

**CITY OF RUSSELLVILLE, KENTUCKY
ORDINANCE 2010-07**

AN ORDINANCE ADOPTING THE CITY OF RUSSELLVILLE, KENTUCKY, ANNUAL BUDGET FOR THE FISCAL YEAR JULY 1, 2010 THROUGH JUNE 30, 2011, BY ESTIMATING REVENUES AND RESOURCES AND APPROPRIATING FUNDS FOR THE OPERATING OF CITY GOVERNMENT, PROVIDING A REPEALER CLAUSE, SEVERABILITY CLAUSE AND AN EFFECTIVE DATE.

** ** *

WHEREAS, an annual budget proposal and message has been prepared and delivered to the City Council, and

WHEREAS, the City Council has reviewed such budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF RUSSELLVILLE, THAT:

Section 1:

The annual Budget for the fiscal year beginning July 1, 2010, and ending June 30, 2011, is hereby adopted as follows:

See Exhibits "A" and "B" attached hereto.

Section 2:

The regulatory license fee establish by Ordinance 83-6, including any amendments, shall be five percent (5%) of the gross receipts from the retail sale of alcoholic beverages.

Section 3:

The totals on this budget are based on numbered line items contained in the "Proposed Budget" sections on a computer printout on file in the City Clerk's office and designated "2010-2011 Budget Report." Before any expenditures are made for any department that would cause any line item to be exceeded, or within ten (10) days after the financial statement for the preceding month is made to the City Council, the Department Head of that department shall prepare and submit to the City Council a sworn statement reporting the amount of and necessity for those expenditures, and this provision of this Ordinance shall serve as the statutorily required notice to the Mayor of the Council's action requiring this statement.

Section 4: SEVERABILITY CLAUSE

In the event any provision of this Ordinance is invalid for any reason, such invalidity shall not affect any other provision.

Section 5: REPEALER CLAUSE

All portions of any ordinance or rule or regulation in conflict herewith are hereby repealed to the extent of that conflict only.

Section 6: EFFECTIVE DATE

This Ordinance shall be effective upon its passage and publication according to law.

FIRST READING conducted on the 18th day of May, 2010.

SECOND READING AND PASSAGE conducted on this 27th day of May, 2010.

By Eugene Zick
Eugene Zick, Mayor

ATTEST:

By Bob Riggs
Bob Riggs, City Clerk

Ayes: Jimmy Davenport
Pat Bell
Jack Whipple

Russell Jones
Lanny McPherson

Nays:

Absent: Doug Nash

Abstaining:

NOTICE

All interested persons are hereby notified that a summary of the Fiscal Year 2010-2011 Budget of the City of Russellville, Kentucky, is available for public inspection. The summary and documents to support same are available at City Hall from 8:00 a.m. to 5:00 p.m., Monday through Friday.


Bob Riggs, City Clerk

Exhibit "A"

**ESTIMATED REVENUE
FISCAL YEAR 2010 / 2011**

Revenue Source	General Fund	Carpenter Center Fund	Municipal Road Aid & LGEAF	Ky & Fed Gen Fund Grants	Water / Sewer Fund	KIA Wtr /Swr Grants	Degraffenried Fund	Police/Fire Incentive
Property Taxes	998,229							
Fines & Forfeitures	3,548							
Occupational Taxes	2,520,389	417,135						
Insurance Premium Fee /Tax	433,242							
Governmental Revenue /Transfers	21,864		135,742					112,224
Code Enforcement	1,271							
Interest	2,100				200		9,000	
Charges for Services	252,159				4,067,119			
Alcohol License Fee	177,171							
Previous Year Carryover	(11,041)		2,744	593			1,105,518	
Franchise Taxes	61,682							
Note Proceeds /Sale of Asset Proc	190,000				5,560			
Carpenter Center		167,317						
Rockwell Grants	500,000				400,000			
CDBG Green Firehouse Grant				500,000				
KHC Streetscape Grant				325,000				
AFG Ladder Fire Truck Grant				600,000				
Dept of Justice COPS Grant				54,000				
Ky Homeland Sec Radios Grant				50,000				
FEMA Emerg Mgt Grant				65,000				
KCTCS Fire Grants	8,750			44,500				
KIA Johnson St Sewer Line Grant						600,000		
KIA Misc Water Line Grants						1,565,574		
KIA Misc Sewer Line Grants						277,258		
TOTAL	5,159,364	584,452	138,486	1,639,093	4,472,879	2,442,832	1,114,518	112,224

