Ellinger
Lane
Gorton
Kay
Farmer
Stinnett
Myers
Beard
Lawless
Blues

AGENDA
Budget & Finance Committee
September 27, 2011
1:00 P.M.

1. **Monthly Budget Report** (1-9)
2. **Administration's FY 12 Budget Reduction Exercise** (10-13)
3. **Items Referred to Committee** (14)

"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

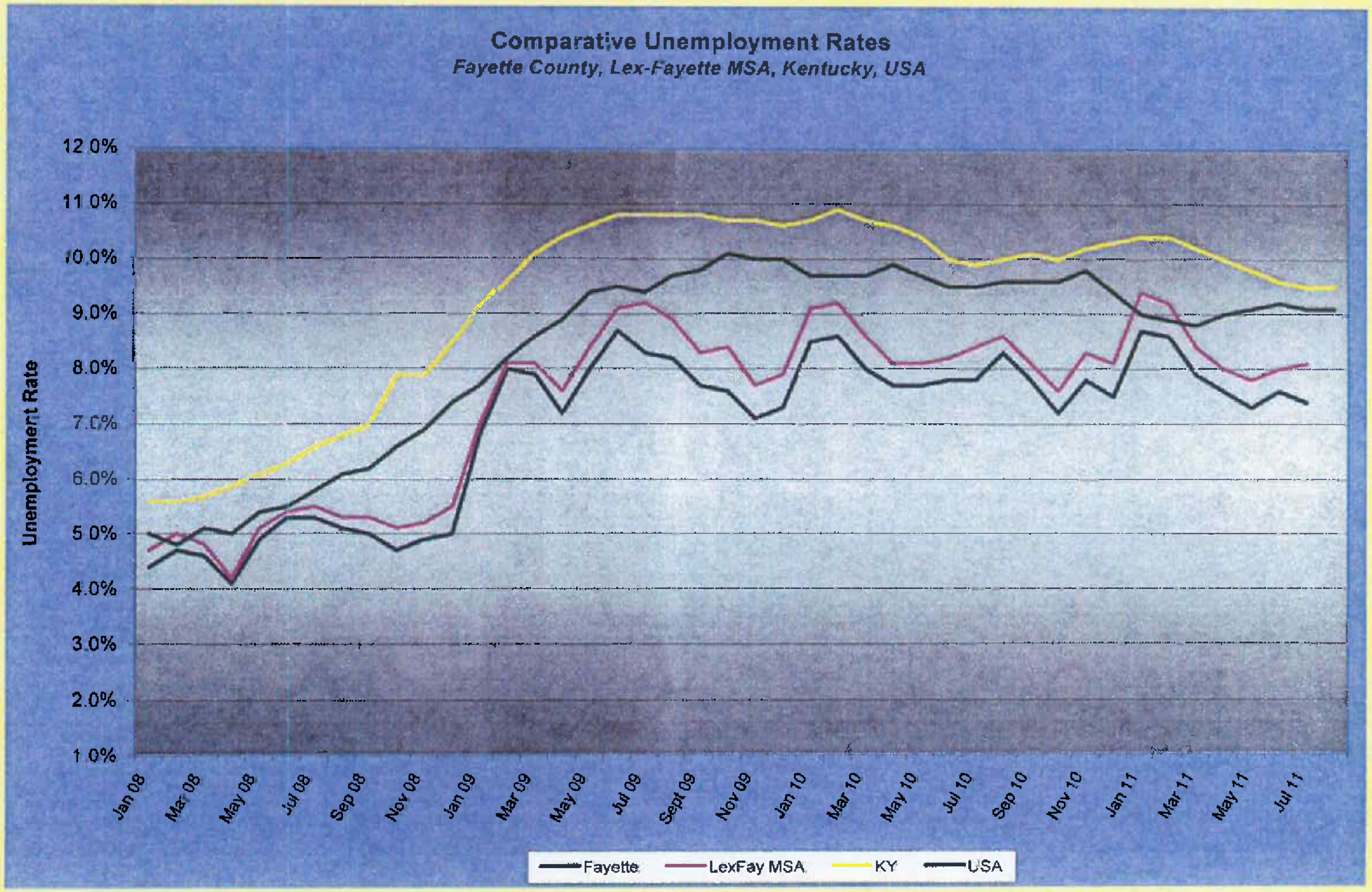
Committee Meeting Schedule
September 27
October 25
November 29

