

AGENDA

Budget Committee of the Whole - SPECIAL MEETING

May 20th, 2010

3:00 PM

I. Bonding and CIP Discussion – Barrow

- Presentation on Bonding and CIP (pg 1 – 7)
- Listing of Capital Projects Approved But Not Funded (pg 8 – 9)

II. Council Link Report Outs and Recommendations

- General Services – CM McChord
- Public Safety – CM Ellinger

Committee of the Whole

May 20, 2010

Bonding & CIP Discussion



Key Financial Metrics

Economic Strength

- ❖ Size and Growth
- ❖ Type of Economy
- ❖ Demographic and Workforce Profile

Financial Strength

- ❖ Liquidity
- ❖ Operating Flexibility & Performance

Management & Governance

- ❖ Financial Planning & Budgeting
- ❖ Debt Management & Capital Planning
- ❖ Structure & Disclosure

Debt Profile

- ❖ Debt Burden
- ❖ Structure & Composition
- ❖ Other Long-Term Commitments and Liabilities



Why is Liquidity Relevant?

Compacts Reaction Time

- ❖ Expense can vary overnight
- ❖ Revenue adjustments do not

Fix Problems

- ❖ Solution to one-time expenses/issues

Lower capital market cost of funds (current rates)

- | | | |
|---|-----|---------|
| ❖ | Aaa | - 0.34% |
| ❖ | Aa | 4.17% |
| ❖ | A | + 0.48% |
| ❖ | Baa | + 1.04% |



Liquidity – Hypothetical Capital Cost

One Fiscal Year - Bond Issue

FY 2011 - \$49.4MM in Pension Bonds & \$18.4MM in GO Bonds)

Rating	Current Rate	AA Variance	Annual Debt Service	Annual Budget Impact	Total Payback	Total Variance
Aaa	3.83%	-0.34%	\$3,580,431	(\$109,435)	\$71,608,628	(\$2,188,703)
Aa	4.17%	---	\$3,689,867	---	\$73,797,331	---
A	4.65%	0.48%	\$3,847,202	\$157,336	\$76,944,047	\$3,146,716
Baa	5.21%	1.04%	\$4,034,871	\$345,005	\$80,697,429	\$6,900,098

Cumulative Budget Effect - Annual Bond Issues

Assume LFUCG moves from Aa to A and issues on average \$20,000,000 per year

Annual impact after 10 years	---	\$636,987	---	\$6,369,871	---
Annual impact after 20 years	---	\$1,273,974	---	\$25,479,483	---



Est. FY11 Bonds: General Fund Portion

	Request FY2011	Approved FY2010	ESTIMATED Maximum Debt Service
Division of Budgeting			
EPM software	\$357,000		\$129,060
Division of Community Corrections			
Mattresses	\$105,600		\$23,834
Division of Computer Services			
Printer replacement program	\$75,000		\$27,113
Upgrade networking (switches and routers) over multi-years	\$175,000		\$63,265
Workstation, monitor, and laptop replacement program	\$300,000		\$108,454
Server replacement program	\$350,000		\$126,529
Division of Fire & Emergency Services			
Fire Station #6 repairs	\$20,000	\$80,000	\$12,434
Fire training tower	\$600,000	\$340,000	\$116,876
Mobile and portable 800 MHz radios	\$100,000		\$12,434
Firefighting protective clothing	\$100,000		\$36,151
Division of Parks and Recreation			
Golf carts	\$440,000		\$99,308
Division of Police			
Mobile data terminals	\$200,000		\$72,302
Body armor	\$250,000		\$90,378
Public Works Administration			
TIF - Phase I utility design	\$4,000,000		\$298,775
Purchase of Development Rights			
Local conservation easement acquisition	\$1,000,000	\$1,000,000	\$149,387
Sub-Total	\$8,072,600	\$1,420,000	\$1,366,300
Total Bonded Operating Capital and CIP	\$9,492,600		

Final project funding with level debt service



Est. FY11 Bonds: Urban Services Fund Portion

	Request FY2011	Approved FY2010	ESTIMATED Maximum Debt Service
Division of Waste Management			
Truck-refuse collection	\$5,750,000		\$1,297,780
Accela software	\$874,020		\$315,969
Recycling Center infrastructure modifications to accommodate new equipment	\$150,000		\$18,650
Electronic recycling and cart delivery remodeling and infrastructure upgrade	\$80,000		\$9,947
Compost site waterline construction	\$150,000		\$11,204
Compost pad expansion	\$350,000		\$26,143
Compost site drainage system	\$500,000		\$37,347
Loan-a-box (refuse carts)	\$10,500		\$2,370
Dumpster refuse carts	\$20,000		\$4,514
Computer equipment	\$50,000		\$18,076
Pitch-in containers (refuse carts)	\$61,000		\$13,768
Computer software	\$80,000		\$28,921
Rosie refuse carts	\$250,000		\$56,425
Lenny yard waste carts	\$250,000		\$56,425
Herbie refuse carts	\$285,000		\$64,325
	(1) \$8,860,520	\$0	\$1,961,864
Total Bonded Operating Capital and CIP			\$8,860,520

