

# THE CITY OF OWENSBORO, KENTUCKY



**POPULAR ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDING JUNE 30, 2019**



Dear City Residents,

We are pleased to present City of Owensboro’s second Popular Annual Financial Report (PAFR) for the year ended June 30, 2019, also referred to as fiscal year (FY) 2019.

This report is designed to provide a summary view of the City’s financial position and activities that is more easily understood. The information in this report is based on the City’s FY 2019 Comprehensive Annual Financial Report ([CAFR](#)) which represents the City’s official audited financial statements and conforms to the Generally Accepted Accounting Principles (GAAP). We are proud to report that the City has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association 38 times. All information in this report can be found in greater detail in the CAFR, which is available on the City’s website at [www.owensboro.org](http://www.owensboro.org).

In October 2019, the bond rating for the City was upgraded to A1 from A2 by Moody’s Investors Service. Moody’s cited the City’s continued stabilizing position, due to a combination of conservative budgeting, revenue growth supported by rate increases, and a reduction in the use of fund balance for one-time capital expenses, as the rationale for awarding the A1 rating. Further, the City adopted a formal Fund Balance Policy of maintaining unassigned general fund balance of not less than 17% of expenditures.

I hope upon reading this report, you will have greater insight into the City. If you have any questions or comments regarding information in this document, or any city financial report, please contact the Finance Department at 270-687-8534.

Respectfully,  
Nate Pagan, City Manager

**TABLE OF CONTENTS**

		<b>Financial Highlights</b>	<b>5-7</b>
<b>Letter from City Manager</b>	<b>1</b>	<b>Awards/Accolades</b>	<b>8-9</b>
<b>Elected Officials &amp; Staff</b>	<b>2</b>	<b>Items of Interest</b>	<b>10-11</b>
<b>City Profile</b>	<b>3-4</b>	<b>City Contact Information</b>	<b>12</b>

# Elected Officials & Administrative Staff



**Mayor Thomas H. Watson**



**Mayor Pro Tem  
Larry Maglinger**



**Commissioner  
Pamela L.  
Smith-Wright**



**Commissioner  
Larry Conder**



**Commissioner  
Jeff Sanford**

## Administrative Staff

**City Manager - Nate Pagan**  
**Assistant City Manager - Lelan Hancock**  
**City Attorney - Steve Lynn**  
**Finance & Support Services Director -  
Angela Hamric**  
**City Clerk - Beth Cecil**  
**Police Chief - Art Ealum**  
**Fire Chief - Steve Mitchell**  
**Public Works Director - Wayne Shelton**  
**Parks & Recreation Director - Amanda Rogers**  
**Community Development Director - Abby Shelton**  
**Public Events Director - Tim Ross**

# City Profile

Owensboro, originally known as Yellow Banks (due to the color of the soil along the Ohio River banks), was first settled in 1797. An 1817 Act of the Kentucky Legislature incorporated the town as “Owensborough,” later shortened to “Owensboro.” Owensboro ranks as Kentucky’s fourth largest city in terms of population and is the industrial and cultural capital of western Kentucky.

Owensboro is the county seat of Daviess County and lies on the southern banks of the Ohio River, one of the nation’s major waterways. Owensboro is located 32 miles southeast of Evansville, Indiana, 123 miles north of Nashville, Tennessee and 109 miles southwest of Louisville, Kentucky.

Owensboro operates under a City Manager form of government. The Board of Commissioners includes our Mayor and four Commissioners. Citizens elect the Commissioners at large on a non-partisan ballot. The Mayor is elected for a four-year term and the Commissioners for a two-year term. The Mayor and Commissioners have equal voting power. The Commission sets the policies that govern the City. The City Manager is appointed by the Board of Commissioners and is responsible for the day-to-day operations of the City.

Owensboro Municipal Utilities and Owensboro Riverport Authority are both municipally owned. As such, they are included in the City’s Comprehensive Annual Financial Report ([CAFR](#)).

The City provides a full range of municipal services, including police and fire protection, sanitation services, permitting and inspection services, construction and maintenance of streets and other infrastructure, recreational activities and cultural events, and utilities including electric, internet and water.



## Commission Meetings - Dates and Times

Commission meetings are held the first and third Tuesday of each month at 5pm.

Work session meetings are the second Tuesday of each month at 12noon.

The location for all meetings is at City Hall, 101 E. 4<sup>th</sup> Street, Owensboro KY in the Commission Chambers on the fourth floor.

