

**MINUTES OF THE SPECIAL MEETING
OF THE ELIZABETHTOWN CITY COUNCIL
MAY 22, 2017**

The Elizabethtown City Council met in special session in the Council Chambers of City Hall at 4:30 p.m. with Mayor Edna B. Berger presiding.

PRESENT: William R. Bennett, Tony Bishop, Marty E. Fulkerson, Terry Shipp, Ronald B. Thomas and Cindy D. Walker

- I. **INVOCATION:** Invocation was given by Council Member Terry Shipp.
- II. **PLEDGE TO THE FLAG:** Mayor Berger led in the pledge to the flag.
- III. **PRESENTATION OF THE 2017/2018 BUDGET:** Mayor Berger read the Budget Message. (Attachment A)
- IV. **ADJOURNMENT:** It was moved by Council Member Shipp, seconded by Council Member Thomas and carried that the meeting be adjourned. Council Members Bennett, Bishop, Fulkerson, Shipp, Thomas and Walker voted aye. Meeting adjourned at 4:45 p.m.

EDNA B. BERGER, MAYOR

ATTESTED TO:

MARY CHAUDOIN, CITY CLERK

ATTACHMENT A BUDGET MESSAGE

In accordance with the authority granted by City Ordinance and State Statutes, the Mayor and City staff have prepared the recommended budget for fiscal year 2017-2018, and hereby submit it to the City Council members for their review and adoption.

This proposed operating budget includes appropriations for expenditures totaling \$62.5 million for the operation of general government, debt service, sewer and gas utilities, and the Tourism and Convention Bureau, and is slightly up from last year's budget of \$59.9 million. When appropriations for capital construction projects are added in, the total budget grows to \$73.4 million.

We are proposing using reserves from the fund balance to finance several large stormwater drainage and road construction projects. We have made a concentrated effort to protect our reserves in previous years and now feel the need to utilize a portion of these reserves in order to accomplish projects which are greatly needed. In keeping with our continued commitment to address the City's stormwater drainage problems, this budget contains construction projects totaling \$640,000 and outside engineering fees of \$342,000. The largest stormwater project involves the completion of the Amanda Jo Drive basin. We have appropriated \$1.4 million for the widening of the Pear Orchard Road and Ring Road intersection. We also will continue to address several smaller projects with in-house resources including Meadow Lane and Layman Lane.

The City's Planning and Development Department will continue to administer the HUD funds received due to Elizabethtown's designation as a metropolitan area. The City will continue its work towards improvements including sidewalks and curbs in the Haycraft Neighborhood Area. These funds are designed for qualified public service agencies and community development needs to benefit persons of low and moderate incomes. In addition, \$125,000 has been allocated for downtown redevelopment. These funds may be used for property acquisition, sidewalk improvements, or any other expenses that may arise in the enhancement of the heart of our town.

The Fire Department budget contains adequate funding for operations in FY 2017. Included in this year's budget is \$440,000 to purchase a new pumper truck. The existing trucks are showing their age and are in various states of repair. This truck along with an additional pumper truck to be purchased in fiscal year 2017 will provide assurance that when needed, the Fire Department's equipment will be ready to answer the call. Also included in the Department's budget is the addition of three new firefighter positions. While the total budget for the Department has increased, we feel the safety of our citizens is worth the added cost. The total budget for the Fire Department is \$5.5 million of which \$3.5 million is provided by Insurance Premiums Tax revenues and the balance comes from the General Fund.

The Police Department budget has been set at \$6 million. Included is funding for the purchase of four patrol vehicles as part of the City's fleet replacement program. Also, we have included \$83,000 to replace the camera system in the interview rooms and other areas of the station. We have appropriated funds for the addition of three new police officer positions, one of which will be the rank of Lieutenant. The Police Department will continue its community based programs including DARE, the Citizen's Police Academy, the Cadet Program, Trunk or Treat, Coffee with a Cop and a Teen Citizens Police Academy. The City will continue to administer the grant monies for the Greater Hardin County Narcotics Task Force and provide its share of the staff as called for by the Interlocal Agreement that established the unit. This is an extremely successful and vital program and every effort will be made by the City to keep it in place in the future.

Alcohol Regulatory fees are projected to generate \$915,000 in the upcoming year. These monies will be used to fund eight existing police officer salaries and fringes, one new patrol car, and the operation of the City's ABC department. Additionally these funds will be used for some of the community outreach efforts including the DARE program, Springhaven and CASA. The Police Department expends more overtime involving joint efforts with State ABC investigators; as well as an increased emphasis in the areas of education, enforcement and prosecution of any matters concerning alcohol abuse. We have proposed maintaining the existing rate of the Regulatory Fee at 4%.