Budget & Finance Committee

Financial Update

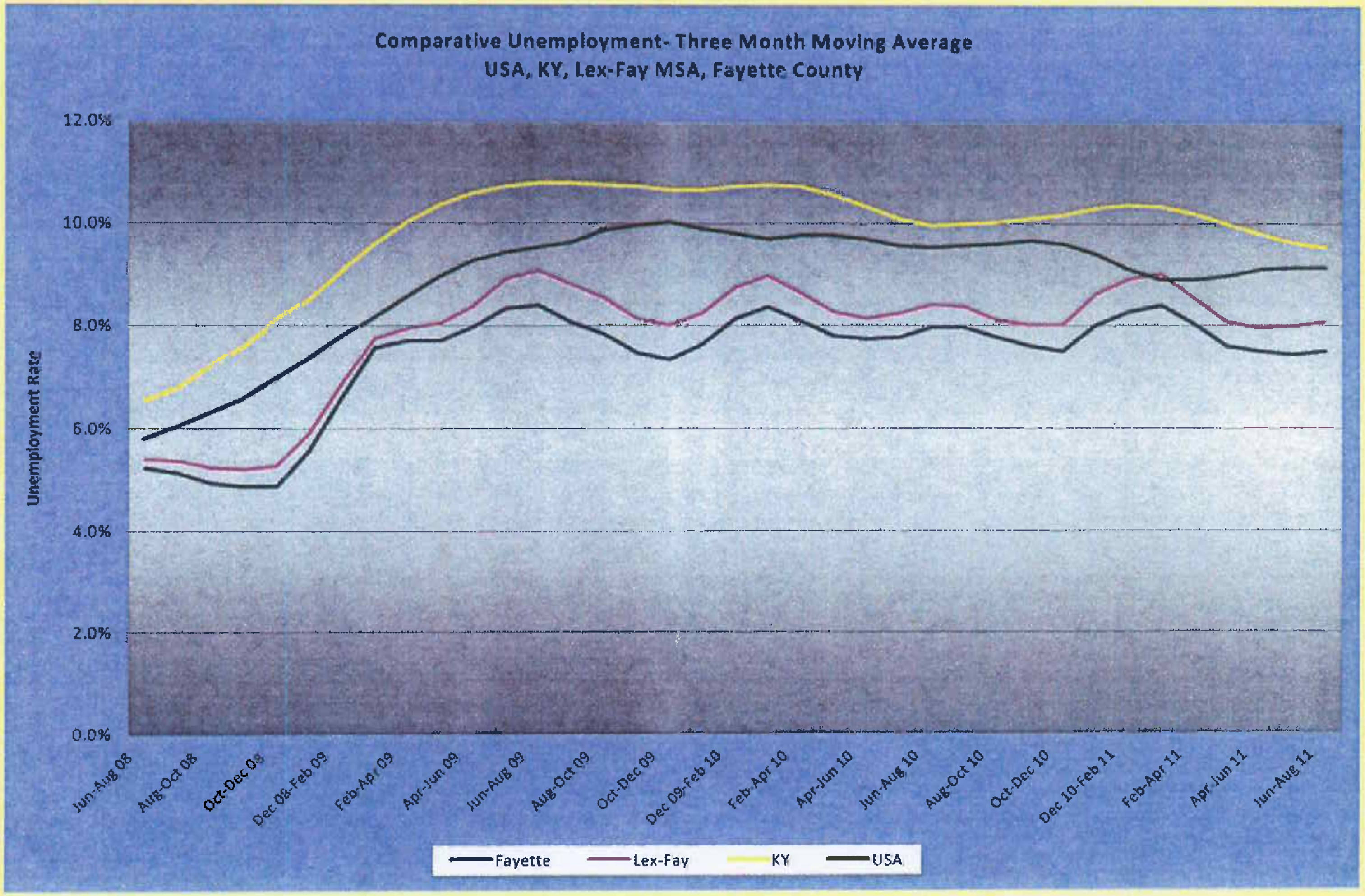
September 27, 2011

Comparative Unemployment Rates



2

Comparative Unemployment Rates Three Month Moving Average



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Economic Indicators

Economic Indicators

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Fayette County Unemployment Rate	7.5%	8.7%	8.6%	7.9%	7.6%	7.3%	7.6%	7.4%	N/A
Fayette County Employment	141,969	142,352	143,016	145,032	145,410	145,985	147,052	145,881	N/A
Fayette County Permits Issued	707	793	786	1,019	1,169	1,187	1,405	1,195	1,292
Fayette County New Business Licenses	168	205	245	446	873	223	199	223	224
Home Sales (MSA)	521	328	352	520	586	657	720	614	692
Fayette County Foreclosures	39	59	59	40	33	33	39	39	53

N/A - Indicates data not available.

August Actual/Adopted Budget

Revenue Category	August 2011 Monthly Actual Compared to Adopted Budget			
	Actual	**Budget**	**Variance**	**%**
OLT- Employee Withholding	18,051,608	16,811,983	1,239,625	7.4%
OLT - Net Profit	505,814	517,804	(11,990)	-2.3%
Insurance	2,134,748	2,174,749	(40,001)	-1.8%
Franchise Fees	2,981,082	2,916,405	64,677	2.2%
TOTALS	23,673,252	22,420,940	1,252,312	5.6%

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August YTD Actual/Adopted YTD Budget