Our Commission meetings and Work Sessions are broadcast live at the following venues:

[www.owensboro.org](http://www.owensboro.org)



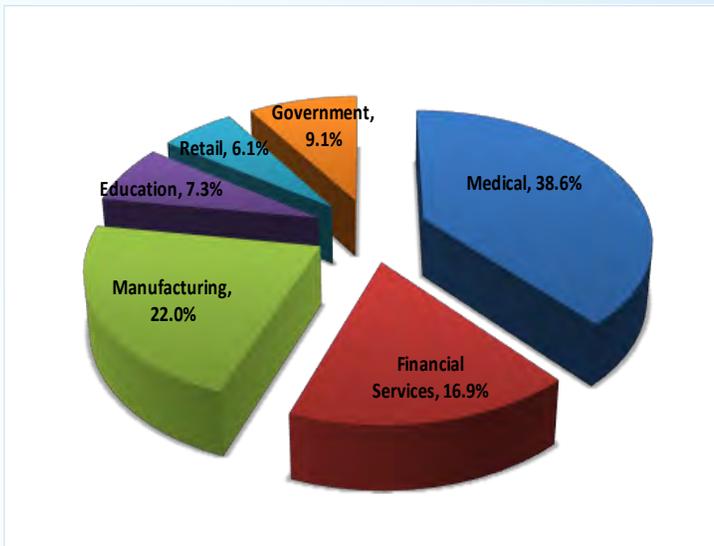
City information can be found at the following social media outlets:



## Top 10 Employers

<u>Employer</u>	<u>2019</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Owensboro Health	4,125	1	10.81%
US Bank Home Mortgage	1,800	2	4.72%
Toyotetsu Mid-America	779	3	2.04%
Owensboro Public Schools	778	4	2.04%
Specialty Food Group	700	5	1.83%
Wal-Mart/Sam's Club	655	6	1.72%
Audubon Area Community Srvs	539	7	1.41%
Unifirst	445	8	1.17%
City of Owensboro	429	9	1.12%
Glenmore Distilleries	424	10	1.11%
<b>Total</b>	<b>10,674</b>		<b>27.97%</b>

Source: Economic Development Corporation



## CITY FACTS

<b>POPULATION:</b>	59,809
<b><u>PUBLIC SAFETY:</u></b>	
<i>POLICE PROTECTION:</i>	
Police Stations	1
Police Substations	2
Police Officers	110
<i>FIRE PROTECTION:</i>	
Fire Stations	5
Firefighters	99
<b><u>PHYSICAL:</u></b>	
Land Area (Square Miles)	20.88
Miles of Streets	250.30
Miles of Sidewalks	231.85
<b><u>CITY PUBLIC SCHOOLS:</u></b>	
Elementary Schools	5
Middle Schools	1
High Schools	1
Preschools	1
<b><u>PARKS &amp; RECREATION:</u></b>	
Parks	24
Dog Park	1
Acres of Parkland	960
Swimming Pools	2
Tennis Courts	36
Golf Courses	2
Ice Arena	1
Recreation Center	1
Softball Complex	1
Ball Diamonds	14
Youth Football/Soccer Fields	15
Basketball Courts	11
Sports Arena	1
<b><u>CULTURE:</u></b>	
Convention Center	1
Performing Arts Center	1
Senior Center	1
Museums	3
<b><u>MUNICIPAL UTILITY:</u></b>	
<u>Water Utility</u>	
Users	25,005
Annual Consumption (mil)	4,316
<u>Electric Utility</u>	
Street Lights	9,422
Traffic Signals	127
<b><u>TRANSIT:</u></b>	
Routes	9
- 8 serviced by city buses	
- 1 serviced by city trolley	

# GENERAL FUND

## Statement of Revenues, Expenditures & Changes in Fund Balance

(page 26 in FY 2017, FY 2018 and FY 2019 CAFR)

### General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law, ordinance, or contractual agreement to another fund are accounted for in this fund. From this fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

The City has 24 other funds, as follows:

