

**City of Crestview Hills**  
**Finance Committee Minutes**  
**Thursday, April 14<sup>th</sup>, 2016**

Attending:

Joe Rosel, Chairman  
Frank Sommerkamp  
Tim Adair

Paul Meier  
Tim Williams

Absent:

Charlie Rowe

Chairman Roesel called the meeting to order at 8:14 pm.

Review of Mayor's Proposed FY 2016-2017 Annual Budget

The Committee reviewed the Mayor's proposed budget for 2016-2017. Mr. Williams gave an overview/highlights of the budget.

Mr. Williams stated that the number one objective in the budget was to maintain top quality services for the community while producing a current year balanced budget with the exception of the Thomas More Parkway widening project. He further stated that due to the flattening of revenues over the past few years (primarily our business taxes) that he felt it was important to prepare a budget that was within balance and that did not further erode our fund balance. Since the City paid off the Building Bonds this year, total Fund Balance has dropped to a little over 2 million dollars.

Despite staff's best efforts, the budget will still be in the red by about \$25,000 next year after accounting for the Thomas More Parkway project match (about \$123,000). Staff was able to get the budget closer to balance with two revenue increases. One is a proposal to increase the property tax rate by 2.5% next year. This will keep the City's revenue in line with general inflation. The proposed budget also includes a recommendation of including with the Duke Franchise agreement a two (2%) franchise fee. This fee proposal will produce approximately \$62,000 in additional revenue in the next fiscal year if the fee begins in January 2017.

Staff worked very hard to scrutinize our spending. Mr. Williams noted that the proposed budget only reflects a single one-time project (Marketing plan) outside of our capital spending for streets/roads and the Horsebranch Creek detention project.

The Committee discussed at length the need for another revenue source dedicated to funding our street reconstruction program. Current revenues have not increased sufficiently in the last

few years to offset the cost of our infrastructure investments and to keep up with other increases, primarily in our contractual services. The Committee discussed the merits of a solid waste/garbage fee in lieu of the franchise fee. Mr. Williams stated that there would be more administrative costs associated with collecting the garbage fee and the costs would be borne exclusively by our residents.

After much discussion among the Committee members, it was determined that the Committee recommendation to Council would be to impose a three (3%) fee on the Duke Energy franchise. This new revenue will provide the City with more flexibility in coming years to continue rebuilding two streets on average and keep us on pace to keep up with the older streets before they get in poor condition. It also allows the City flexibility to fund the resurfacing of Thomas More Parkway. A motion was made by Chairman Roesel to support the 3% franchise fee, seconded by Tim Adair. All members were in favor of the motion.

The Committee discussed the various spending categories and found the budget to be reasonable to meet the needs of the City next year. Mr. Williams will update the budget document based on the changes made by the Finance Committee.

The Committee will meet again on Wednesday, April 27<sup>th</sup> at 4:00 pm for the final review and recommendation to Council.

Meeting was adjourned at 8:51 pm.