	August YTD Actual Compared to Adopted YTD Budget			
Revenue Category	**Actual**	**Budget**	**Variance**	**%**
OLT- Employee Withholding	25,933,851	24,972,286	961,565	3.9%
OLT - Net Profit	1,271,387	1,167,052	104,334	8.9%
Insurance	5,438,954	5,210,621	228,334	4.4%
Franchise Fees	3,386,967	3,316,632	70,335	2.1%
TOTALS	36,031,159	34,666,590	1,364,568	3.9%

August YTD 2011/August 2010 YTD Less Amnesty Activity

Revenue Category	Aug'11 Actual	Aug '10 Actual	Variance	%
OLT- Employee Withholding *	25,913,887	25,281,852	632,035	2.46%
OLT - Net Profit	1,242,337	820,606	421,731	23.68%
Insurance	5,438,954	5,552,088	(113,134)	-2.04%
Franchise Fees	3,386,967	3,137,588	249,379	7.95%
TOTALS	35,982,145	34,792,134	1,190,011	3.29%

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Reset Thinking of "Extra Revenue"

- Realization of Budget Assumptions
- Capital Needs *(Immediate Issue)*
  - Renewal & Replacement Programs (5%) — **$13,000,000**
  - Backlog of Repairs and Maintenance — **TBD**
  - Long-Term Capital Planning — **TBD**
- Addressing Emergency Reserves *(Immediate Issue)*
  - Additional Economic Contingency Fund — **$12,500,000**
  - Healthcare Fund Reserves — **$3,500,000**
- Police & Fire Pension *(Structural Issue)*
  - Total Long-Term Liability — **$536,587,648**

Revenue Update

- Questions ?