#### Debt Service Fund

#### Community Development Fund

#### Downtown Revitalization Fund

#### Drug and Property Recovery Fund

#### Economic Development Fund

#### 911 Dispatch Fund

#### Capital Improvements Fund

#### Sanitation Fund

#### Transit Fund

#### Geographic Information System Fund (GIS)

#### Convention Center Operations Fund

#### Recreation Fund

#### Sportscenter Operations Fund

#### Facilities Maintenance Fund

#### Insurance Fund

#### Garage Service Fund

#### Fleet and Facilities Fund

#### City Employees' Pension Fund (Closed)

#### Police and Fire Pension Fund (Closed)

#### Investment Trust Fund

#### Agency Fund

#### Your Community Vision Fund

#### Gateway Commons TIF

#### Downtown Riverfront TIF

For more information on these funds, see the City's [CAFR](http://owensboro.org) at [owensboro.org](http://owensboro.org)

REVENUES	FY 2017	FY 2018	FY 2019
Property Taxes	10,473,857	10,745,254	11,064,301
Payroll Withholding Taxes	12,905,428	17,910,674 (1)	18,754,225
Net Profit Taxes	2,891,070	3,364,726	4,247,292
Insurance Premium Taxes	4,176,873	4,416,879	5,941,195 (2)
Charges for Services	868,669	893,439	916,030
Dividends from OMU/ORA	7,277,149	7,647,203	8,146,508
Payments in Lieu Of Taxes (PILOT)	2,670,618	2,596,009	2,598,448
Regulatory TAXES (Atmos, Kenergy, Spectrum)	997,599	1,056,778	1,063,401
Intergovernmental Revenues	2,251,415	2,264,413	2,519,180
Investment Earnings	152,314	228,750	638,616 (3)
Fees, Licenses and Permits	463,732	519,826	499,533
Miscellaneous	1,392,520	1,240,708	1,399,891
<b>Total Revenues</b>	<b>46,521,244</b>	<b>52,884,659</b>	<b>57,788,620</b>
<b>EXPENDITURES</b>			
General Government	11,116,289	9,883,192	10,235,422
Public Safety	19,934,856	21,799,307	23,145,134
Public Works	4,306,598	5,240,255	5,321,508
Community and Cultural	5,294,753	5,532,297	5,170,601
Community/Economic Development	174,541	184,063	167,940
Capital Outlay	12,935	204,293	906,766
<b>Total Expenditures</b>	<b>40,839,972</b>	<b>42,843,407</b>	<b>44,947,371</b>
<b>Excess of Revenues Over Expenditures</b>	<b>5,681,272</b>	<b>10,041,252</b>	<b>12,841,249</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	212,083	13,507	518,766
Transfers In	360,681	30,000	-
Transfers Out (detail pg. 7)	(6,680,781)	(7,724,805)	(7,679,586)
<b>Net Change in Fund Balance</b>	<b>(426,745)</b>	<b>2,359,954</b>	<b>5,680,429</b>
<b>FUND BALANCE - BEGINNING</b>	<b>9,331,694</b>	<b>8,904,949</b>	<b>11,264,903</b>
<b>FUND BALANCE - ENDING</b>	<b>8,904,949</b>	<b>11,264,903</b>	<b>16,945,332</b>

(1) The City raised the Occupational and Net Profits License Fee rates from 1.39% to 1.78% effective July 1, 2017.

(2) The City raised the Insurance Premium Taxes from 8.0% to 10.0% effective July 1, 2018.

