500	45,000	2,500	5.88%
Irrigation and Drainage	8,379	4,000	15,000	12,000	(3,000)	-20.00%
Cart Repairs	54	2,000	2,000	2,000	-	0.00%
Club Repairs	3,198	3,000	3,000	3,000	-	0.00%
Prof. Memberships & Publ.	7,326	5,000	5,500	8,000	2,500	45.45%
Postage	223	500	500	1,000	500	100.00%
Miscellaneous	9,341	8,000	8,000	8,000	-	0.00%
Cash Over/Short	97	300	100	100	-	0.00%
Food COGS	20,369	25,000	25,000	23,000	(2,000)	-8.00%
Beer COGS	19,090	17,500	17,500	20,000	2,500	14.29%
Soft Drink COGS	7,383	7,000	7,000	10,000	3,000	42.86%
Pro Shop COGS	84,561	70,000	65,000	80,000	15,000	23.08%
Foot Golf COGS	1,081	2,000	2,000	500	(1,500)	-75.00%
Fountain Drinks COGS	4,809	6,500	6,500	4,000	(2,500)	-38.46%
Liquor/Wine COGS	1,027	500	500	1,000	500	100.00%
Depreciation Expense	296,428	325,000	330,000	310,000	-20,000	-6.06%
Interest Expense	28,109	43,000	16,625	-	-16,625	-100.00%
Amort of Loss on Defeasance	41,833	41,833	27,979	-	-27,979	-100.00%
Amort of Bond Issue Costs	6,160	6,160	4,107	-	-4,107	-100.00%
Amort Bond Discount	1,050	1,050	613	-	-613	-100.00%
<b>Total Golf Course</b>	<b>\$ 1,274,548</b>	<b>\$ 1,342,943</b>	<b>\$ 1,368,624</b>	<b>\$ 1,319,200</b>	<b>(49,424)</b>	<b>-3.61%</b>



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>503 Water and Sewer</b>						
<b>Administration Department</b>						
Administrative salaries	\$ 239,160	\$ 240,000	\$ 256,000	\$ 267,000	\$ 11,000	4.30%
Educational Incentive	355	350	350	350	-	0.00%
Temporary Employees	-	1,000	1,000	1,000	-	0.00%
Overtime	155	800	800	800	-	0.00%
F.I.C.A.	16,873	18,500	19,500	21,000	1,500	7.69%
Non-Hazardous	119,805	41,500	50,500	52,000	1,500	2.97%
Deferred Comp	8,591	11,000	10,850	10,000	(850)	-7.83%
Health	58,365	59,000	60,000	63,000	3,000	5.00%
Insurance-Dental	2,932	2,500	3,000	3,500	500	16.67%
Group Life Insurance	465	500	500	500	-	0.00%
Long Term Disability	707	750	825	825	-	0.00%
Workers Compensation	-	3,000	3,300	3,300	-	0.00%
Unemployment	-	10,000	10,000	10,000	-	0.00%
Employee Health Programs	714	1,000	1,000	1,000	-	0.00%
Legal fees	16,837	20,000	20,000	20,000	-	0.00%
Audit Fees	4,000	4,000	4,000	4,000	-	0.00%
Bank Service Charges	57,108	45,000	50,000	55,000	5,000	10.00%
Administrative Expense	90,000	90,000	90,000	90,000	-	0.00%
Modeling Fees	-	2,000	2,000	2,000	-	0.00%
Planning/Zoning Comm	32,000	32,000	32,000	33,000	1,000	3.13%
Community relations	-	1,000	1,000	1,000	-	0.00%
Hiring Expense	-	500	500	500	-	0.00%
Advertising	-	1,000	1,000	1,000	-	0.00%
Community Service Program	4,910	6,000	6,000	6,000	-	0.00%
Office Supplies	5,392	5,500	5,500	5,500	-	0.00%
Utilities	2,225	2,500	2,500	2,500	-	0.00%
Telephone Service	11,182	10,000	10,000	12,000	2,000	20.00%
Rent	6,622	7,000	7,000	7,000	-	0.00%
Maintenance Agreements	17,967	19,000	19,000	19,000	-	0.00%
Insurance and Bonds	44,871	47,000	45,000	46,000	1,000	2.22%
Travel/Training/Seminars	251	3,000	3,000	2,000	(1,000)	-33.33%
Postage	18,437	25,000	22,000	21,000	(1,000)	-4.55%
Miscellaneous	9,496	6,000	6,000	6,000	-	0.00%
Total Administration	\$ 769,420	\$ 716,400	\$ 744,125	\$ 767,775	\$ 23,650	3.18%

ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Sanitary Sewer Department</b>						
Sanitary Sewer Salaries	\$ 550,768	\$ 525,000	\$ 597,000	\$ 590,000	(7,000)	-1.17%
Education Incentive	472	500	500	500	-	0.00%
Temporary Employees	-	9,000	10,000	10,000	-	0.00%
Overtime	18,815	33,000	30,000	30,000	-	0.00%
F.I.C.A.	40,386	44,000	48,000	49,000	1,000	2.08%
Non-Hazardous	260,002	96,000	120,000	120,000	-	0.00%
Deferred Comp	30,336	26,000	31,500	31,500	-	0.00%
Health	138,100	136,000	138,000	140,000	2,000	1.45%
Dental	8,190	8,500	9,500	8,500	(1,000)	-10.53%
Group Life Insurance	1,177	1,200	1,500	1,500	-	0.00%
Long Term Disability	1,737	2,000	2,300	2,300	-	0.00%
Workers' Compensation	8,304	8,000	9,500	10,500	1,000	10.53%
Unemployment	-	10,000	10,000	10,000	-	0.00%
Employee Health programs	714	1,000	1,000	1,000	-	0.00%
Uniforms	8,342	9,000	9,000	10,000	1,000	11.11%
Sub Contract Maintenance	73,466	90,000	76,000	76,000	-	0.00%
Infiltration Program	32,203	68,000	68,000	60,000	(8,000)	-11.76%
Hiring Expense	-	1,000	1,000	1,000	-	0.00%
Chemical Supplies	68,422	40,000	51,000	60,000	9,000	17.65%
Office Supplies	2,533	3,000	3,000	3,000	-	0.00%
Safety Supplies	5,866	7,000	7,000	7,000	-	0.00%
Motor Fuels	23,284	50,000	45,000	40,000	(5,000)	-11.11%
Small Tools	4,038	5,000	5,000	5,000	-	0.00%
Electric	30,218	50,000	33,000	33,000	-	0.00%
Telephone	9,402	8,000	10,000	10,000	-	0.00%
Rent	6,622	7,000	7,000	7,000	-	0.00%
Training/Travel/Seminars	4,538	5,500	5,500	8,500	3,000	54.55%
Equipment Maintenance	37,220	46,000	46,000	46,000	-	0.00%
Building Maintenance	2,682	4,500	4,500	4,500	-	0.00%
Lift Station Maintenance	20,591	28,000	35,000	35,000	-	0.00%
Reimb of Deductible	-	4,000	4,000	4,000	-	0.00%
Total Sanitary Sewer	\$ 1,388,428	\$ 1,326,200	\$ 1,418,800	\$ 1,414,800	(4,000)	-0.28%



