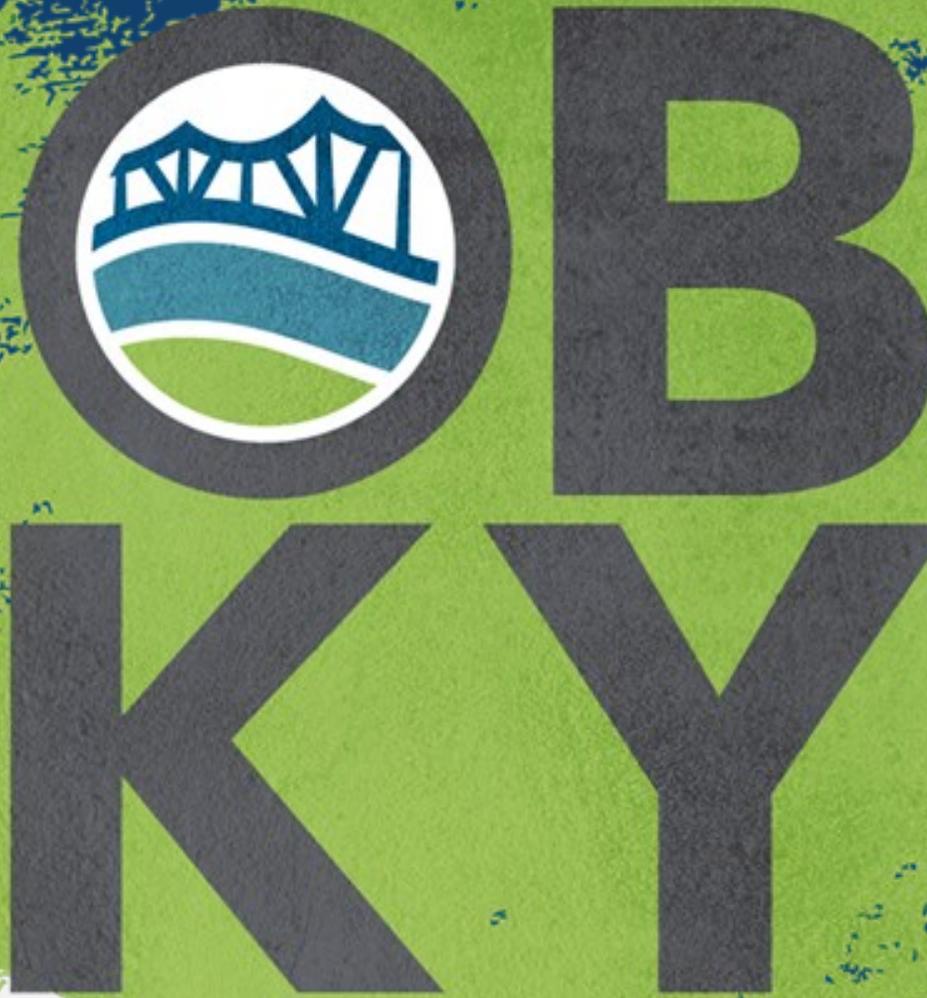


City of Owensboro



**OBKY Budget Report
2019-2020**



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Dear City Residents,

I am pleased to present the City of Owensboro’s first OBKY Community Budget Report for the fiscal year 2019-20. This report is one of the products of Mayor Watson’s initiative, known as the OBKY Project – “Ideas That Matter - By People Who Matter”. A recommendation from the initiative was to issue two annual summary reports regarding the financial status of the City. The first report was released in February 2019 and reported our audited financial results.

This report is designed to provide a summary view of the City’s budget. This year’s budget reflects a budgeted surplus, revenues over expenditures, in the General Fund, the operating fund of the city. Compiling the City’s budget is both an art and a science. We look at historical trends as well as meet with economic leaders in the community to apply that information to our budget. All information in this report can be found in greater detail in the full budget book, which is available on the City’s website at www.owensboro.org.

This budget reflects many exciting new projects. In our Your Community Vision budget, we are relighting the Glover C. Cary Bridge, extending the Greenbelt on the east side of town and updating Jack C. Fisher Park with enhanced amenities to make us more competitive in attracting tournaments.

Thank you for your interest in the city.

