

COMMONWEALTH OF KENTUCKY
CITY OF PROSPECT
CITY COUNCIL SPECIAL MEETING
AGENDA

May 8, 2023, 4:00 p.m.

CALL TO ORDER

- Chair: Mayor Doug Farnsley

NEW BUSINESS

- Discussion on a draft of the City of Prospect General Fund Budget for the Fiscal Year beginning July 1, 2023, and ending June 30, 2024.
- Discussion on the proposed adoption of the ad valorem tax rate for the City of Prospect Fiscal Year beginning July 1, 2023, and ending June 30, 2024.

ADJOURNMENT

Supporting documents for this meeting's agenda are archived on the city's website:
<http://www.prospectky.us>

This meeting will be conducted in part via WebEx and live-streamed to YouTube here:
https://www.youtube.com/channel/UCDMvzIGZUk_tpL2HXSagU7w

Members of the public may attend in person and see and hear all participating members at
Prospect City Hall, 9200 US Hwy 42, Prospect, Kentucky.

**CITY OF PROSPECT
ORDINANCE NO. 625, SERIES 2023**

**AN ORDINANCE ESTABLISHING A BUDGET FOR THE GENERAL FUND OF THE CITY OF
PROSPECT FOR THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024**

BE IT ORDAINED BY THE CITY OF PROSPECT, KENTUCKY:

SECTION 1: The Budget for the General Fund of the City of Prospect for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024 shall be as follows:

REVENUES

Ad Valorem Property Tax	\$1,830,000
Insurance Premium Tax	\$1,300,000
Other revenues	\$420,230
Rollover of municipal road aid	\$175,000
Appropriated from surplus	\$42,033
<u>TOTAL REVENUES</u>	\$3,767,263

EXPENDITURES

City Administration	\$879,361
Capital Outlay	\$19,750
Community Development	\$44,650
<u>Total Administration</u>	\$943,761

Police Department	\$1,042,399
Capital Outlay	\$83,500
<u>Total Police</u>	\$1,125,899

Public Works	\$569,108
Solid Waste	\$727,000
Landscape Maintenance	\$275,500
Parks & Tree Management	\$125,995
<u>Total Public Works</u>	\$1,697,603

<u>TOTAL EXPENDITURES</u>	\$3,767,263
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SECTION 2: This Ordinance shall be effective from and after its passage, approval and publication as required by law.

First Reading this 15th day of May, 2023
Passed on Second Reading this ____ day of June, 2023

By a vote of ____ aye and ____ nay of the City Council.

APPROVED:

ATTEST:

Douglass Farnsley
Mayor

John S. Carter
City Clerk

DRAFT

**CITY OF PROSPECT
ORDINANCE NO. 624, SERIES 2023**

**AN ORDINANCE ESTABLISHING AN AD VALOREM TAX RATE FOR THE CITY OF PROSPECT FOR THE
FISCAL YEAR BEGINNING JULY 1, 2023, AND ENDING JUNE 30, 2024**

BE IT ORDAINED BY THE CITY OF PROSPECT, KENTUCKY:

SECTION 1: An ad valorem tax is hereby levied and fixed at the rate of 17.10 cents on each \$100 of all real estate property within the corporate limits of the City of Prospect, as assessed for taxation and subject to taxation by said City, as of January 1st of each year.

SECTION 2: Said ad valorem taxes shall be due and payable until paid in full. Pursuant to Ordinance 113-1983, the tax collector shall compile and mail tax bills no later than August 31, 2023, to all property owners subject to tax. Any tax bills unpaid by October 1, 2023, shall be subject to a 10% penalty and 1% interest, with additional interest to accrue at the rate of 1% per month until the bill is paid in full.

SECTION 3: The proceeds of such taxes, penalties, and interest are to be placed in the General Fund of the City of Prospect and are to be used for the general operating expenses of said City, including but not limited to the purchase of City supplies, safety and security, health and sanitation, recreation and welfare, improvement and maintenance of streets, management, and maintenance of trees and public lands, garbage collection, street lights and expenses thereof, other expenses for the operation of the City and all necessary and proper municipal functions as may be ordained and resolved by the City Council.

SECTION 4: This Ordinance shall be effective from and after its passage, approval, and publication as required by law.

First Reading this 15th day of May 2023

Passed on Second Reading this ____ day of June, 2023

By a vote of ____ aye and ____ nays of the City Council.

