

# **OWENSBORO BOARD OF COMMISSIONERS**

## **Special Called Meeting January 8, 2019 3:30 PM**

Owensboro City Hall  
101 E. 4th Street  
Owensboro, Kentucky

### **1. CALL TO ORDER - Mayor Tom Watson**

### **2. ROLL CALL - City Clerk Beth Cecil**

#### Present:

Mayor Tom Watson  
Commissioner Larry Maglinger  
Commissioner Pam Smith-Wright  
Commissioner Larry Conder  
Commissioner Jeff Sanford

### **3. FUND BALANCE POLICY**

City Manager Pagan explained that during the June 30, 2018 annual audit, the auditors made a recommendation for the City to formally implement a Fund Balance Policy. The policy would need to be approved by Municipal Order at a future meeting. Angela Hamric, Finance and Support Services Director, presented the draft policy (attached). The policy would establish goals and guidance concerning the fund balance (reserves) that should be maintained by the City to mitigate financial risk that can occur from unanticipated expenditures and/or revenue shortfalls and the disparity in timing between federal/state aid payments and expenditures. The City desires to maintain an adequate fund balance in the City's various funds to: provide sufficient cash flow for operations; provide for fluctuations in expenditures from capital and project spending; secure and maintain investment-grade bond ratings and ensure long-term fiscal sustainability. The goal is to achieve and maintain a Total Fund Balance in the General Fund of not less than seventeen percent (17%) of General Fund expenditures. If the Total Fund Balance falls below its goal, the City shall develop a corrective action plan and take actionable steps. The Government Finance Officers Association recommends maintaining in the General Fund a budgetary balance of no less than two (2) months or seventeen percent (17%) of regular General Fund operating expenditures. Example, the 2018-2019 General Fund budgeted operating expenditures is \$54,883,072; therefore, the recommended budget balance using the two (2) month minimum practice would be \$9,147,179. We are currently within the parameters of the suggested policy, as we have \$10,224,365 budgeted. Bond rating agencies look for an implemented fund balance policy when rating. Moody's uses a fifteen percent (15%) weight factor on the fund balance. Commissioner Conder asked if the City had this policy in place, would we have gotten below the two (2) month minimum recommendation in the past five (5) to eight (8) years. Ms. Hamric responded that she would check her numbers, but she does not recall being that dangerously low. However, staff approached the Commission

requesting a tax increase when the balance looked like it would go below that mark. With the granting of the tax increase, we have stayed above the minimum.

#### **4. OBKY UPDATE**

Lelan Hancock, Assistant City Manager, presented an update on the progress of these OBKY projects (attached):

- Mayors' Mile – the one (1) mile route has been determined within the downtown area, banners will be installed along the route and should be completed by late spring. Miley the pig (Oink Owensboro project) will also be installed along the route.
- Community/City Finance Report – a popular annual report that will summarize and simplify the budget manual, will be completed and available online at the end of January 2019.
- Entertainment Destination Center – the permit has been submitted and anticipate a March approval with Friday After 5 being the first event to utilize the designation.
- Customer Service Training – working with Kentucky League of Cities to develop a customer service training program for city staff, which should begin at the end of January. Mayor Watson suggested changing the telephone on-hold music to advertise city events.
- Downtown Art Project – will add murals to different buildings within the downtown area, should debut mid-summer.
- Bridge Lighting – working with the State to finalize an agreement before beginning the design phase, potentially at the end of January.

#### **5. DOWNTOWN PARKING**

City Manager Pagan explained the newest parking garage does not provide sufficient parking downtown (presentation attached). The catalyst projects (less the arts academy) on the Downtown Owensboro Placemaking Initiative have been completed and the residential component is now gaining traction, thus additional parking will be needed. The residential component of phase II of the plan calls for 300-400 units with one (1) parking space per unit. Those 300-400 additional spaces do not account for spaces which would be needed for a third hotel in the downtown. Currently, the new parking garage has four hundred thirty-seven (437) spaces, of which one (1) is committed to OMU for use as an electric car charging station, sixty (60) spaces are for Alorica, one hundred nine (109) are committed for public use, leaving two hundred sixty-seven (267) available. Commissioner Smith-Wright asked how many residential units would be in the third hotel complex. Mr. Ed Ray, COO of Gulfstream Commercial, responded that the target is one hundred sixty (160) units. Affordable housing (900-1,000 sq. foot, comparable to Chandler Apartments) is

needed in the downtown area. Gulfstream and other development companies are looking at an additional six hundred (600) units between Brescia and the river to create the needed density. Parking is a critical component for downtown.

## **6. CITY PROJECT LIST**

Synopsis of the TIFs will be presented at the February work session.