Respectfully,

Nate Pagan, City Manager





Mayor Pro Tem
Larry Maglinger

Commissioner
Pam Smith-Wright

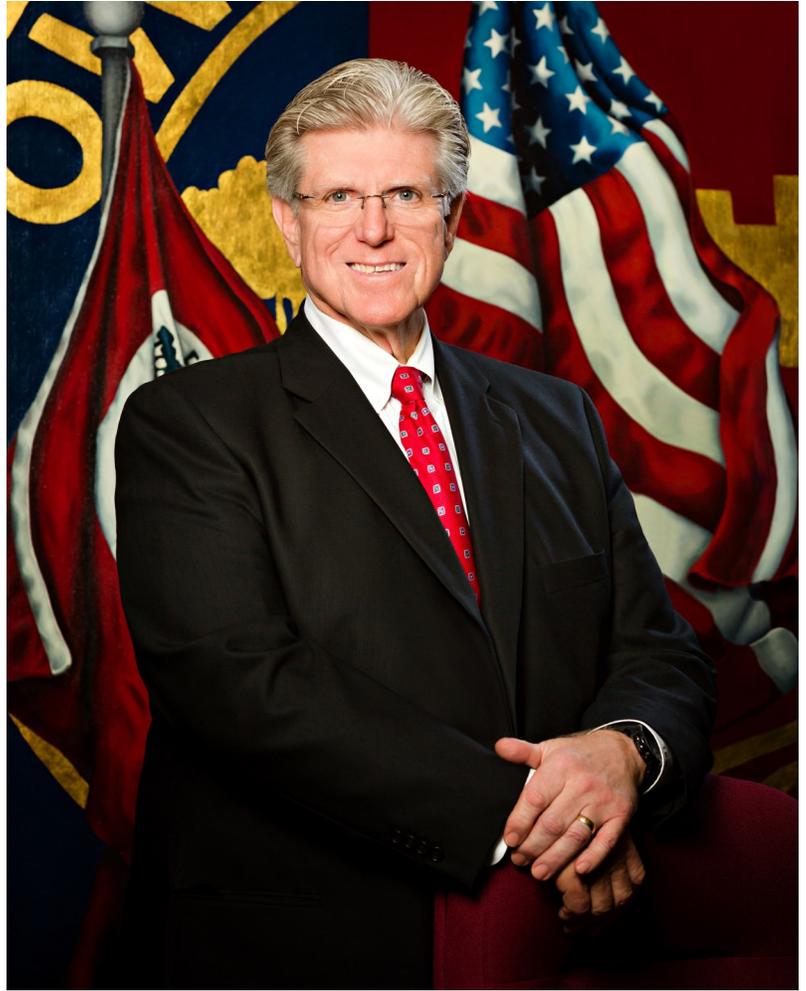


Commissioner
Larry Conder

Commissioner
Jeff Sanford



Mayor Tom Watson



What is a City Budget?

Every year the City Commission adopts an Annual Budget for the next fiscal year (the City's fiscal year runs from July 1 through June 30). The Budget is the City's business and financial plan for the fiscal year.

The Annual Budget has two purposes: 1) to set goals, objectives, and service levels for the City, and 2) to estimate the revenues the City will receive and to allocate those funds to insure the provision of City services to Owensboro residents. When allocating funds, the City considers, among other items, capital budgeting, revenue management, cash and investment management, asset management, and debt management.