APPROVED/VETOED:

ATTEST:

Douglass Farnsley
Mayor

John S. Carter
City Clerk

City/Special Taxing District Real Property Tax Calculation Worksheet

1. 2022 Actual Tax Rate (per \$100) Real Property	.1730
2. 2022 Real Property Subject to Rate	\$1,047,640,810.00
3. 2022 Total Property Subject to Rate (A)	\$1,047,640,810.00
4. 2023 Real Property Subject to Rate	\$1,060,839,755.00
5. 2023 Total Property Subject to Rate	\$1,070,442,979.00
6. 2023 New Property (KRS 132.010)	\$9,603,224.00

I. 2022 Compensating Rate (KRS 132.010(6)):			
3	\$1,047,640,810 / 100 X	1	.1730 is <u>\$1,812,419</u> 2022 A (Real Property Revenue)
2022 A	\$1,812,419 div by	5 minus 6	X 100 = <u>.171</u> Rate I (round up) 0.170847538
Check for minimum revenue limit on compensating rate for 2022 (KRS 132.010 (6)):			
5	\$1,070,442,979 / 100 X	Rate I	.171 is <u>\$1,830,457</u> 2023 Total Revenue
3	\$1,047,640,810 / 100 X	1	.1730 is <u>\$1,812,419</u> 2022 Revenue (R.P.)
			\$1,812,419 2022 Grand Total Revenue
2022 Total Revenue	\$1,812,419 /	5	\$1,070,442,979 X 100 = <u>.170</u> Substitute for Rate I (Round Up) 0.16931482
II: Rate allowing 4% Increase in Revenue from real property (KRS 132.027(3)):			
5 minus 6	\$1,060,839,755 / 100 X	Rate I or sub rate	.171 is <u>\$1,814,036</u> B
B	\$1,814,036 X 1.04/	5 minus 6	X 100 is <u>.177</u> Rate II (Round Down) .1778400000

2023 Property Tax Rate Summary Sheet

Compensating Rate		Substitute Rate (becomes comp. rate if higher than comp)		Allowable 4% Increase	
Real Estate		Real Estate		Real Estate	
2022 Real Estate Property Rate	0.173	2022 Real Estate Property Rate	0.173	2022 Real Estate Property Rate	0.173
2022 Real Estate Property Revenue	\$1,812,419	2022 Real Estate Property Revenue	\$1,812,419	2022 Real Estate Property Revenue	\$1,812,419
2021 Total Assessment	\$1,047,640,810	2021 Total Assessment	\$1,047,640,810	2021 Total Assessment	\$1,047,640,810
2023 RE Compensating Rate	0.171	2023 RE Substitute Rate	0.170	2023 RE 4% Increase Rate	0.177
2023 RE Compensating Rate Revenue	\$1,830,457	2023 RE Substitute Rate Revenue	\$1,819,753	2023 RE 4% Rate Revenue	\$1,894,684
2022 Total Assessment	\$1,070,442,979	2022 Total Assessment	\$1,070,442,979	2022 Total Assessment	\$1,070,442,979
Change in RE Revenue	\$18,039	Change in RE Revenue	\$7,334	Change in RE Revenue	\$82,265
% Change in RE Revenue	1%	% Change in RE Revenue	0.0040	% Change in RE Revenue	0.0434
2022 Total Tax Revenue	\$1,812,419	2022 Total Tax Revenue	\$1,812,419	2022 Total Tax Revenue	\$1,812,419
2023 Total Tax Revenue	\$1,830,457	2023 Total Tax Revenue	\$1,819,753	2023 Total Tax Revenue	\$1,894,684
Total Change in Tax Revenue	\$18,039	Total Change in Tax Revenue	\$7,334	Total Change in Tax Revenue	\$82,265
% Change in Tax Revenue	0.99%	% Change in Tax Revenue	0.40%	% Change in Tax Revenue	4.34%

Sample Tax Bills

<i>Rate</i>		<i>0.173</i>		<i>0.1710</i>		<i>0.1700</i>		<i>0.1770</i>	
Assessed Value	2022 Tax Amount	2023 Compensating Rate Tax Amt	Difference	2023 Substitute Rate Tax Amt	Difference	2023 Allowable 4% Tax Amt	Difference		
\$ 200,000	\$ 346.00	\$ 342.00	\$ (4.00)	\$ 340.00	\$ (6.00)	\$ 354.00	\$ 8.00		
\$ 300,000	\$ 519.00	\$ 513.00	\$ (6.00)	\$ 510.00	\$ (9.00)	\$ 531.00	\$ 12.00		
\$ 400,000	\$ 692.00	\$ 684.00	\$ (8.00)	\$ 680.00	\$ (12.00)	\$ 708.00	\$ 16.00		
\$ 500,000	\$ 865.00	\$ 855.00	\$ (10.00)	\$ 850.00	\$ (15.00)	\$ 885.00	\$ 20.00		
\$ 600,000	\$ 1,038.00	\$ 1,026.00	\$ (12.00)	\$ 1,020.00	\$ (18.00)	\$ 1,062.00	\$ 24.00		
\$ 1,000,000	\$ 1,730.00	\$ 1,710.00	\$ (20.00)	\$ 1,700.00	\$ (30.00)	\$ 1,770.00	\$ 40.00		
Homestead/Disability Exemption									
\$40,500	\$ (70.07)	\$46,350	\$ (79.26)	\$46,350	\$ (78.80)	\$46,350	\$ (82.04)		