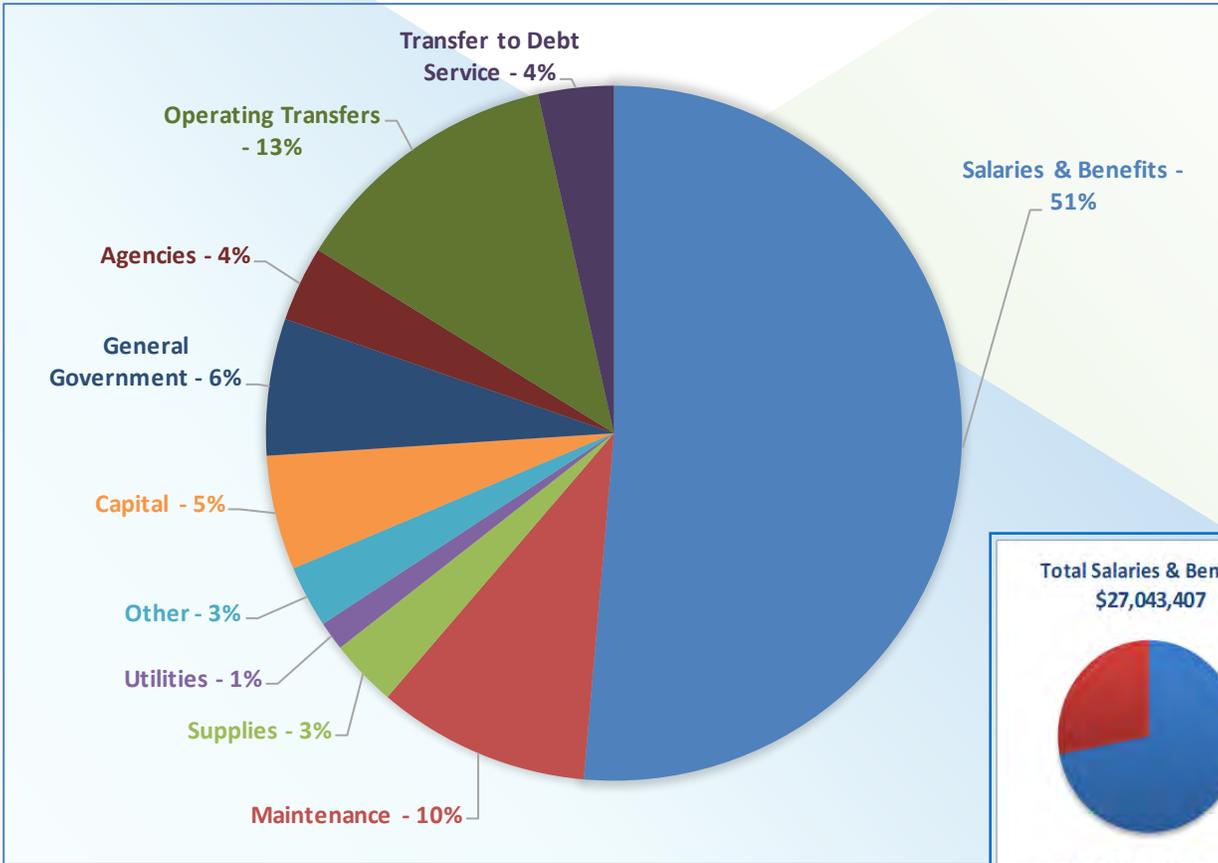
(3) Increase is primarily due to higher interest rates, and partially due to higher cash balance.

# GENERAL FUND

General Fund Expenditures by Expense Type \$52,626,957

(Total Expenditures & Transfers Out)

FY 2019



For more detail on operating transfers and agencies see page 7.



## Tax Rates

Payroll Withholding		1.78%
Net Profit Tax		1.78%
Insurance Premium Tax		10.00%
Property Tax:	Real	.2620
	Personal	.2530

The property tax rates reflected above are applied to each \$100 of assessed value that is determined by a combination of the State and County Property Valuation Administrator (PVA). By example, a house that is assessed at \$100,000 would have a city property tax of \$262.

# Agency Funding

## ARTS

Black Expo	\$	2,622
Bluegrass Music Hall of Fame & Museum		94,149
Friday after Five		22,907
Museum of Fine Arts		144,042
Museum of Science and History		135,979
Owensboro Dance Theatre		10,453
Owensboro Symphony Orchestra		116,545
RiverPark Center		167,571
Theatre Workshop		33,703
Western Kentucky Botanical Gardens		22,950
	\$	<u>750,921</u>

## SOCIAL SERVICES

Elizabeth Munday Center	\$	91,021
Green River Asset Building Coalition		4,486
United Way		318,564
	\$	<u>414,071</u>

## GOVERNMENT SERVICES

Airport	\$	196,307
GRADD		88,140
Human Relations		72,821
ODC Veterans Affairs		1,500
Planning & Zoning (OMPC)		236,411
Sister Cities		8,164
	\$	<u>603,343</u>

Agencies funded by the City submit annual applications for their funding

## Operating Transfers for FY 2019 to:

Dispatch	\$	2,067,976
Convention Center Operations		746,694
Sportscenter		319,468
Capital Improvement		65,000
Transit		944,076
Recreational		1,580,546
GIS		111,002
Debt		1,844,824
	\$	<u>7,679,586</u>

The above Operating Transfers from the General Fund to the listed funds are made to assist in the operations of each fund, either by ordinance or by need.