Amanda Rogers, Parks Director, stated the softball complex renovation is under way and a menu of improvement items including costs, will be distributed for consideration at the end of January, first of February. Mayor Watson suggested if we share our facilities, to partner with someone that will use the fields and do what they should. Mrs. Rogers said they are looking at rebranding the complex since there is much less softball played at the complex. Commissioner Sanford asked for the cost to convert the backfield (less restrooms). Mrs. Rogers said a fifth field would cost approximately \$150,000, including electrical, scoreboard and fencing.

Mayor Watson asked for an update on the lots the City purchased in the Triplett Twist area. Abby Shelton, Community Development Director, responded that the development of the properties is on hold until direction is given regarding the other corner lot on Triplett Street. The city owned properties could be sold and the monies returned to the Community Development Block Grant account for use in another area, if so desired.

## **7. ADJOURNMENT**

There being no further business to discuss, the meeting adjourned at 4:12 p.m. upon motion of Mayor Watson with a second by Commissioner Sanford; motion carried unanimously.

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Thomas H. Watson, Mayor

ATTEST:

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Beth Cecil, City Clerk

# GFOA Recommended Best Practice Minimum Fund Balance

\$54,883,072 Budget Expenditures

\$9,147,179 Recommended Balance

\$10,224,365 As Budgeted

# General Fund

## FUND BALANCES

Nonspendable	\$	60,636
Restricted		1,898,216
Committed		-
Unassigned		<u>9,306,051</u>
<b>Total Fund Balances</b>	<b>\$</b>	<b>11,264,903</b>









## Mayors' Mile



 Mayors' Mile  
2017 Aerial Photo

 Data Source: OOGIS  
City of Owensboro IT Dept  
270-687-8634  
Map No. 59528



The City of Owensboro, Kentucky

## Popular Annual Financial Report



For the Fiscal Year Ending June 30, 2019





# **DOWNTOWN PARKING**

# CATALYST PROJECTS

Table 7-3: Cost Estimates for Capital Expenditures

Project
1. Multi-Purpose Indoor Facility
<i>Assumes construction cost of \$350/sq. ft. and 60,000 footprint</i>
2. Street Improvements
<i>Improvements to 2nd Street, Veterans, and Frederica – see page 6-15 for more details</i>
3. Market Square Plaza
<i>See page 6-3 for schematics</i>
4. “Finish-Out” of Smothers Park
<i>A preliminary estimate that reflects only marginal change to the existing plan</i>
5. Arts Academy
<i>Assumes coordination with Arts entities and educational institutions</i>
6. Parking Garage
<i>Assumes 500 spaces built at a cost of \$15,000/space</i>



## 5.3 Program for Downtown

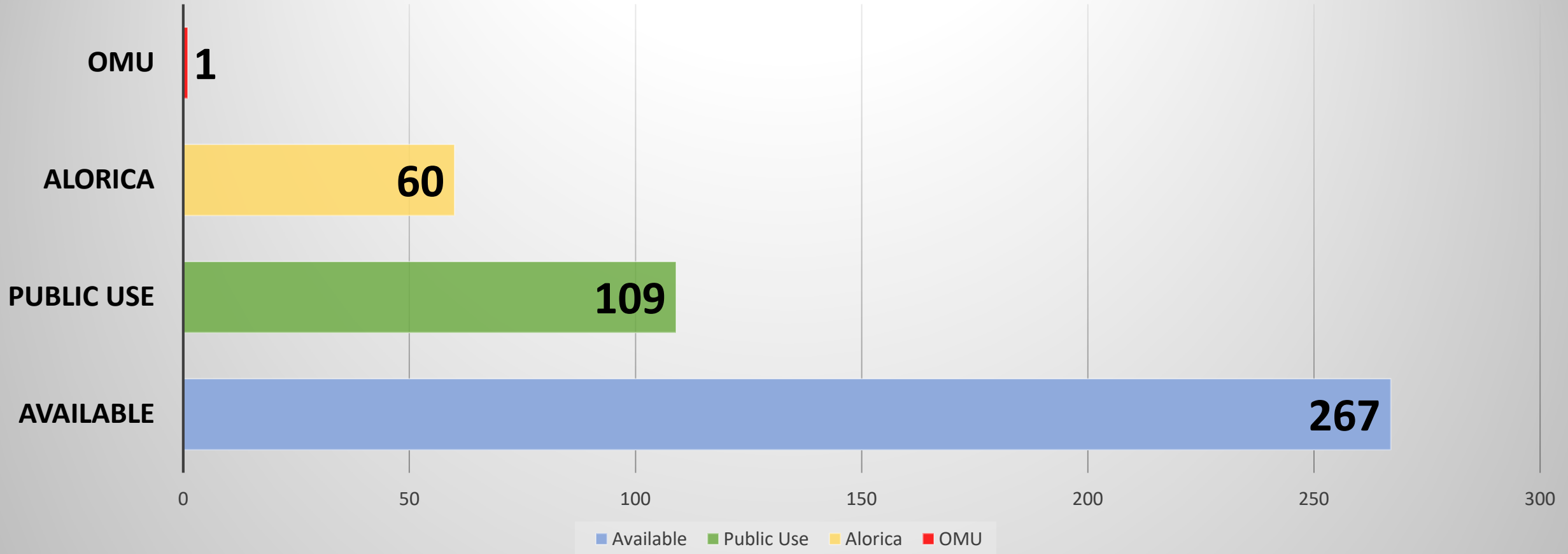
Based on the Market Analysis (Section 4) and community input, a program for downtown was developed to inform the design process. The program for downtown is intended to be based on existing conditions while evaluating opportunities for future development. This provided the Design Team with a realistic overview of what could potentially be accommodated in Downtown Owensboro.