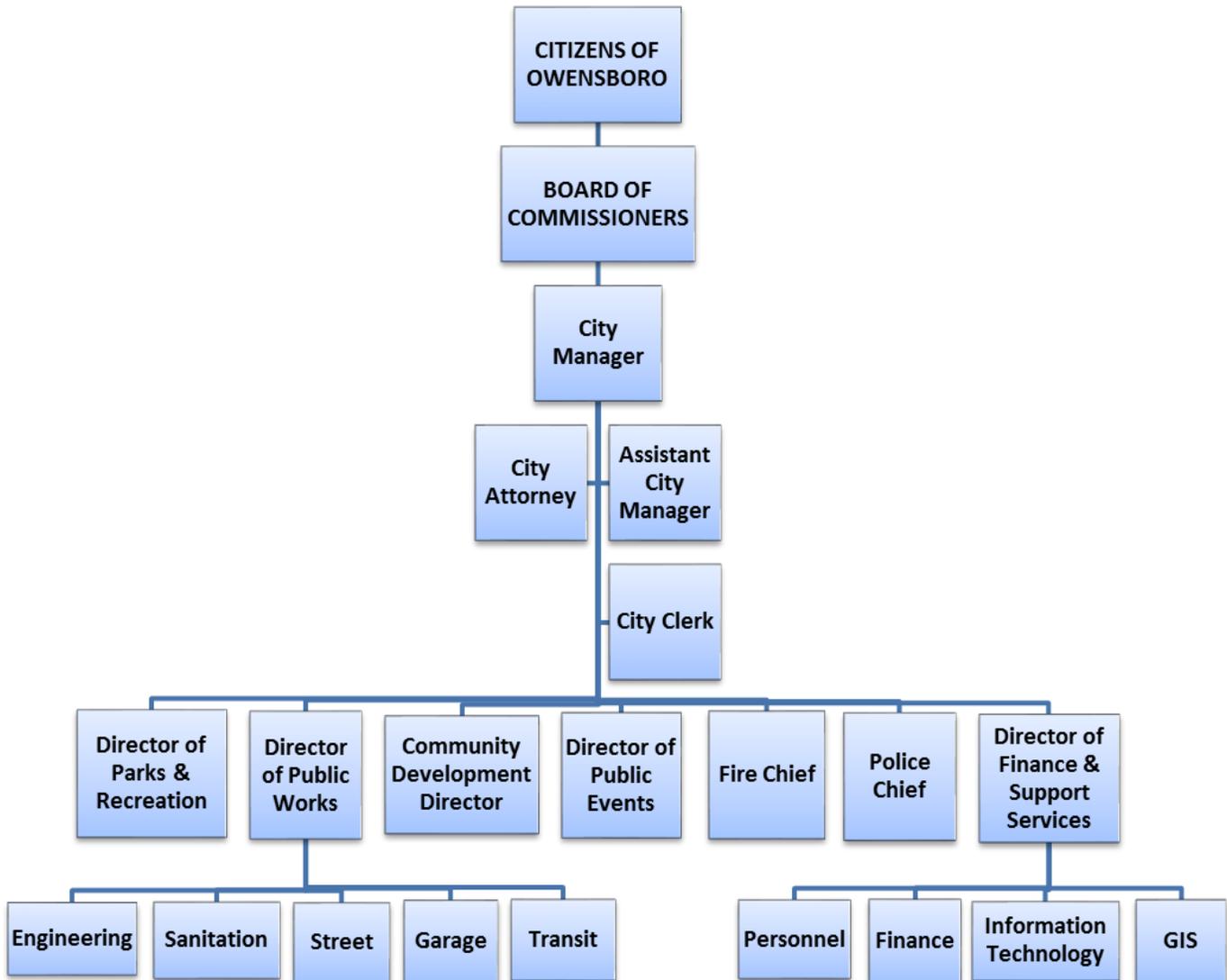
In developing the Annual Budget for revenues, items such as historical trends, forecasted economic activity and development, and employment rates are factored in. When budgeting for expenditures, the potential for increase to fuel and utility rates, health insurance and retirement rates is evaluated, as well as cost of supplies and services. Competitive salaries are also considered.

It is important to remember that the revenue and expenditure numbers in the budget are estimates. External factors such as the economy, demographic changes, statutory changes, and legislative mandates, can affect the degree to which a government is able to achieve its goals.

The Annual Budget supports the City's long-term financial goals.