The Public Works Department plans to supplement its street paving program with \$450,000 from the General Fund. This funding, combined with monies allocated in the Municipal Aid Road Fund will provide \$1.0 million for resurfacing projects, salt purchases and restriping next year. The Street Department has requested \$140,000 for a new bulldozer and \$64,000 for a forklift. Phase One of the new Public Works facility is nearing completion, and Phase Two will begin this fiscal year. The funds

for the construction of this facility will be provided by inter-fund borrowing with the Natural Gas Fund. These construction costs will be shared equally with the General Fund and Utility Funds, as will the subsequent debt service costs.

Generally Accepted Accounting Standards dictate that Room Tax and Restaurant Tax revenues collected and turned over to the Tourism Bureau for disbursement be included in the General Fund. Restaurant Tax monies will be used for debt service on the Elizabethtown Sports Park bond issues. The City Council approved the issuance of \$28.5 million in bonds for the project to be issued in a series of three separate series. The total annual debt service on the three bond issues is approximately \$1.6 Million. ETCB has also agreed to provide \$100,000 to assist in the funding of the Special Events Department, including some of the associated costs necessary to put on events including Cruisin' The Heartland, the new Wine Festival and others. Revenues from the Restaurant Tax and the Room Tax are projected to be approximately \$3 million and \$650,000 respectively.

The City's General Fund will once again provide the appropriations for the operation of the Sports Park. It is now staffed with 10 full time positions, 22 seasonal maintenance and support staff and up to 50 part time concession workers. In addition to providing the much discussed economic impact to the local economy, it continues to provide job opportunities for our youth. All revenues generated by the Sports Park through sponsorships, concession sales and rental fees are retained by the City. General Fund monies are included in the Recreation Department for removal and replacement of the golf house at American Legion Park, as well as a new shelter at Funtopia. \$250,000 has been included for a park office / new restrooms building at Freeman Lake. The City's new Water Park opened with resounding success in 2016 and we expect its second season to be no different. It will be staffed by seasonal personnel of up to 32 people, including 20 lifeguards to protect the patrons of the park.

Work continues on several large construction projects with funds provided by the Water and Sewer Construction Fund. These projects include: Village Drive, Poplar Drive, and Hawkins Drive. Monies for lift station replacements and improvements totaling \$320,000 have also been set aside. There is an additional appropriation for other sewer projects and stream crossing improvements totaling \$660,000. These projects include the El Dorado Drive Sewer Replacement and the Pierce Street rehab. Finally, the Waste Water Treatment Plant will replace their internal water pumping system at a cost of \$200,000.

The Natural Gas Fund has budgeted \$220,000 for capital improvements. The expenditures will include improvements to the Cecilia storage field and for various line extensions including upgrades and new developments. The Gas Department has also requested funds for the purchase of a skid steer loader with brush and other attachments totaling \$90,000, as well as the replacement of 2 vehicles which are at their end of life. Rates will continue to be adjusted on a monthly basis with the only monthly variable being the price of wellhead gas increases and decreases that will be passed on to end users based on our Weighted Average Cost of gas rate methodology. This methodology has two components, one being the cost of gas and another being a flat rate that is added to each MCF of consumption.

A 3% wage increase for all full-time City employees has been requested. The Mayor and Council will also receive a 1.5% increase based upon the CPI as provided by ordinance. Funding for our employees self-funded Health Care plan continues to be a challenge. With the addition of USI as our insurance broker, we hope to now be pro-active in monitoring our health care costs and be able to reduce costs through education and rewarding our employees for maintaining a healthier lifestyle through nutrition and exercise. No change in the employee contribution for self or family coverage was included in this year's budget. The Mayor's Contingency Fund of \$400,000, hopefully, will be more than adequate to meet any unforeseen expenditures that arise.

As in recent years, we feel that this is another ambitious budget with major projects in almost every discipline of City services. From recreation to stormwater to sewer projects, no area will go untouched. With the addition of the new firefighter and police officer positions, we are hoping to show our Citizens that public safety is one of our top priorities. The City is extremely fortunate in that it has a strong financial base and a strong local economy which enables us to continue to provide all the amenities of a first class community to all of our citizens and visitors.