



MEMORANDUM

To: Members of City Council and Department Heads
From: Mayor Jude Hehman
Date: May 31, 2020
Subject: Executive Summary of the Budget for the Fiscal Year Ended June 30, 2021

The important role of our City government in protecting the lives and health of our residents has not, for decades – if not a generation, been as in-focus as it is today, during this global coronavirus pandemic. While COVID-19 has brought unprecedented challenges, our City's long-term commitment to maintaining a diverse revenue stream and healthy fund balance positions the City of Fort Mitchell to weather the ongoing financial uncertainty while still maintaining the level of service our residents expect.

This year's budget is focused mostly on the essentials. We are continuing the work outlined in our road plan to keep our city streets well-maintained. We are ensuring our fire and police departments are adequately staffed and trained to respond when you need them. This budget also provides funding for the administrative team because they are the backbone that keeps all the other parts of our City government working. Lastly, we have the opportunity to make a significant investment in General Ormsby Mitchell Park to make the park accessible for all of its users and to modernize this great public space for the next generation of users.

For decades, the City of Fort Mitchell has managed your tax dollars well. We've spent wisely and stayed within our means. This year will be no different. With that, I present the following summary of our Fiscal Year 2020-2021 budget.

General Fund

Revenues

Overall General Fund Revenue is budgeted to remain flat. Business revenues are budgeted to decrease 10% (\$800,000) due to the COVID-19 pandemic (this is a projection based on the sources of our revenue and the best data available today). This decrease in revenue is offset by the following:

1. \$200,000 in renegotiated contract revenue from Lakeside Park and Crestview Hills to provide EMS & Fire services,
2. \$300,000 will be received from a new utility franchise tax and
3. \$300,000 in suspended supplemental transfers to the Road Fund.

Expenses

The General Fund Expense budget increased less than 1% in total. Within the increase in expenses are:

1. Employee raises budgeted at 3.5% to maintain current staffing levels and help bring employee compensation to more competitive levels.
2. Health Insurance premiums increasing 5.0%.
3. Electric budgeted to increase 10.0% based on Duke Energies rate increases.
4. A new police cadet position to improve hiring pipeline, relieve administrative tasks from patrol officers, and serve as a crossing guard.
5. Anticipated cost savings through bidding Information Technology services to save costs.
6. Replacement of worn out fire hose.
7. Continuation of beautification planning for the gateways and historic business district.

Municipal Road Aid Fund

The City has budgeted for normal road maintenance and snow removal, as well as wrap up of the Orphanage Road sidewalk. \$105,000 is budgeted for the Bromley/Crescent Springs road project with Kenton County, \$15,000 for an ongoing study of Beechwood Road safety project, \$20,000 for Beechwood Road sidewalk (Grandview to Ft. Mitchell Place).

Park Tax Fund

The Park board will be improving General Ormsby Mitchel Park based on resident feedback. These improvements include additional parking, realigning the baseball field, developing a walking trail, and constructing of new pavilion.

Road Tax Fund

Maintaining roads is always a priority of the City. This budget includes resurfacing of Highland Avenue, Oak Street, Coleman Avenue, Virginia Avenue, Royal Drive and Anthony Lane; reconstruction of West Orchard, Ridge Road, Watch Hill Road, Grace Avenue, Deauville Court entrance, Ana Jo Lane and some Dixie Highway curbs. The City will continue to reserve funds for a study and design plan for a Buttermilk-Orphanage realignment by the State. This alignment plan would reduce dangerous traffic situations that currently exist while allowing for well-planned business and residential development.

Capital Fund

The Capital Replacement Fund includes sidewalk repairs, old HVAC system replacement, windows, public works fence, council room technology, phone system, public works garage planning and an electronic outdoor sign to improve communication with residents. It also includes improvements to the firefighter dorm rooms (made even more important by the need for separation during the pandemic). The budget also includes purchases of two police vehicles, one fire truck, an ambulance and turn out gear for the firefighters. The City will continue to plan for future capital purchases and annually contribute to the Capital Replacement Fund to keep the city fiscally strong.

Conclusion

As a city, we provide services that are of the highest quality, making Fort Mitchell one of the most desirable places to live in Northern Kentucky. I am presenting a fiscally responsible budget that allows us to strengthen our community through targeted investments and continue the momentum of years past in moving our city forward. Thank you for reviewing and considering the information and issues contained in my report. I look forward to discussing the budget with you.

Respectfully,

Jude Hehman
Mayor