Organization Chart

City of Owensboro 2019-20



429 Full-Time Employees - 250 Non Full-Time Employees

2019-2020 Budget Overview

All Appropriated Funds and Internal Service

Budgeted Funds	Estimated Beginning Fund Balance	2019-20 Revenue	2019-20 Expenditure	Net Excess (Deficit)	Estimated Ending Fund Balance
General	\$ 10,950,827	\$ 57,682,778	\$ 57,256,863	\$ 425,915	\$ 11,376,742
Sanitation	11,518,213	7,539,049	7,482,337	56,712	11,574,925
Transit	382,471	3,090,974	3,090,974	0	382,471
Recreational	11,970	2,960,533	2,960,533	0	11,970
Community Development	0	835,430	835,430	0	0
Capital Projects	1,927,780	65,000	65,000	0	1,927,780
Your Community Vision	14,487	6,180,976	5,630,560	550,416	564,903
GIS	40,987	466,004	466,004	0	40,987
Central Dispatch	383,240	2,898,849	2,898,849	0	383,240
Economic Development	2,552,063	3,348,140	3,057,251	290,889	2,842,952
Downtown Revitalization	1,288,038	3,730,000	4,616,014	(886,014)	402,024
Convention Center Operations	0	4,297,477	4,297,477	0	0
Sportscenter Operations	31,457	1,086,766	1,086,766	0	31,457
Gateway Commons TIF	0	1,106,339	1,106,339	0	0
Downtown Riverfront TIF	0	876,610	876,610	0	0
Debt Service	0	13,747,164	13,747,164	0	0
Sponsors/Scholarships	20,332	8,100	12,725	(4,625)	15,707
State Drug Fund	152,770	49,000	115,852	(66,852)	85,918
Federal Drug Fund	234,107	28,500	68,118	(39,618)	194,489
Property Recovery	77,004	6,500	17,342	(10,842)	66,162
Total Budgeted Funds	\$ 29,585,746	\$ 110,004,189	\$ 109,688,208	\$ 315,981	\$ 29,901,727
Internal Service Funds					
Facilities Maintenance	\$ 1,408,844	\$ 3,708,756	\$ 3,708,756	\$ 0	\$ 1,408,844
Garage Service	328,557	1,404,401	1,404,401	0	328,557
Insurance	2,486,503	7,109,972	6,598,418	511,554	2,998,057
Fleet & Facilities Replacement	3,954,454	3,354,908	2,719,500	635,408	4,589,862
Total Internal Service	\$ 8,178,358	\$ 15,578,037	\$ 14,431,075	\$ 1,146,962	\$ 9,325,320

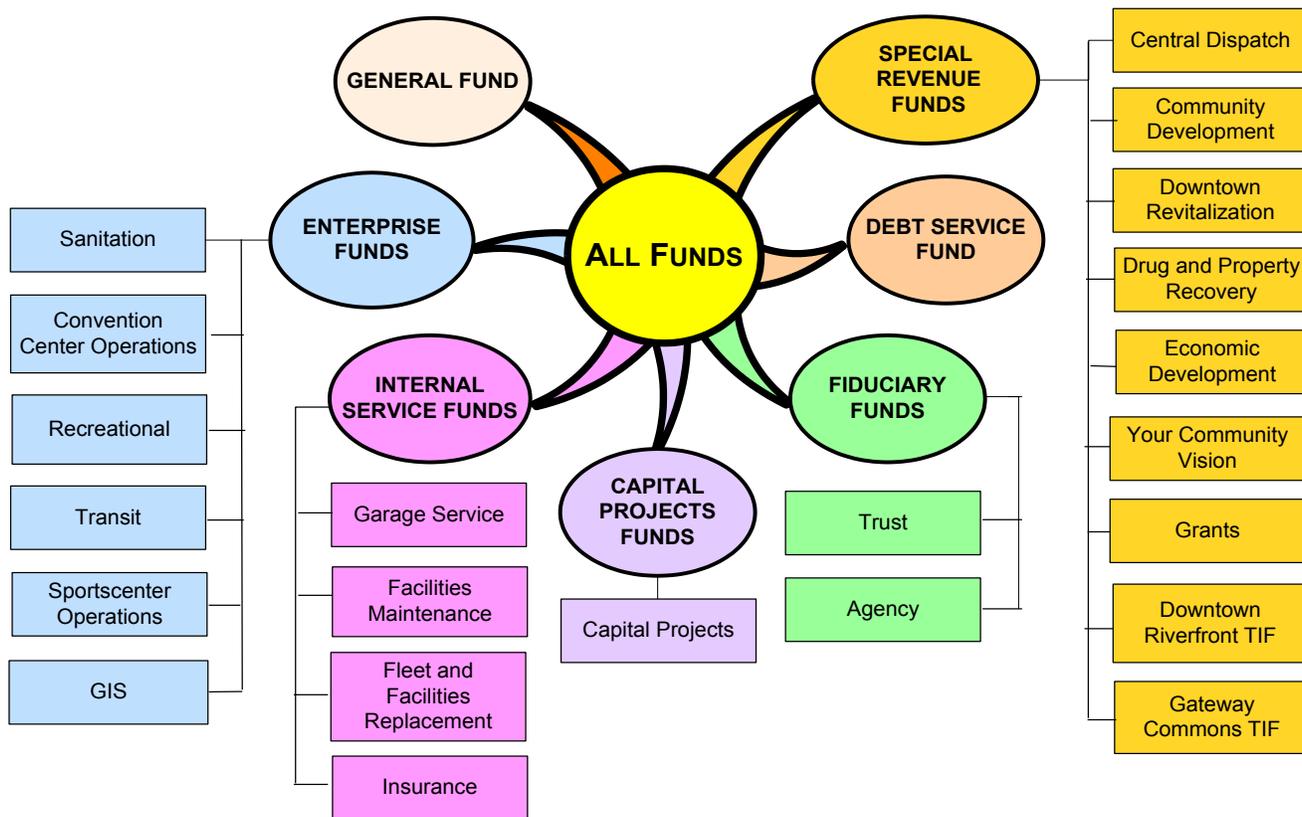
Total budgeted appropriations including transfers is: \$124,119,283