ACCOUNT TITLE	Audit 2015-2016	Amended Budget 2015-2016	Budget 2016-2017	Budget 2017-2018	Change From Prior Year	Percent Change
<b>Water Department</b>						
Water Salaries	\$ 504,057	\$ 510,000	\$ 545,000	\$ 560,000	\$ 15,000	2.75%
Education Incentive	1,608	2,000	1,800	1,000	(800)	-44.44%
Temporary Employee	173	8,000	10,000	8,000	(2,000)	-20.00%
Overtime	23,961	36,000	33,000	30,000	(3,000)	-9.09%
F.I.C.A.	37,687	43,000	45,500	47,500	2,000	4.40%
Non-Hazardous	259,075	94,000	110,500	116,000	5,500	4.98%
Deferred Comp	23,634	25,000	27,000	25,000	(2,000)	-7.41%
Health	129,704	134,000	134,000	134,000	-	0.00%
Dental	7,218	7,500	8,000	8,000	-	0.00%
Insurance-Group Life	1,131	1,200	1,700	1,700	-	0.00%
Long Term Disability	1,449	1,500	2,000	2,000	-	0.00%
Workers' Compensation	8,780	11,000	10,500	11,500	1,000	9.52%
Unemployment	-	10,000	10,000	10,000	-	0.00%
Employee Health Programs	714	1,000	1,000	1,000	-	0.00%
Uniforms	7,809	8,000	8,000	8,000	-	0.00%
Water Purchases	3,345,444	3,250,000	3,350,000	3,450,000	100,000	2.99%
Server Hosting Contract Mueller	33,820	25,000	35,000	35,000	-	0.00%
Hiring Expenses	-	1,000	1,000	1,000	-	0.00%
Lab Testing	14,369	20,000	20,000	20,000	-	0.00%
Office Supplies	3,936	3,000	3,000	3,000	-	0.00%
Safety Supplies	5,763	5,000	5,000	5,000	-	0.00%
Motor Fuels	30,222	33,000	33,000	33,000	-	0.00%
Small Tools	4,995	5,000	5,000	5,000	-	0.00%
Electric	7,325	20,000	12,000	12,000	-	0.00%
Telephone	6,410	8,000	8,000	7,000	(1,000)	-12.50%
Rent	6,622	7,000	7,000	7,000	-	0.00%
Training	2,273	6,000	6,000	8,000	2,000	33.33%
Equipment Maintenance	33,541	28,000	26,000	30,000	4,000	15.38%
Building maintenance	2,049	6,000	4,000	4,000	-	0.00%
Meter Repair Maintenance	129,120	130,000	155,000	170,000	15,000	9.68%
Reimb of Deductible	2,500	5,000	5,000	5,000	-	0.00%
<b>Total Water</b>	<b>\$ 4,635,389</b>	<b>\$ 4,444,200</b>	<b>\$ 4,623,000</b>	<b>\$ 4,758,700</b>	<b>\$ 135,700</b>	<b>2.94%</b>
Depreciation	1,485,187	1,345,000	1,440,000	1,500,000	60,000	4.17%
Loss on Disposal	-					
<b>Total Depreciation</b>	<b>\$ 1,485,187</b>	<b>\$ 1,345,000</b>	<b>\$ 1,440,000</b>	<b>\$ 1,500,000</b>	<b>\$ 60,000</b>	<b>4.17%</b>
<b>Interest/Amortization</b>						
Interest Expense	31,977	60,000	50,000	32,000	(18,000)	-36.00%
Bond Issuance Costs	5,468	5,468	5,468	5,468	-	0.00%
Bond Discount	2,111	2,111	2,111	2,111	-	0.00%
Loss on Defeasance	18,317	18,320	18,320	18,320	-	0.00%
<b>Total Interest/Amortization</b>	<b>\$ 57,873</b>	<b>\$ 85,899</b>	<b>\$ 75,899</b>	<b>\$ 57,899</b>	<b>\$ (18,000)</b>	<b>-23.72%</b>
<b>Total Water and Sewer</b>	<b>\$ 8,336,297</b>	<b>\$ 7,917,699</b>	<b>\$ 8,301,824</b>	<b>\$ 8,499,174</b>	<b>\$ 197,350</b>	<b>2.38%</b>

## Summary of Outstanding Debt

The City of Florence has issued debt to fund major capital improvement projects. Total bonds outstanding at June 30, 2017 are as follows:

### Bonds Payable

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Aquatic center and skate park projects(Series 2010)	2.00-3.875%	\$ 5,275,000
Land-Series 2011 refunding	2.00-3.375%	2,720,000
Land-Series 2012 refunding	2.00-3.80%	2,150,000
General obligation refunding bonds(Series 2015)	1.00-2.50%	5,165,000
Public project refunding bonds(Series 2008B)	3.20-4.00%	1,425,000
		\$ <u>16,735,000</u>
Proprietary Fund Debt		
Water and Sewer System	1.45-2.50%	1,595,000
		\$ <u>1,595,000</u>



## Future Debt Service Requirements

The following is a schedule of future debt service requirements to maturity at June 30, 2017 for bonds general activities and for business activities.

