

Ellinger  
Lane  
Gorton  
Kay  
Farmer  
Myers  
Beard  
Lawless  
Blues

# A G E N D A

## Budget & Finance Committee

### March 22, 2011

### 1:00 P.M.

1. 2010 Comprehensive Annual Financial Report (CAFR) *(in separate packet)*
2. Monthly Budget Report (1-9)
3. Council Links Discussion (10,12-14)
4. FY 12 Budget Discussion Timeline (11)
5. Items Referred to Committee (15)

“Budget & Finance Committee, to which shall be referred matters relating to the Department of Finance and Administration and its divisions, and any related partner agencies, the urban county courts and constitutional officers, fiscal operations of the government, revenues and expenditures of the government, and organization changers which affect the fiscal operations of the government. Additionally, this committee shall review the final audit report and management letter of the accounting firm recommended by the Mayor and selected by the Council to conduct the annual financial audit of the Urban County Government and shall report its findings concerning the same to the Mayor and Council for appropriate action.” Council Rules & Procedures, Section 2.102 (1)  
Effective January 1, 2011. Adopted by Urban County Council October 14, 2010

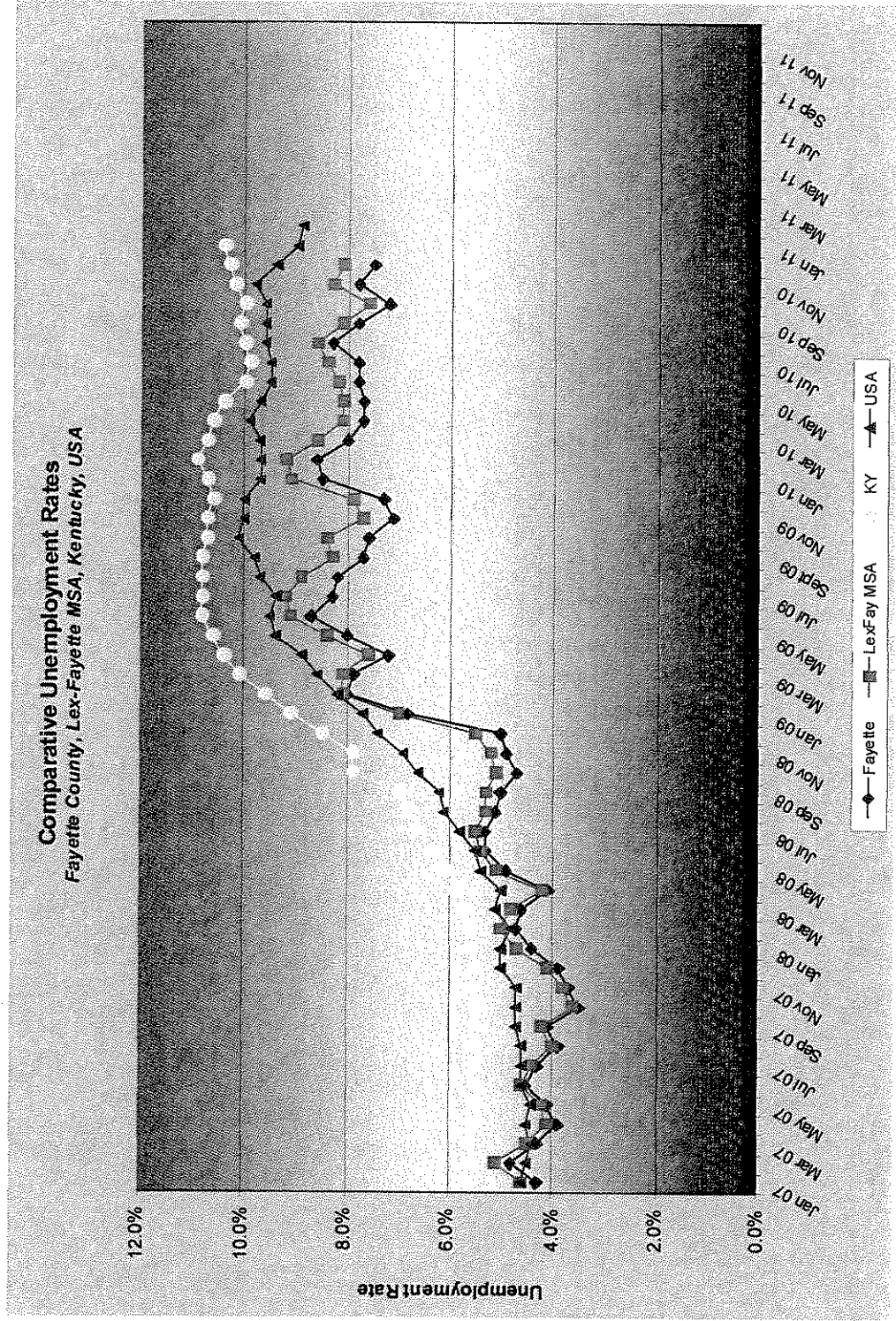
#### Committee Meeting Schedule

|           |              |            |             |
|-----------|--------------|------------|-------------|
| March 22  | April 26     | May 24     | June 21     |
| August 30 | September 27 | October 25 | November 29 |