Your City Funds

City accounts are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting.

Fund accounting segregates funds according to the intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The City maintains a minimum number of funds consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of governmental funds not recorded directly in those funds. Major funds are designated; all funds are described. There are five major governmental funds (General Fund, Your Community Vision, Downtown Revitalization, Debt Service, and Capital Projects) and two major enterprise funds (Sanitation and Convention Center Operations).

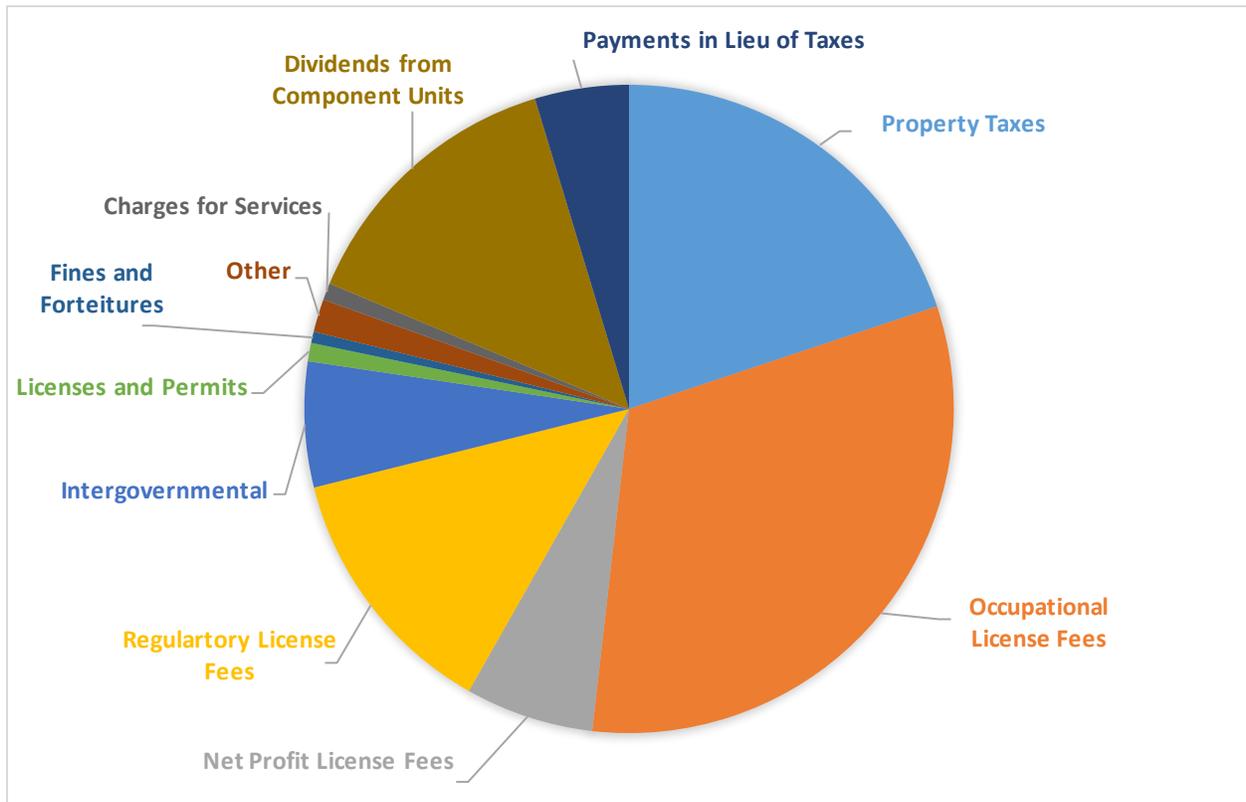


FUND BALANCE POLICY

The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures and/or revenue shortfalls. The desired minimum Fund Balance in the General Fund shall be 17% of the General Fund Operating Budget per policy adopted by the City Commission. Fund Balance may be accessed in the event of unexpected expenditures upon approval of a budget amendment by the Board of Commissioners.