Developing a market-based program for downtown is critical to the initiative's success. The program identified key uses and corresponding square footages that could be developed in downtown over the next 10 - 12 years. In addition, the program for downtown requires meeting parking and infrastructure needs for successful implementation. The Design Team internalized the program and associated parking needs.

Land Use	Details	Parking Needs	Other Information
Hotel	200 - 250 rooms; 130,000 sq.ft.	400	Convention-class hotel; adjoining the convention center; with river views; ground floor retail/restaurant uses
Multi-Purpose Events Center	60,000 sq.ft.	600	Accommodate conventions, sporting events, concerts, etc. Should have meeting rooms and allow seats to be brought in for 5,000 seat events.
Residential Units	300 - 400 units	1 per dwelling unit	Average size of dwelling unit to be 1,000 sq.ft.; need a variety of housing types - townhomes, flats, condos, apartments, live-work, etc.
Artists' Lofts & Studios	50 units	1 per studio/loft	Average size of units to be 600 sq.ft.
Office	450,000 sq.ft.	1 per 300 sq.ft.	Should include corporate offices and professional offices
Retail & Restaurant	200,000 sq.ft.	1 per 300 sq.ft.	
Movie Theatre	1 screen; 20,000 sq.ft.	1 per 300 sq.ft.	Could include a restaurant style movie-grill cum theatre
Judicial Center	40,000 - 80,000 sq.ft.	1 per 300 sq.ft.	The square footage assumption for the Judicial Center use is only to show it conceptually on the illustrative plan with its detailed program to be developed by Daviess County
Active Senior Living	50 units	0.75 per unit	Should be designed in conjunction with other residential uses in downtown
Farmers' Market	Open air market place		Need permanent stall structures and accommodation of trucks for loading and unloading; should also include senior citizen parking; location to be central in downtown and have easily accessible parking in the vicinity
Parks, Squares, & Plazas	1/4 acre - 1/2 acre	NA	A range of open spaces to be recommended in the illustrative plan; located in a manner to maximize adjacent development opportunities and add value to development



## Parking Garage Spaces – 437 Total



# OPTIONS

- Acquire additional property
- Public-private partnerships
- Regulatory changes



## Where The Money Goes

	Budget	Budget	Actual
	2018-2019	2017-2018	2016-2017
General Government	\$10,115,134	\$9,887,398	\$10,134,095
Public Safety	\$28,327,178	\$26,580,643	\$23,123,124
Parks and Recreational	\$6,634,197	\$6,233,506	\$6,307,619
Public Works	\$5,428,370	\$5,333,916	\$4,842,814
GIS	\$444,006	\$452,111	\$386,654
Community Services	\$1,893,019	\$2,069,544	\$2,012,384
Sanitation	\$7,359,942	\$7,060,151	\$6,336,745
Transit	\$2,666,177	\$2,515,638	\$2,454,836
Community Development	\$673,700	\$1,637,999	\$1,148,554
Capital Projects	\$5,197,843	\$33,274,229	\$8,774,661
Economic Development	\$1,756,072	\$1,840,500	\$1,412,895
Downtown Revitalization	\$0	\$152,193	\$142,090
Sportscenter Operations	\$796,630	\$700,763	\$446,176
Convention Center Operations	\$4,591,153	\$4,155,054	\$4,090,440
Debt	\$13,234,643	\$15,525,955	\$13,015,897
	\$89,118,064	\$117,419,600	\$84,628,984

Includes all funds except for transfers or internal service funds.

### EXPENDITURES