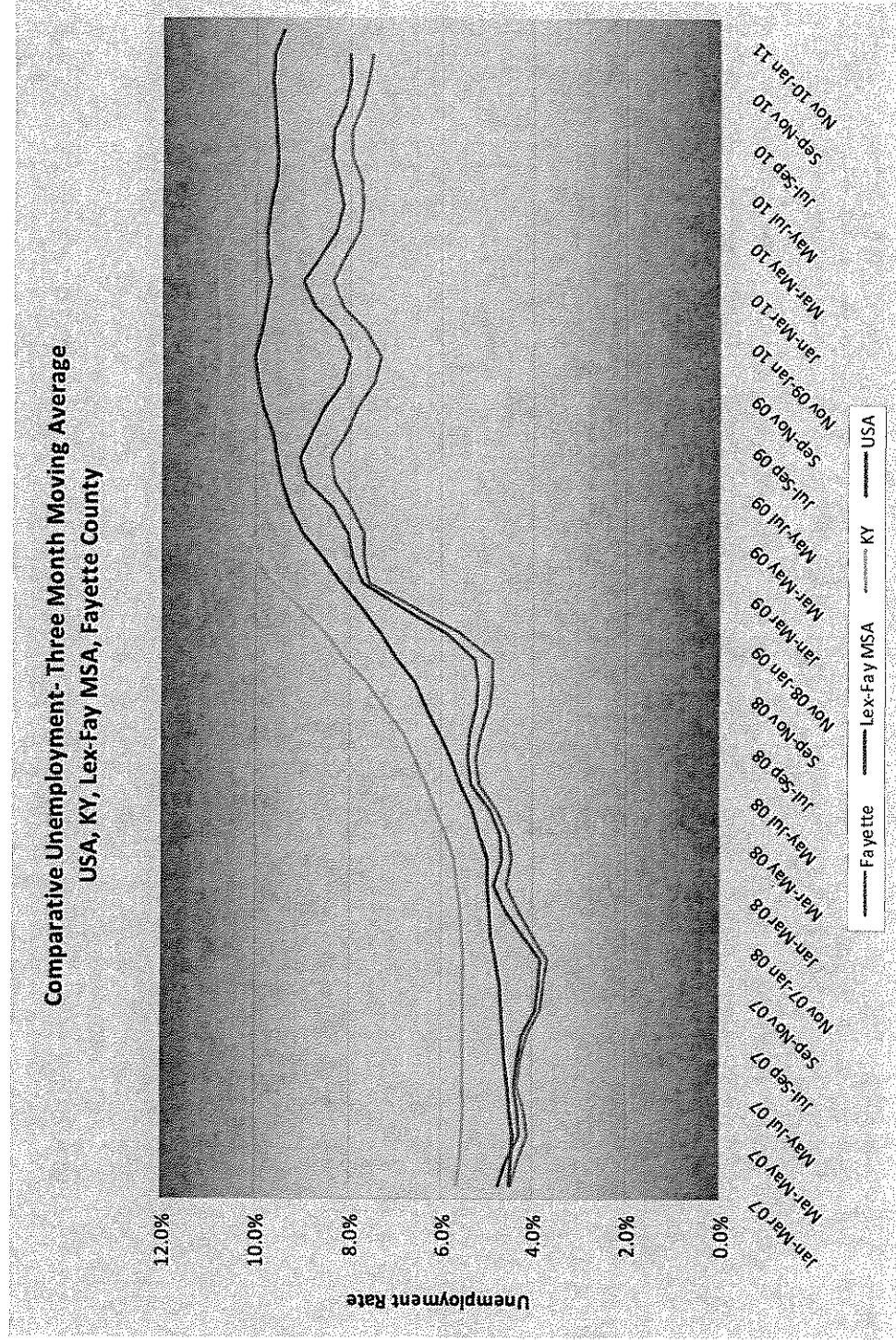
# Budget & Finance Committee

Financial Update  
March 22, 2011

# Comparative Unemployment Rates



# Comparative Unemployment Rates Three Month Moving Average



# Economic Indicators

## Economic Indicators

|                                      | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> | <u>Jan</u> | <u>Feb</u> |
|--------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Fayette County Unemployment Rate     | 7.8%       | 7.8%       | 8.3%       | 7.8%       | 7.2%       | 7.8%       | 7.5%       | N/A        | N/A        |
| Fayette County Employment            | 142,196    | 141,013    | 140,722    | 141,820    | 141,617    | 140,903    | 141,969    | N/A        | N/A        |
| Fayette County Permits Issued        | 1,407      | 1,193      | 1,434      | 1,427      | 923        | 1,015      | 707        | 793        | 786        |
| Fayette County New Business Licenses | 243        | 350        | 366        | 203        | 239        | 204        | 168        | 205        | 245        |
| Home Sales (MSA)                     | 871        | 585        | 539        | 465        | 442        | 438        | 521        | 328        | 352        |
| Fayette County Foreclosures          | 50         | 51         | 94         | 52         | 44         | 44         | 39         | 59         | 59         |

N/A - Data Currently Unavailable

# February Actual/Adopted Budget

| Revenue Category          | February 2011 Monthly Actual Compared to Adopted Budget |                   |                             |
|---------------------------|---------------------------------------------------------|-------------------|-----------------------------|
|                           | <u>Actual</u>                                           | <u>Budget</u>     | <u>Variance</u><br><u>%</u> |
| OLT- Employee Withholding | 21,029,663                                              | 20,538,090        | 491,573 2.4%                |
| OLT - Net Profit          | 659,054                                                 | 568,112           | 90,942 16.0%                |
| Insurance                 | 3,221,386                                               | 3,718,948         | (497,562) -13.4%            |
| Franchise Fees            | 2,984,552                                               | 3,340,677         | (356,125) -10.7%            |
| <b>TOTALS</b>             | <b>27,894,655</b>                                       | <b>28,165,827</b> | <b>(271,172) -1.0%</b>      |