General Fund - Where the Money Comes From

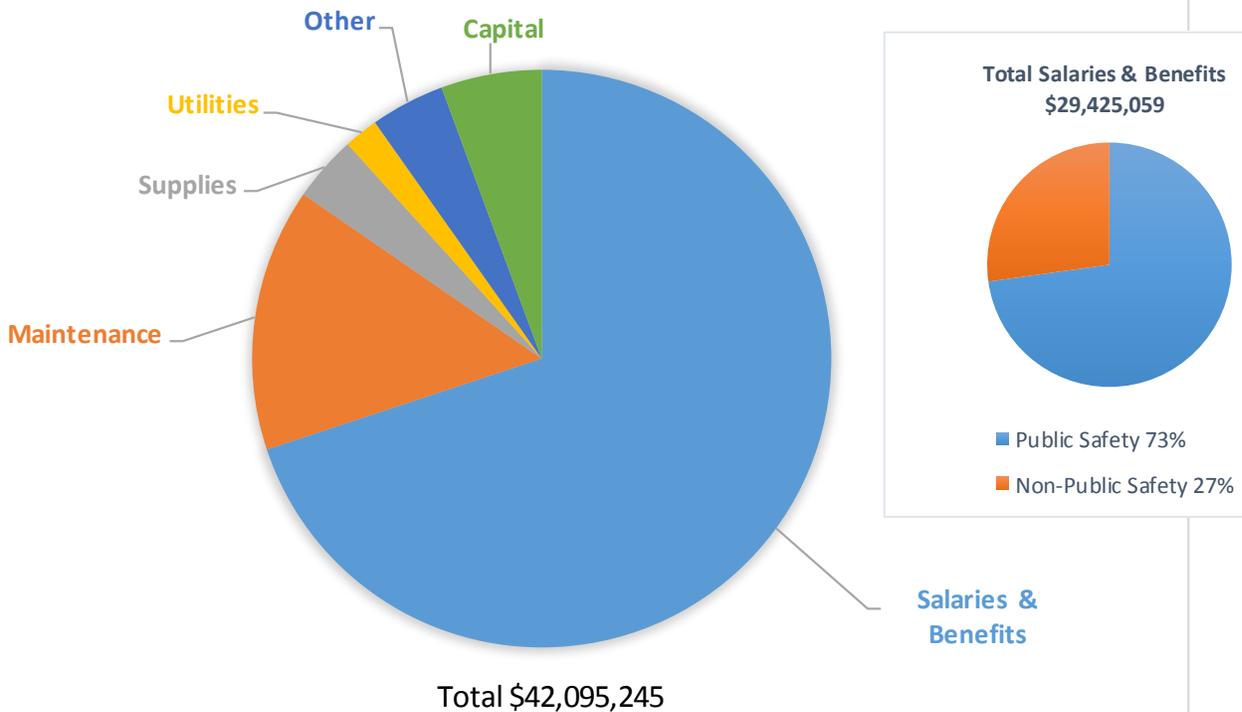
	Actual 2016-17	Actual 2017-18	Amended Budget 2018-19	Budget 2019-20
Property Taxes	\$10,473,856	\$10,745,254	\$10,881,538	\$11,463,008
Occupational License Fees	12,905,428	17,910,674	17,874,857	18,423,000
Net Profit License Fees	2,891,070	3,364,726	3,000,000	3,690,000
Regulatory License Fees	5,174,772	5,473,657	7,212,700	7,437,500
Intergovernmental	3,119,648	3,126,501	3,571,537	3,605,550
Licenses and Permits	535,740	573,729	517,250	529,000
Fines and Forfeitures	303,876	346,488	332,400	327,000
Other	1,284,763	705,018	1,147,191	946,303
Charges for Services	426,523	438,904	449,824	487,646
Dividends from Component Units	7,277,149	7,647,203	7,881,651	8,075,171
Payments in Lieu of Taxes	2,670,619	2,596,009	2,742,656	2,698,600
REVENUE TOTALS	\$47,063,444	\$52,928,163	\$55,611,604	\$57,682,778