From: Ryan Barrow
Sent: Tuesday, August 30, 2011 12:58 PM
To: Directors; Commissioners (email)
Cc: Jim Gray - Mayor; Richard Moloney; Jamie Emmons; Geoffrey S Reed; Elizabeth McGee; Rosemary Amburgey; Jessica Williams; Cheryl Bryant; Eunice Ausby
Subject: FY12 Administration's Reduction Plan (General Fund)

Directors,

The national and local economic conditions and the uncertainty that still exist in the marketplace continue to put pressure on LFUCG's budget. In an effort to be proactive and to prepare in the event reductions to the budget become a reality, **the Mayor is requesting the every Division prepare viable options at a 5% and 10% reduction to the adopted budget for each major funding source.** The plan should clearly define what programs are impacted and how services to the public will be affected. The General Fund will be distributed first, followed by Urban, Sewer, Water Quality and Landfill Funds.

In an effort to facilitate this process our office has composed a standard spreadsheet, as seen attached. If you do not have Office 2007 please contact jwillia5@lexingtonky.gov for an older version of this file. The sheet includes the following:

Tab 1. Reduction Plan by Division

- Locate your reduction target in dollars (i.e. two figures for 5% and 10% reductions)

Tab 2. Reduction Plan Detail

- For reference, A copy of your budget can be found online at http://www.lexingtonky.gov/Modules/ShowDocument.aspx?documentid=16933
- Enter your Division Number, Section & Account(s) to be reduced to meet your targets in total as well as the assumed effective date and impact for you plan in the *"Impact"* column.
- If you recommend personnel reductions, please use the appropriate account number for reductions (i.e. 63111 – Civil ... 63311 – Temporary) in dollars only and in the "Impact" column put the number of employees affected (i.e. please do not use anything to identify specific employees such as names or IDs).
- For proposed revenue please use the Notes tab, do not include proposed revenue figures towards the reduction target, proposed revenue will be considered separate from this exercise
- Please make sure that both the Director & Commissioner have signed the reduction plan.

Tab 3. Notes

- Please include any additional information that is pertinent to the Mayor's planning process. If possible please include an *"Item number"* from Tab 2 for cross-referencing.

Plans should be submitted by September 19th in electronic format to the budgeting office (rbarrow@lexingtonky.gov) and in hard copy to the Commissioner of Finance with all appropriate signatures.

Sincerely,

____

Ryan Barrow
Director of Budgeting
859-258-3060

Fiscal Year 2012
General Fund Reduction Plans by Division

Department	Division	Adopted FY 2012 Budget	5% Reduction Amount	10% Reduction Amount
Chief Administrative Office	CAO Administration	156,162	7,808	15,616
	Computer Services	5,329,642	266,482	532,964
	Enterprise Solutions	1,035,324	51,766	103,532
	Government Communications	784,193	39,210	78,419
	Grants & Special Programs	540,648	27,032	54,065
	Historic Preservation	362,126	18,106	36,213
	Planning	1,591,178	79,559	159,118
	Purchase of Development Rights	137,673	6,884	13,767
	Risk Management	307,051	15,353	30,705
	Chief Administrative Officer	10,243,997	512,200	1,024,400
Environmental Quality & Public Works	Env Quality &Pub Works Admin	194,165	9,708	19,417
	Environmental Policy	142,825	7,141	14,283
	Engineering	346,978	17,349	34,698
	Streets Roads	3,518,336	175,917	351,834
	Traffic Engineering	3,150,726	157,536	315,073
	Env Quality & Public Works	7,353,030	367,652	735,303
Finance	Finance Administration	4,410,782	220,539	441,078
	Accounting	1,253,425	62,671	125,343
	Central Purchasing	566,433	28,322	56,643
	Revenue	2,297,846	114,892	229,785
	Budgeting	471,890	23,595	47,189
	Finance Total	9,000,376	450,019	900,038
Law	Law Administration	7,824,630	391,232	782,463
	Human Resources	1,954,066	97,703	195,407
	Law Total	9,778,696	488,935	977,870
Public Safety	Public Safety Administrator	1,536,860	76,843	153,686
	ABC Administrator	15,792	790	1,579
	Emergency Mgt/E-911	3,353,287	167,664	335,329
	Comm Corrections	30,485,961	1,524,298	3,048,596
	Police	55,442,203	2,772,110	5,544,220
	Fire & Emergency Serv	51,781,678	2,589,084	5,178,168
	Code Enforcement	1,664,485	83,224	166,449
	Building Inspection	2,471,585	123,579	247,159
	Public Safety Total	146,751,851	7,337,593	14,675,185
Social Services	Social Services Administration	1,308,781	65,439	130,878
	Adult & Tenant Services	961,443	48,072	96,144
	Family Services	2,336,517	116,826	233,652
	Youth Services	2,173,906	108,695	217,391
	Social Services Total	6,780,647	339,032	678,065
General Services	General Services Admin	2,270,397	113,520	227,040
	Facilities & Fleet Mgt	7,057,431	352,872	705,743
	Parks and Recreation	16,820,579	841,029	1,682,058
	General Services Total	26,148,407	1,307,420	2,614,841
Mayor's Office	Office of the Mayor	1,646,461	82,323	164,646
	Special Programs	707,663	35,383	70,766
	Mayor's Office	2,354,124	117,706	235,412
Council	Council Office	2,314,636	115,732	231,464
	Citizens Advocate	92,758	4,638	9,276
	Council Clerk	486,150	24,308	48,615
	Council Total	2,893,544	144,677	289,354
Internal Audit	Internal Audit Administration	679,058	33,953	67,906
Constitutionals	Constitutionals	3,285,416	164,271	328,542
Non-Departmental	Non-Departmental	31,502,009	1,575,100	3,150,201
Partner Agencies	Partner Agencies	16,472,985	823,649	1,647,299
Grand Total		273,244,140	13,662,207	27,324,414