Exhibit "B"

**APPROPRIATIONS
FISCAL YEAR 2010 / 2011**

Department	General Fund	Carpenter Center Fund	Municipal Road Aid & LGEAF	Ky & Fed Gen Fund Grants	Water / Sewer Fund	KIA Wtr /Swr Grants	Degraffenried Fund	Police/Fire Incentive
Administrative	727,097							
Police	1,542,873							71,016
Fire	759,028							41,208
Streets	457,073		130,942					
Cemetery	194,785							
City / County Parks	391,463							
Service Center	119,997							
Civic Interests	409,206		4,800				22,321	
Recreational Park	57,842							
Water					2,297,987			
Sewer / I&I					1,774,892			
Carpenter Center		584,452						
Rockwell Recreational Park Proj	500,000							
CDBG Green Firehouse				500,000				
KHC Streetscape Project				325,000				
AFG Ladder Fire Truck				600,000				
Dept of Justice COPS Program				54,000				
Ky Homeland Sec Digital Radios				50,000				
FEMA Emerg Mgt Bethel Wall				65,000				
KCTCS Fire Emerg Veh & Air Sys				44,500				
Rockwell Johnson St Sewer Line					400,000			
KIA Johnson St Sewer Line						600,000		
KIA Misc Water Line Projects						1,565,574		
KIA Misc Sewer Line Projects						277,258		
TOTAL	5,159,364	584,452	135,742	1,638,500	4,472,879	2,442,832	22,321	112,224
FUND BALANCE	0	0	2,744	593	0	0	1,092,197	0

MEMO

TO: City Council

FROM: Mayor Gene Zick

SUBJECT: Fiscal Year 2010-2011 Budget Message

DATE: May 18, 2010

As required by statute, I am attaching my Budget message which covers the highlights of the proposed budget that you have recently seen.

The detailed budget is also attached for your review, comments and input.

A handwritten signature in cursive script, appearing to read "Gene", followed by a horizontal line extending to the right.

Cc: Bob Riggs
File

**FISCAL YEAR 2010-2011
BUDGET MESSAGE**

The goal of the proposed 2010-2011 Budget is to have a budget that is conservative but is attainable. It will provide the necessary services that are expected by our citizens.

Projected revenues for the General Fund are \$5,748,613 (including Rockwell). We are applying for several grants and \$825,000 has been approved as of this meeting.

Each department's budget has been reviewed several times and the assigned council persons were given the opportunity to be involved early on in the budget process and preparation.

The following are some of the major factors that are contained and influenced in the General Fund budget:

1. Property taxes are not increased, property values are level.
2. Occupational tax revenues are increased \$44,402 due to a pick-up in the economy.
3. We are estimating revenue from the insurance premium surcharge/tax/fee to be \$433,242 which is a full year without revenue from medical insurance or life insurance of approximately \$120,000.

4. Debt payments for the following items:

A)	1997 Carpenter Center Bond payment	\$134,820
B)	2004 Carpenter Center Bond payment	\$67,444
C)	2006 Carpenter Center Bond payment	\$23,268
D)	2005 Cemetery truck payment	PAID
E)	2006 Cemetery property payment	PAID
F)	2005 Street backhoe payment	PAID
G)	2006 Service Center payment	\$25,114
H)	2006 Police vehicle payment	PAID
I)	2007 Police vehicle payment	PAID
J)	2005 REV credit	PAID
K)	2006 General Fund projects payment	\$44,858
L)	2008 Pierce fire truck payment	\$51,155
M)	2008 Old Hospital payment	\$156,000
N)	2009 Herndon Road payment	\$29,179
O)	2009 General Fund projects payment	<u>\$112,907</u>
TOTAL		\$644,745

5. The Recreational Park Complex is included as a separate department in the budget.
6. The cost of living (COLA) wage adjustment of 2.0% is not based on regional COLA as before, due to budget constraints.