General Fund - Where the Money Goes

Department	Actual	Actual	Amended	Budget
	2016-17	2017-18	Budget	2019-20
			2018-19	
Administration	\$ 1,843,238	\$ 1,794,972	\$ 1,986,532	\$ 1,912,983
Community Development	178,277	184,063	219,359	208,070
Engineering	2,536,672	2,870,489	3,068,066	3,749,174
Property Maintenance	125,606	145,779	239,243	234,984
Finance	1,471,798	1,430,904	1,647,860	1,707,901
Fire	9,722,538	9,941,844	11,712,475	11,476,653
IT	1,700,124	1,747,931	1,892,798	1,941,041
Parks	3,437,297	3,462,763	3,543,189	3,649,039
Parking Garage	207,087	77,972	120,686	133,840
Personnel	723,946	724,066	754,002	817,962
Police	11,154,531	11,923,521	13,560,225	14,114,180
Street	1,961,496	2,146,011	2,251,975	2,149,418
Department Total	\$ 35,062,610	\$ 36,450,315	\$ 40,996,410	\$ 42,095,245
General Government	3,764,981	3,473,548	3,661,260	4,706,538
Agencies	2,012,384	2,069,544	1,893,019	2,019,159
Transfer to Other Funds	4,858,066	7,183,432	6,781,354	6,883,727
Debt Service	1,822,715	1,391,373	1,902,924	1,552,193
EXPENSE TOTALS	\$ 47,520,756	\$ 50,568,212	\$ 55,234,967	\$ 57,256,862

DEPARTMENT TOTAL BY EXPENDITURE TYPE



Linking Objectives to Short-Term Goals

OBJECTIVES	SHORT-TERM GOALS	RESOURCES AND/OR ACTIVITY:
First-class public safety	Additional OPD/OFD and upgraded software systems	Funding from General Fund, YCV and Dispatch funds
	Retention bonuses - started in fiscal year 2018-19	Funding from General Fund
	Enhance Community Policing	Implementing programs, such as; Operation Santa, Shop with a Cop, Police academy, Active shooter training for local business, etc
Improve Efficiency and Effectiveness of Govt Services	Customer Service Training	Providing all front-line staff with customer service training
	OBKY Program	Reaching out to the community on expectations of the City
	Commission meetings	Increasing outreach by streaming on Facebook Live
Promote Tourism and Economic Development	Growing the City's footprint, creatively incentivizing jobs	Promoting annexation incentive programs and participating in the state's job incentive programs
	Continued development of the downtown and its attractions	Building a state of the art Bluegrass Music Museum & Hall of Fame
Enhance Neighborhood quality and values	Neighborhood Alliance Boards	Funding from General Fund-We are revamping the current program to involve more participation and effectiveness
Provide Appropriate Community Facilities	Replacement Plan	Every fund with infrastructure and/or vehicles is annually appropriated a prorated charge into the Replacement Plan to provide for timely replacement.
	Street Maintenance	Additional funding in street paving budget this year
Address Shortage of Downtown Parking	Build Parking Garage	Building a 445-space, 4-floor parking garage - Funding from CIP Fund (to be reimbursed by TIF funds)
		Incentivizing additional parking for public use - funding from CIP Fund (to be reimbursed by TIF funds)
Maintain the designation of Sports Illustrated "Sportstown" as the state's top location for community sports and recreation.	Jack C Fisher Park Softball Complex rehabilitation	Implementing Phase I of III in 2019-20 budget - funding from YCV Fund
Continue Revitalization of Downtown	Relight the Glover H. Cary Bridge	Funding from YCV Fund, to be reimbursed by TIF funds
Improve City's Image	Downtown Murals	Funding provided by sponsors
	Additional targeted tree planting	Funding from General Fund
Make the City more walkable/bikeable	Continue the Adkisson Greenbelt Trail extension	Funding from YCV Fund, to be reimbursed by TIF funds
	Mayor's Mile	Providing signage for walking/jogging path around the Smothers Park and our Lazy Dayz Playground, ranked No. 1 in the world
	Slow down 2nd Street Traffic	Increasing police traffic control, timing of stop lights