# February YTD Actual/Adopted YTD Budget

| Revenue Category           | February YTD Actual Compared to Adopted YTD Budget |                    |                             |
|----------------------------|----------------------------------------------------|--------------------|-----------------------------|
|                            | <u>Actual</u>                                      | <u>Budget</u>      | <u>Variance</u><br><u>%</u> |
| OLT - Employee Withholding | 103,326,289                                        | 100,231,652        | 3,094,637 3.1%              |
| OLT - Net Profit           | 11,071,685                                         | 12,535,622         | (1,463,937) -11.7%          |
| Insurance                  | 16,383,500                                         | 15,157,438         | 1,226,062 8.1%              |
| Franchise Fees             | 11,711,434                                         | 11,979,631         | (268,197) -2.2%             |
| <b>TOTALS</b>              | <b>142,492,907</b>                                 | <b>139,904,343</b> | <b>2,588,564 1.9%</b>       |

# February YTD Actual Less Amnesty/Adopted YTD Budget

| Revenue Category             | Actual YTD Less Amnesty YTD Compared to Adopted Budget |                    |                    |                    |                  |
|------------------------------|--------------------------------------------------------|--------------------|--------------------|--------------------|------------------|
|                              | Feb '11 YTD                                            | Amnesty            | Feb '11 Actual     | YTD '11 Budget     | Variance         |
| OLT - Employee Withholding * | 103,326,289                                            | (355,031)          | 102,971,258        | 100,231,652        | 2,739,606        |
| OLT - Net Profit             | 11,071,685                                             | (939,689)          | 10,131,996         | 12,535,622         | (2,403,626)      |
| Insurance                    | 16,383,500                                             | 0                  | 16,383,500         | 15,157,438         | 1,226,062        |
| Franchise Fees               | 11,711,434                                             | 0                  | 11,711,434         | 11,979,631         | (268,197)        |
| <b>TOTALS</b>                | <b>142,492,907</b>                                     | <b>(1,294,720)</b> | <b>141,198,187</b> | <b>139,904,343</b> | <b>1,293,844</b> |
|                              |                                                        |                    |                    |                    | <b>0.92%</b>     |