(1) Debt service to be reimburse the General Fund
Final project funding with level debt service

Thank you

Questions



LFUCG CAPITAL PROJECTS APPROVED BUT NOT FUNDED

Department	Project Description	Life	Budget	Activity To Date	Comments
Chief Information Officer	Operation Capital 2010A- software	3 YR	164,200		
Environmental Quality	PONDS RETENTION 2009	20 YR	375,000	76,800	propose to be paid by WQ fee
Environmental Quality	STORM WATER REPAIR 2009	10 YR	1,000,000		Contingency List for April 2010
General Government	CLIMATE CONTROL 2009	20 YR	500,000		
General Government	Operation Capital 2010A-Co Attorny	3 YR	7,200		
General Government	Operation Capital 2010A- Coroner	3 YR	40,000		
General Services	ARTS PLACE BOILER REPLACE- 2010	10 YR	160,000		
General Services	DOWNTOWN ARTS MUS 2009	10 YR	130,000		
General Services	RESURFACE EXISTING Fleet Lot 2010	10 YR	200,000		
General Services	GOVERNMENT CENTER Design 2010	20 YR	4,000,000		Portion already bonded
General Services	KY/STATE Theatre FIRE UPGRADE 2010	3 YR	150,000	1,000,000	Contingency List for April 2010
General Services	Operation Capital 2010A- Security Equip	3 YR	89,790		
Parks and Recreation	JACOBSON SEWER 2009	20 YR	150,000		
Parks and Recreation	PARKS PARITY 2010	10 YR	250,000		
Parks and Recreation	PARK TRAILS 2010	10 YR	1,000,000		Contingency List for April 2010
Police	Operation Capital 2010A- Scanner	3 YR	25,000		
Fire & Emergency Services	EQUIP PACKAGE 2009- Fire Prevention	3 YR	48,000		
Fire & Emergency Services	OVERHEAD DOOR REPLACE/PARTS 2010	10 YR	24,000		
Fire & Emergency Services	RENOVATE ROOF/BAY STATION 6 2010	10 YR	80,000		In FY2011 + addl \$20,000
Fire & Emergency Services	FIRE SUPPRESSION STATIONS 2010	5 YR	120,200		
Fire & Emergency Services	FIRE TRAINING CENTER RENOVATE 2010	10 YR	340,000		Remaining amt in FY2011 + addl \$600,000
Fire & Emergency Services	PARKING LOT 2009	10 YR	35,000		
Fire & Emergency Services	STATION 14 2009	10 YR	20,000		
Public Safety	COMPUTER EQUIPMENT 2009	3 YR	30,000		
Public Safety	Public Safety Operations Center 2009	20 YR	20,900,000		
Public Safety	REGIONAL EOC 2009	20 YR	6,500,000		
Public Safety	800 MHZ Radio Interoperability 2009	10 YR	9,920,000	3,800,000	Portion already bonded
Public Works	INFILL REDEVELOPMENT 2008	20 YR	2,000,000		Contingency List for April 2010
Public Works	INFRASTRUCTURE 2009	10 YR	150,000		
Public Works	SALT BARN 2009	20 YR	2,000,000	174,124	Portion already bonded
Public Works	STREET IMPROVEMENTS Man O War 2010	10 YR	1,000,000		
Public Works	COUNCIL RESURFACING FUNDS 2010	10 YR	2,955,000		
Public Works	COUNCIL RESURFACING FUNDS 2010	10 YR	45,000		

LFUCG CAPITAL PROJECTS APPROVED BUT NOT FUNDED

Department	Project Description	Life	Budget	Activity To Date	Comments
Public Works	SMALL PROJECTS SRF 2010	10 YR	100,000		
Public Works	TRAFFIC CONTROL 2009	3 YR	100,000		
Public Works	TRAFFIC SIGNAL EQUIPMENT 2010	3 YR	60,000		
Public Works	STRTSCAPE VINE BROADWAY-LIME 2010	20 YR	2,461,500		
Purchase of Dev Rights	PDR 2010	20 YR	3,000,000	2,000,000	Portion already bonded
Social Services	PLAYGROUND MULCH KY COMPLIANCE '10	10 YR	19,980		Included in FY2011 operating
	Distillery - Art, bus stop, ped	5 YR	999,780		
			61,149,650		
PROJECTS APPROVED 12/2008 WITH NO BUDGET AMENDMENT TO DATE					
	Cardinal Run North - 2009		125,000		
	Shillito 4 Field Complex - 2009		110,000		
	Illuminated Street Name Signs - 2009		160,000		
			395,000		
TOTAL APPROVED CAPITAL PROJECTS 2009-2010					
	Less Partial Funding From Bond Issue		61,544,650		
			(6,974,124)		
	TOTAL APPROVED BUT NOT FUNDED PROJECTS 2009-2010		54,570,526		