Debt Service Fund

This fund provides for annual debt and interest payments toward the city's outstanding debt of approximately \$132 million. Payments, via transfers, from various city funds finance this program. The City is subject to a legal debt limitation not to exceed 10% of total assessed property value within the city boundaries under Section 158 of the Constitution of the Commonwealth of Kentucky. The current legal debt limit is \$373 million. The current debt balance is 35% of the legal limit which demonstrates conservative debt management. The City's latest bond rating from Moody's Investor Services is A2. This rating represents above-average creditworthiness relative to other U.S. municipal or tax-exempt entities.

2019-20

REVENUE

Transfers from General Fund	1,552,193
Transfer from Economic Development	1,232,231
Transfer from Convention Center Operations	105,960
Transfers from Downtown Riverfront TIF	876,610
Transfer from Your Community Vision	2,064,318
Transfer from Downtown Revitalization	4,616,015
Transfer from Recreational	139,072

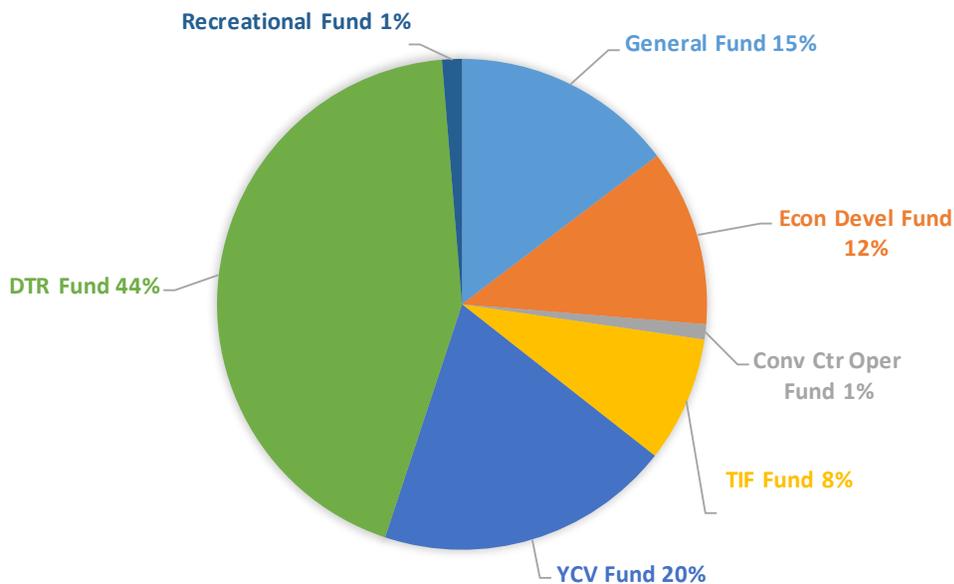
\$ 10,586,399

EXPENDITURES

Various City Infrastructure	237,235
Downtown Revitalization	4,616,014
Stormwater Projects	1,602,647
Riverpark Center	339,125
US Bank Buildings	1,079,584
Riverwall and Public Works Building Expansion	340,082
PFFP Pension Fund	278,000
Ice Rink	189,607
Bluegrass Museum	374,751
Skatepark	52,987
Downtown Parking	152,648
Convention Center FFE	105,959
Tennis Center	139,125
Parking Garage	706,675
Transportation Projects	371,960

\$ 10,586,399

DEBT SERVICE FUNDING



Debt Service appropriations for FY 2019-20 are \$10,586,399, of which \$876,610 will be paid by the Downtown Riverfront TIF revenues, bringing the City's debt service obligation to \$9,709,789. The General Fund is responsible for \$1,552,193 of the total debt service, which represent 2.7% of the General Fund budget. The remaining debt service is funded by dedicated revenue streams in the Special Revenue and Enterprise Funds.

City of Owensboro Mission Statement

The goals of the City Owensboro are:

To provide first-class public safety;

*To improve the efficiency and effectiveness of
government services;*

To promote economic development;

To enhance neighborhood quality and values; and

To provide appropriate community facilities.

City of Owensboro

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