# Financial Highlights February YTD 2011

## Financial Highlights February YTD 2011

|                    | Feb YTD<br><u>Actual</u> | Feb YTD<br><u>Budget</u> | Fav/(Unfav)<br><u>Variance</u> |
|--------------------|--------------------------|--------------------------|--------------------------------|
| Total Revenue      | 180.875                  | 175.631                  | 5.244                          |
| Personnel Expense* | 119.407                  | 120.503                  | 1.096                          |
| Operating Expense  | 21.507                   | 21.774                   | 0.267                          |
| Debt Service       | 21.376                   | 21.683                   | 0.307                          |
| Partner Agencies   | 11.621                   | 10.192                   | (1.429)                        |
| Insurance (GL&WC)  | 1.165                    | (0.052)                  | (1.217)                        |
| Capital            | 0.068                    | 0.093                    | 0.025                          |
| Total Expenditures | 175.144                  | 174.193                  | (0.951)                        |
| Property Sale      | 0.106                    | 0.000                    | 0.106                          |
| Transfers In/Out   | (0.196)                  | 1.519                    | 1.715                          |
| Net Income         | 5.641                    | 2.957                    | 2.684                          |

*\*Includes actual health insurance cost*

# Revenue Update

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■ Questions ?

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## Council Links FY 2012 Budget

Below are the Council Member assignments for FY 2012 Budget process. The purpose of the Links is to facilitate communication between the line departments and divisions of the government and the Council. One or more members of each Link should meet informally with the designated groups to discuss their programs and their budgetary needs. The Link Committees are encouraged to gather background data and to report out to the Committee of the Whole.

### Council Link Committee Assignments

**General Government, CIO, Administrative Services, Council Clerk, and  
Citizen's Advocate:**

Ed Lane – Chair  
Doug Martin  
Kevin Stinnett

**Finance, Budgeting, Social Services, Outside Agencies:**

Julian Beard - Chair  
Chuck Ellinger  
Chris Ford

**General Services:**

Steve Kay - Chair  
KC Crosbie  
Diane Lawless

**Public Safety:**

George Myers - Chair  
Linda Gorton  
Peggy Henson

**Public Works & Environmental Quality**

Bill Farmer - Chair  
Tom Blues  
Jay McChord

| PROPOSED COMMITTEE OF THE WHOLE BUDGET SCHEDULE FY 12 |         |          |          |                                            |                           |  |
|-------------------------------------------------------|---------|----------|----------|--------------------------------------------|---------------------------|--|
| Description                                           | Date(s) | Day      | Time     | Location                                   | Notes                     |  |
| Start Link Assignments                                | 22-Mar  | Tuesday  | 1:00 PM  | Chambers                                   | B & F Committee           |  |
| Mayor's Proposed Address                              | 12-Apr  | Tuesday  | 3:00 PM  | Chambers                                   |                           |  |
| Council Links Begin Review                            | 13-Apr  |          |          |                                            |                           |  |
| Review of Mayor's Proposed Budget                     | 26-Apr  | Tuesday  | 11:00 AM | Chambers                                   | Before B & F Committee    |  |
| Revenue Projections Discussion                        | 26-Apr  | Tuesday  | 1:00 PM  | Chambers                                   | B & F Committee           |  |
| Debt & Capital Project Discussion                     | 28-Apr  | Thursday | 4:00 PM  | Chambers                                   | Before Council Meeting    |  |
| Links Report Out                                      | 24-May  | Tuesday  | 11:00 AM | Chambers                                   | Before B & F Committee    |  |
| Links Report Out                                      | 24-May  | Tuesday  | 1:00 PM  | Chambers                                   | B & F Committee           |  |
| Links Report Out/Discussion                           | 26-May  | Thursday | 4:30 PM  | 5th Floor                                  | Part of Quarterly COW     |  |
| Links Recommendations                                 | 27-May  | Friday   |          | Electronic Version to Connie & CM Ellinger |                           |  |
| Councilmember Recommendations                         | 27-May  | Friday   |          | Electronic Version to Connie & CM Ellinger |                           |  |
| Review Links/CM Recommendations                       | 07-Jun  | Tuesday  | 11:00 AM | Chambers                                   | Before Gen Govt Committee |  |
| Discussion on Proposed Amendments                     | 09-Jun  | Thursday | 3:00 PM  | Chambers                                   | Before Council Meeting    |  |
| Discussion on Proposed Amendments                     | 14-Jun  | Tuesday  | 11:00 AM | Chambers                                   | Before E&CD Committee     |  |
| Ratify Budget/Motion to Place on Docket               |         |          |          |                                            |                           |  |
| 1st Reading of Budget                                 | 21-Jun  | Tuesday  | 3:00 PM  | Chambers                                   |                           |  |
| 2nd Reading of Budget                                 | 23-Jun  | Thursday | 6:00 PM  | Chambers                                   |                           |  |