The City's general long-term debt service requirements to maturity at June 30, 2017, are as follows:

Fiscal Year June 30,	2010 GO Bonds		2011 GO Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 260,000	\$ 168,968	\$ 130,000	\$ 72,856
2019	265,000	163,388	135,000	70,006
2020	275,000	156,625	135,000	67,506
2021	280,000	148,644	140,000	64,756
2022	295,000	140,019	140,000	61,956
2023-2027	1,595,000	558,387	770,000	255,607
2028-2032	1,885,000	273,627	875,000	137,438
2033-2034	420,000	8,137	395,000	13,415

Total Debt Service	\$ 5,275,000	\$ 1,617,795	\$ 2,720,000	\$ 743,540
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Fiscal Year June 30,	2008B GO Bonds		2015 GO Bonds	
	Principal	Interest	Principal	Interest
2018	\$ 105,000	\$ 53,295	\$ 475,000	\$ 104,050
2019	110,000	49,935	485,000	96,925
2020	115,000	46,085	490,000	89,650
2021	120,000	42,060	500,000	79,850
2022	120,000	37,860	510,000	69,850
2023-2027	695,000	116,615	2,705,000	187,825
2028	160,000	6,400	-	-

Total Debt Service	\$ 1,425,000	\$ 352,250	\$ 5,165,000	\$ 628,150
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Fiscal Year June 30,	2012 GO Bonds	
	Principal	Interest
2018	\$ 95,000	\$ 68,095
2019	100,000	66,145
2020	105,000	63,833
2021	105,000	60,945
2022	110,000	57,720
2023-2027	595,000	239,175
2028-2032	715,000	128,665
2033-2034	325,000	12,445

Total Debt Service	\$ 2,150,000	\$ 697,023
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The City's proprietary fund debt service requirements to maturity at June 30, 2017 are as follows:

Fiscal Year June 30,	2012 Water and Sewer System	
	Principal	Interest
2018	\$ 220,000	\$ 27,170
2019	220,000	23,980
2020	225,000	20,754
2021	230,000	17,455
2022	225,000	13,539
2023-2024	475,000	11,644
Total Debt Service	\$ <u>1,595,000</u>	\$ <u>114,542</u>

### Changes in Long-Term Debt

During the year ended June 30, 2017, the following changes occurred in liabilities reported in the general long-term debt:

	June 30, 2016	Additions	Retirements	June 30, 2017	Amounts Due Within One Year
Compensated absences	\$ 720,934	\$ 936,656	\$ (924,187)	\$ 733,403	\$ 900,000
Bonds payable:					
Series 2008B	1,530,000	-	(105,000)	1,425,000	105,000
Series 2010	5,530,000	-	(255,000)	5,275,000	260,000
Series 2011	2,850,000	-	(130,000)	2,720,000	130,000
Series 2012	2,250,000	-	(100,000)	2,150,000	95,000
Series 2015	5,635,000	-	(470,000)	5,165,000	475,000
Totals	\$ <u>18,515,934</u>	\$ <u>936,656</u>	\$ <u>(1,984,187)</u>	\$ <u>17,468,403</u>	\$ <u>1,965,000</u>

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

Long-term liability activity for business-type activities for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Additions	Retired	Balance June 30, 2017	Amounts Due Within One Year
Bonds payable-water/sewer	\$ 1,810,000	\$ -	\$ (215,000)	\$ 1,595,000	\$ 220,000
Compensated absences	62,918	112,879	(106,937)	68,860	100,000
Bonds payable-golf course	380,000	-	(380,000)	-	\$ -
	\$ <u>2,252,918</u>	\$ <u>112,879</u>	\$ <u>(701,937)</u>	\$ <u>1,663,860</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 has no intentions of issuing any further debt in fiscal year 2017.