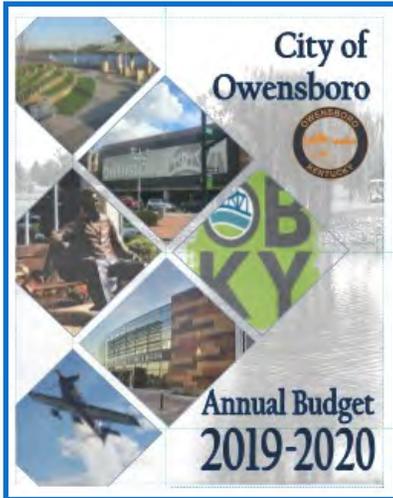
# Staffing by Department

<u>Department</u>	<u>Full Time</u>	<u>Non-Full Time</u>
Administration	9.0	10.0
Community Development	1.0	0.0
Information Technology	15.0	2.0
Finance	17.0	5.0
Human Resources	5.0	2.0
Parks/Recreation	14.0	164.0
Police	121.0	14.0
911 Dispatch	30.0	8.0
Fire	100.0	2.0
Property Maintenance	1.6	0.8
Engineering	10.3	4.0
Street	17.6	0.0
Facilities Maintenance	23.6	0.0
Garage	8.1	0.0
Sanitation	28.8	1.2
Stormwater	3.0	0.0
Transit	23.0	19.0
<b>Total City</b>	<u>428.0</u>	<u>232.0</u>



# Awards

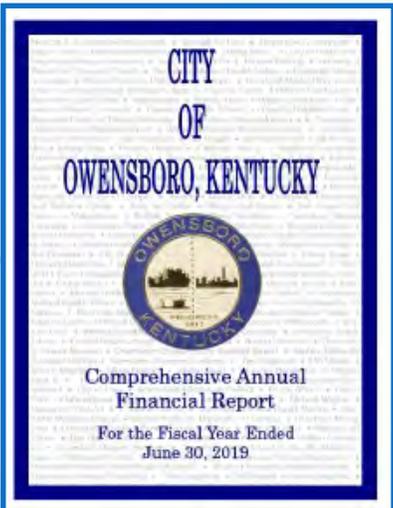
## Distinguished Budget Presentation Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Owensboro, Kentucky, for its Annual Budget for the fiscal year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. The City of Owensboro has received this award 19 times.

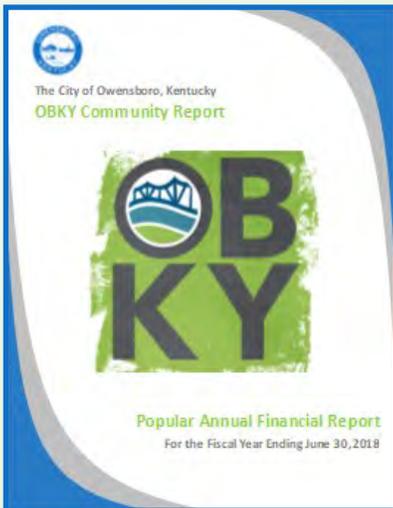
## Certificate of Achievement for Excellence in Financial Reporting



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Certificate of Achievement for Excellence in Financial Reporting Award to the City of Owensboro, Kentucky, for its Comprehensive Annual Financial Report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. The City of Owensboro has received this award 38 times.

## Award for Outstanding Achievement



The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement for Popular Annual Financial Reporting to the City of Owensboro for its Popular Annual Financial Report for the fiscal year ended June 30, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to achieve this Award for Outstanding Achievement in Popular Annual Financial Reporting, a governmental unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Owensboro received a Popular Award for the first time for fiscal year ending June 30, 2018. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

# Community Accolades

Owensboro Riverport Authority is the

**HIGHEST-VOLUME**

— public authority of the —

**8 PUBLIC PORTS**

in Kentucky. *The Lane Report, 2017*

## TOP 11 CITIES

◆ FOR MILLENNIAL HOMEBUYERS ◆

*USA Today, 2017*

OWENSBORO

is among the

# TOP 5

Tier 3 Metros

*Site Selection Magazine, 2018*

# 17TH

BEST PLACES TO WORK  
IN MANUFACTURING

*Smart Asset, 2017*

The Greater Owensboro region is within 600 miles of two-thirds of America's population.