# General Government

## Judicial

Circuit Judges

## Elected Officials

County Clerk

Elections - County Court Clerk

Elections - Board of Elections

Commonwealth Attorney

County Judge Executive

County Attorney

Coroner

Property Valuation Admin

## Council Office

Council Office Administration

Council Districts

Council Clerk Administration

Citizens Advocate

## Office Of The Mayor

Office Of The Mayor

Special Programs

## Non-Departmental

Contract Debt

Contingency

Indirect Cost Allocation

## Office of the CAO

Office of the CAO

Office of Economic Development

Economic Development Agencies

Commerce Lexington

Downtown Arts Center

Downtown Lexington Corporation

Kentucky World Trade Center

SCORE

Lyric Theatre

Blue Grass Community Foundation

Div of Community Development

Agencies

Urban League

Road to Home Ownership

Human Rights Commission

Div of Historic Preservation

Division of Human Resources

Division of Planning

Purchase of Development Rights

Division of Risk Management

## Office of Internal Audit

## Law

## CIO

Office of Chief Inform Officer

Div of Enterprise Solutions

Div of Govt Communications

Division of Computer Services

# Finance, Budgeting, Social Services

## Finance

- Finance Administration
- Division of Accounting
- Division of Revenue
- Division of Central Purchasing
- Component Agencies
  - Lexington Center Corporation
  - Lexington Public Library
  - Lexington Convention & Visitors Bureau
  - Explorium of Lexington
  - Carnegie Literacy Center
  - Downtown Development Authority

## Budgeting

- Division of Budgeting

## Social Services

- Social Services Administration
- Div of Adult & Tenant Services
- Division of Family Services
- Division of Youth Services
- Social Service Agencies
  - Baby Health Service
  - Bluegrass Area Dev District
  - Bluegrass Community Action Age
  - Bluegrass Domestic Violence
  - Bluegrass Technology Center
  - Cntr for Women Children & Families
  - Community Action Council
  - Comprehensive Care Center
  - Environmental Quality Comm.
  - Hope Center for Men
  - MASH Services of the Bluegrass
  - Nursing Home Ombudsman Program
  - Bluegrass Rape Crisis Center
  - Salvation Army
  - Moveable Feast Lexington, Inc.
  - Big Brothers Big Sisters
  - Chrysalis House
  - Sunflower Kids

# Public Safety

- Public Safety Administrator
- ABC Administrator
- Div. of Emergency Mgt/E-911
- Divi of Community Corrections
- Division of Police
- Division of Enhanced 911
- Division of Fire & Emergency Services
- Division of Code Enforcement
- Div of Building Inspection
- Public Safety Agencies
  - Animal Control

## **Public Works & Environmental Quality**

Environmental Quality & Public Works Admin

Division of Engineering

Division of Sts Rds & Forest

Div of Traffic Engineering

Division of Environmental Policy

Division Water Quality

Division of Waste Management

Environmental Quality Agencies

Environmental Commission

## **General Services**

General Services Administration

Div of Facilities & Fleet Mgt

Div of Parks and Recreation

# EXISTING COMMITTEE ITEMS IN NEW COMMITTEE STRUCTURE

## Budget & Finance Committee

| Item                                    | Referred By | Date           |
|-----------------------------------------|-------------|----------------|
| Solid Waste Costs/Revenue/Tax Structure | Gorton      | 2-1-11         |
| Cost Per Ton; Cost Per Customer         |             | March 22, 2011 |
| Impact of User Fee Structure            |             |                |

| Item                                                             | Old Committee      | New Committee | CM Referred |
|------------------------------------------------------------------|--------------------|---------------|-------------|
| Local Vendor Preference                                          | Inter Governmental | Bud/Finance*  | Gorton      |
| Minority/Women Business Recruitment                              | Inter Governmental | Bud/Finance*  | Stinnett    |
| Purchasing, Procurement & Professional Service Selection Process | Inter Governmental | Bud/Finance*  | Crosbie     |

\* Purchasing related items were also referred to Purchasing & Procurement Task Force