Paul Schoninger

From: Jane C Driskell
Sent: Wednesday, September 21, 2011 2:31 PM
To: Paul Schoninger
Cc: Richard Moloney; Ryan Barrow; William O'Mara; Geoffrey S Reed; Jamie Emmons
Subject: FW: 0811 Bud Fin Comm Rev Update.ppt
Attachments: 0811 Bud Fin Comm Rev Update.ppt

Paul,
Attached is the financial information for the Budget and Finance committee per your request.
In addition, to address your earlier question, we have asked the agencies for preliminary draft plans for reductions in the event that we need to make adjustments through this fiscal year. In contrast to prior year exercises which asked for plans for immediate implementation, this is a proactive planning tool in case future events warrant reductions. As you remember, I briefed the committee on this issue in my opening remarks at the last committee (the why and what) meeting. In addition, the email below reiterates the purpose of gathering the information. We of course would brief the Council if and when a reduction plan would be required.
In addition, we have already sent out the requests for the other funds (there would not be another fund specific to the Council's budget).

From: Ryan Barrow
Sent: Tuesday, August 30, 2011 12:58 PM
To: Directors; Commissioners (email)
Cc: Jim Gray - Mayor; Richard Moloney; Jamie Emmons; Geoffrey S Reed; Elizabeth McGee; Rosemary Amburgey; Jessica Williams; Cheryl Bryant; Eunice Ausby
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Sincerely,

Ryan Barrow
Director of Budgeting
859-258-3060
rbarrow@lexingtonky.gov

Lexington-Fayette Urban County Government
200 E. Main Street, 10th Floor
Lexington, KY 40507

Budget & Finance Committee Referrals

Item	Referred By	Date Referred	Status
BOAR Fee Structure	General Government Link	8-11-11	
Catering Definition in Zoning Ordinance	Crosbie	5-24-11	
Comprehensive Review of Economic Contingency Ordinance	Farmer	4-14-11	
Solid Waste Costs/Revenue/Tax Structure Cost Per Ton; Cost Per Customer Impact of User Fee Structure	Gorton	2-1-11	Solid Waste Task Force
Local Vendor Preference*	Gorton	10-14-10	Procurement Task Force
Minority/Women Business Recruitment*	Stinnett	10-7-10	Procurement Task Force
Purchasing, Procurement & Professional* Service Selection Process	Crosbie	9-24-10	Procurement Task Force

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

PAS 9-21-11