S&P GLOBAL PLATTS  
GLOBAL METALS AWARDS  
2018 FINALIST

# BEST

**SMALL CITY**

*Milkin Institute, 2016*

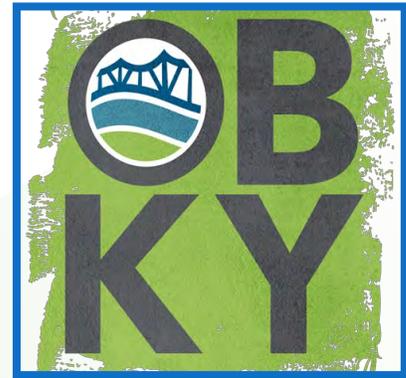
## TOP CITIES for Millennials

*Business Insider, 2017*





**OBKY** is a multifaceted project proposed by Mayor Tom Watson to engage our citizens and generate a list of community projects and initiatives that will require little or no city tax revenue to achieve. Projects include; Neighborhood Alliance 2.0, Owensboro Transit system improvements, downtown affordable housing, entertainment district, community city finance reporting, downtown art projects, community wayfinding signage, a walking path downtown, and work to improve the beautification of city entrances.



**Jack C. Fisher Park Softball Complex** renovations are on schedule and will prove to be unique among competing facilities. Phase 1 of the renovations include: hybrid fields (synthetic infield and natural grass outfield), new infield and outfield irrigation system, batting cages, front parking lot expansion, new signage on West 5th Street Road, practice field upgrades, new ticketing entrance, and added rear parking. Phase 2 (scheduled in the next fiscal year) includes: service entrance improvements and a playground. The renovations are scheduled to be completed in 2020.

In an effort to further enhance the revitalized downtown area, an Entertainment Destination Center (EDC) was established. The District is a portion of downtown that allows alcoholic beverages on public property during certain permitted special events. The District allows patrons at participating businesses to leave the premise with an alcoholic beverage in a specially marked cup.



**Third Downtown Hotel and Apartment Complex**—The \$4.6 Million incentive for the developer was approved in 2019, and construction on the Home2 Suites by Hilton is slated to begin in mid-2020. This new addition to the newly renovated downtown will include 100+ hotel rooms and over 200 apartments directly across from the Owensboro Convention Center, these additional hotel rooms will aid in attracting larger conventions. These additional housing options will aid in our downtown place making initiative, which was the basis of the Downtown Master Plan.

The City opened **Castlen Dog Park**, a 1.6 acre fenced, off-leash park for dog owners and their canine friends. There are two fenced areas, fanning out into the wooded area of the park; one side designated for smaller dogs and one for larger. This park is located inside the city-owned 23.75-acre Legion Park. Local realtor Steve Castlen drove the initiative to fundraise \$100,000 to develop the park, with Mr. Castlen being the primary donor. The city will be responsible for the everyday maintenance of the park.



# City Contact Information

## City Hall

101 E 4th Street  
Owensboro, KY 42303

**CityAction - 270-687-4444**

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Community Development - 270-687-8658

Engineering Department - 270-687-8641

Finance - 270-687-8523

Tax Department - 270-687-5600

Fire Department - 270-687-8408

Human Resources - 270-687-8540

Parks & Recreation - 270-687-8700

Police Department

Emergency dial - 911

Non-Emergency - 270-687-8888

Purchasing Department - 270-687-8431

Sanitation Department - 270-687-8760

Special Events - 270-687-8702

Street & Stormwater - 270-687-8680

Transit Department - 270-687-8570



## **Other Key Information:**

### **Owensboro-Daviess County Regional Airport**

2200 Airport Road  
Owensboro, KY 42301  
270-685-4179

### **Owensboro Health Regional Hospital**

1201 Pleasant Valley Road  
Owensboro, KY 42303  
270-417-2000

### **Owensboro Municipal Utilities**

2070 Tamarack Road  
Owensboro, KY 42301  
270-926-3200

### **Owensboro Riverport Authority**

2300 Harbor Road  
Owensboro, KY 42301  
270-926-4238

### **PVA- Property Valuation Office**

212 St. Ann Street  
Owensboro, KY 42303  
270-685-8474

### **Cultural Services**

Riverpark Center – 270-687-2770  
Convention Center – 270-687-8800  
Bluegrass Music Museum & Hall of Fame – 270-926-7891  
Museum of Science & History – 270-687-2732  
Museum of Fine Arts – 270-685-3181

**For a complete copy of the [CAFR](#) click on hyperlink  
or go to [www.owensboro.org](http://www.owensboro.org).**



**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.***