## Legal Debt Margin

The City is subject to a legal debt limitation not to exceed 10% of assessed property value pursuant to section 128 of the Commonwealth of Kentucky Constitution for the year ended June 30, 2017.

### Legal Debt Margin Calculation

Taxable assessed value	\$ <u>922,594,276</u>
Debt limit(10% for total taxable assessed value)	<u>92,259,428</u>
Debt applicable to limit:	
General obligation bonds	16,735,000
Less: amount set aside for repayment general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>16,735,000</u>
Legal debt margin	\$ <u><u>75,524,428</u></u>

### Debt Service Payments

	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Amended Budget 2016-2017</u>	<u>Budget 2017-2018</u>
General Fund:				
Debt Service	\$ <u>1,686,412</u>	\$ <u>1,615,914</u>	\$ <u>1,546,290</u>	\$ <u>1,532,265</u>
	<u>Actual 2014-2015</u>	<u>Actual 2015-2016</u>	<u>Projected 2016-2017</u>	<u>Projected 2017-2018</u>
Water and Sewer Fund:				
Debt Service	\$ <u>239,205</u>	\$ <u>243,405</u>	\$ <u>245,324</u>	\$ <u>247,170</u>

### Debt service Schedule

On the following page, the future debt service payments for the City's general Fund appears. The City's operating budget will be affected by the ongoing debt service payments until September of 2033 when the last debt issue will be retired. Cash flow will be increased, however, when the 2008B bond issue is retired in June 2027 and the 2015 bond issue is retired in June 2027.





## **Capital Improvement Program**

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets are reported in the governmental activities column of the government-wide statement of net assets. 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 \$1,000 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. All major capital projects have been constructed in prior years that were identified by the City. The philosophy currently adopted by the City is to maintain the current infrastructure and amenities that exist.

## **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.

## **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.

## **Water and Sewer Fund**

The Water and Sewer Fund utilizes the user fees generated from each service to fund annual infrastructure and equipment needs.

### **Significant Non-recurring Projects for FY 2018**

The City will be starting the process of developing a parcel of City owned property to expand the impound lot, construct a burn tower for fire department training, construct a small classroom training facility and create an area to train the police dogs. This project will take two years to design and construct at a cost of \$3.7 million. In addition, the City will be remodeling the Nature Park gathering house that is rented out by the community for events. In addition, the City will be constructing a larger venue for the same purpose. The cost of renovation and construction will be \$1.4 million. The City will also attempt to negotiate the purchase of the property next to its Senior Center for possible future develop of a park. The maximum cost would be \$755,000. The City has also been mandated to replace all department radios in accordance with the switch over to a new digital system. The cost for this will be \$900,000.

The remaining capital budget is for recurring capital improvements in the General Fund budget for next year. The Municipal Aid, Infrastructure and Water and Sewer funds will have the annual recurring sidewalk, street projects, storm water 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 reduce a portion of its operating and maintenance costs with the newer equipment being purchased and infrastructure being replaced.

The operating impact on the FY 2018 budget is \$6.7 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.