7. Again, there will be no merit increase in 2010-2011.
8. Staffing in the police department is increased by one due to the Department of Justice COPS grant while the parks, streets and waste treatment are being held at a reduced level.
9. The cost of retirement benefits has increased to \$531,979, severely limiting the funds available for all other needs.
10. Medical Insurance costs are predicted to increase to \$505,797. We are looking at alternatives to minimize any increase to the employees.

The Municipal Road Aid fund is proposed to be \$130,942.

The deGraffenried budget is estimated to be \$1,114,518 with some \$22,321 in appropriations projected for the coming period.

Water and Sewer Budgets are impacted by the following:

Revenues for the Water and Sewer Operations are estimated at \$4,472,879 (including Rockwell) which is a decrease due in part to not passing the Logan-Todd Regional Water Commission rate increase and not taking a COLA increase even though recommended by the federal government, state government and Moody Bonding Company We are taking a very conservative approach on these revenues because we believe conservation on the part of the public will continue to impact usage. Water losses remain a concern due to the age of the system and upgrades. The lack of capital may well impact the replacement of old galvanized lines in the south eastern section of the city.

We are expecting more grants from the state and a federal government, as of this writing \$800,000 has been approved.

The following are issues which impacted the proposed budget:

1. We did not increase the Water and Sewer rates to cover the 13.3% increase by the Logan-Todd Regional Water Commission.
2. We did not increase the water and sewer rates by COLA to compensate for increased prices of our materials.
3. Debt payments for the following will occur during the period:

A) 1991 USDA 68/80 Bond payment	\$ 8,726
B) 1972 USDA Spa Lake bond payment	Paid
C) 1998 Sewer bond payment	\$427,987
D) 1999 Water bond payment & closing reserve	Paid

E) 1998 Lewisburg Bank loan payment	\$5,338
F) 2005 Bobcat loan payment	Paid
G) 2006 Backhoe loan payment	Paid
H) 2006 Water meter lease payment	\$86,862
I) 2006 Water meter payment	\$44,858
J) 2006 Water/ Sewer Project payment	\$51,580
K) 1992 KIA Spa Lake loan payment	\$97,677
L) 2007 Manshart payment	\$51,943
M) 2006 I&I camera payment	<u>Paid</u>
Total	\$774,971

4. A COLA wage adjustment of 2.0 % is not based on the southern region as per our practice.

5. Again no merit increase for 2010-11

6. The cost of retirement benefits is \$ 163,741

7. The cost of medical insurance is \$242,316

8. The following are what I see as "Hard and Soft spots"

HARD

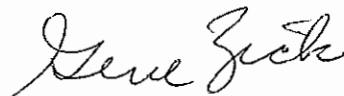
- * Insurance fee
- * Property tax
- * Rockwell Project
- * Johnson Street
- * Donations
- * Streetscape
- * Green Firehouse

SOFT

- *Medical Insurance Savings
- *Energy savings
- *Occupational Taxes
- *Utility costs
- *Fuel Costs
- *Water loss

I welcome your input and comments relative to this Proposed Budget.

Respectfully Submitted



Gene Zick
MAYOR

PUBLIC NOTICE BUDGET HEARING

The City of Russellville, Kentucky will hold a Public Hearing on Thursday, May 27, 2010 at 4:45 p.m. The Hearing will be held at Russellville City Hall, in the City Council's Chamber room, located at 106 S. W. Park Square, Russellville, Kentucky. The purpose of the Hearing is to obtain oral and written comments from citizens regarding the Proposed Annual Budget and the use of Municipal Road Aid Program Funds and Local Government Economic Assistance Funds as contained in the proposed budget in total.

Any person(s), especially senior citizens and physically impaired individuals, who cannot submit written comments or attend the Public Hearing, but wish to make comments, should contact Mayor Gene Zick by 4:00 p.m., May 25th, so that the City can make arrangements to obtain their comments. Physically impaired individuals wishing to attend the Hearing should contact the person named above by the appropriate date if special arrangements are necessary.

**Gene Zick
Mayor, City of Russellville, Kentucky**