# CAPITAL IMPROVEMENT PLAN

## GENERAL FUND (001)

Account Number	Account Description	FY 2018 BUDGET
5100	Computer Hardware	\$ 47,600
5100	Computer Software	15,000
5100	Web Site Maintenance	5,000
5100	Environmental/Infrastructure	15,750
5100	Project Labor	36,500
5100	Wireless Bridge Firehouse and Golf Course	47,800
5100	Upgrade Disaster Recovery Memory	20,640
5100	Upgrade Audio Visual Equipment Community Rooms A-C	110,000
5100	Upgrade Department Conference Rooms	16,500
5100	Time Clock Plus Software	50,000
5100	Open. Gov Software	25,000
5100	Wi-Fi Access Golf Course	8,500
5100	Copier	7,500
5100	Digital Lobby Reception Message Boards	15,500
<b>ADMINISTRATION</b>		<b>\$ 421,290</b>
5200	Disab. Committee Expend.	\$ 2,000
5200	Municipal Building Alteration	20,000
5200	Mowers	11,000
5200	Major Equipment	46,000
5200	Office Furniture	5,000
5200	Special Projects - Parks	267,000
5200	Replacement Equipment - Parks	30,000
5200	Street Striping	105,000
5200	One Ton Dump Truck	70,000
5200	One Ton Pick Up Truck	45,000
5200	SUV Code Enforcement	28,000
5200	SUV Code Enforcement	28,000
5200	Wheel Balancer	12,500
5200	Mobile Column Lift	40,000
5200	Project- Government Center Parking Lot	400,000
5200	Urban Forest Commission	94,000
<b>PUBLIC SERVICES</b>		<b>\$ 1,203,500</b>
5300	Major Equipment	\$ 15,000
5300	Cruiser Equipment	63,500
5300	Police Cruisers	260,000
5300	Radios	1,500
5300	Firearms	3,000
<b>POLICE</b>		<b>\$ 343,000</b>
5500	Major Equipment - AED's	\$ 16,000
5500	SCBA Replacement	370,000
5500	Office/Station Furniture	4,000
<b>FIRE</b>		<b>\$ 390,000</b>
5700	Debt Service - State Office Building-2008	\$ 158,500
5700	Debt Service - Aquatic Ctr/Skate Park-2010	429,000
5700	Debt Service - Baseball Park-2011/2012	366,000
5700	Debt Service - Government Center 2005	579,100
<b>DEBT SERVICE</b>		<b>\$ 1,532,600</b>
5900	Special Project - City Enhancement	\$ 100,000
5900	Special Project - Stadium Improvements	220,000
5900	Special Project - Mall Road Public Services Plaza	200,000
5900	Special Project - 800 MHz Radios	900,000
5900	Special Project - Sign Boone Tennis Courts	15,000

(Continued)

5900	Special Project - Kenatboo Park	100,000
5900	Special Project - Southfork park frisbee Golf	20,000
5900	Special Project - Building/Equipment Replacement	175,000
5900	Special Project - Property Purchase	755,000
5900	Special Project - WOG Lighting Upgrade	75,000
5900	Special Project - Nature Park Master Plan	1,400,000
5900	Special Project - Rosetta Master Plan	3,700,000

**CITY PROJECTS** \$ 7,660,000

**TOTAL GENERAL FUND** \$ 11,550,390

**MUNICIPAL AID (201)**

<u>Account Number</u>	<u>Account Description</u>	<u>FY 2018 BUDGET</u>
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201-5200-520-62-02	Resurfacing Projects	\$ 245,000
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**TOTAL MUNICIPAL FUND** 245,000

**INFRASTRUCTURE FUND (203)**

203-5200-520-62-04	Highway/Street Repairs	\$ 1,200,000
203-5200-520-62-06	Sidewalk Replacement	120,000
203-5200-520-62-14	Storm Sewer Improvements	475,000

**TOTAL INFRASTRUCTURE EXPENDITURES** 1,795,000

**ASSET FORFEITURE (204)**

204-5300-530-59-01	Miscellaneous Expenditures	243,000
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**TOTAL ASSET FORFEITURE** 243,000

**WATER AND SEWER ENTERPRISE FUND(503)**

**SANITARY SEWER DEPARTMENT (6200)**

6200	Infrastructure Improvements	\$ 460,000
6200	Arrow Board	18,000
6200	Confined Space System	12,000
6200	SUV for Inspector	28,000

\$ 518,000

**WATER DISTRIBUTION DEPARTMENT (6300)**

6300	Infrastructure Improvements	\$ 560,000
6300	Major Equipment	30,000
6300	TV Truck	360,000
6300	Utility Body Truck	75,000
6300	Annexation Projects	10,000

\$ 1,035,000

**TOTAL WATER AND SEWER FUND** \$ 1,553,000

**TOTAL CAPITAL OUTLAY** \$ 15,386,390



## 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.

**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 expenditures do exceed revenues.

**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.



**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.

**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.

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

**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** – The total dollars remaining after current expenditures are subtracted from the sum of the beginning fund balance and current resources. 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.

**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.

**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.