Ellinger
Lane
Gorton
Kay
Farmer
Stinnett
Myers
Beard
Lawless
Blues

AGENDA
Budget & Finance Committee
November 29, 2011
1:00 P.M.

1. **Monthly Budget Report** (1-15)
2. **Board of Architectural Review Fee Structure –** General Government Link (16-28)
3. **Items Referred to Committee** (29)

"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

Remaining Committee Meeting Schedule

Budget & Finance Committee

Financial Update
November 29, 2011

Finance Department Update

- CAFR update
  - Preparation on schedule
  - All component unit financial statements received
  - Completion estimate – December 30, 2011
- Banking RFP
  - RFP for consulting services issued
  - Assist with RFP, evaluation, negotiation
- UK Center for Business and Economic Research revenue modeling project
  - Agreement complete and dates for mid year review in process

Finance Department Update

- Sewer, landfill, WQ fee billing project
  - RFP for third party billing and collection services issued
    - Evaluation, presentations, selection scheduled for December and early January
  - RFP for Project Management services for billing project issued
    - Evaluation, interviews, and selection scheduled for December
  - Council approval needed in January for both agreements

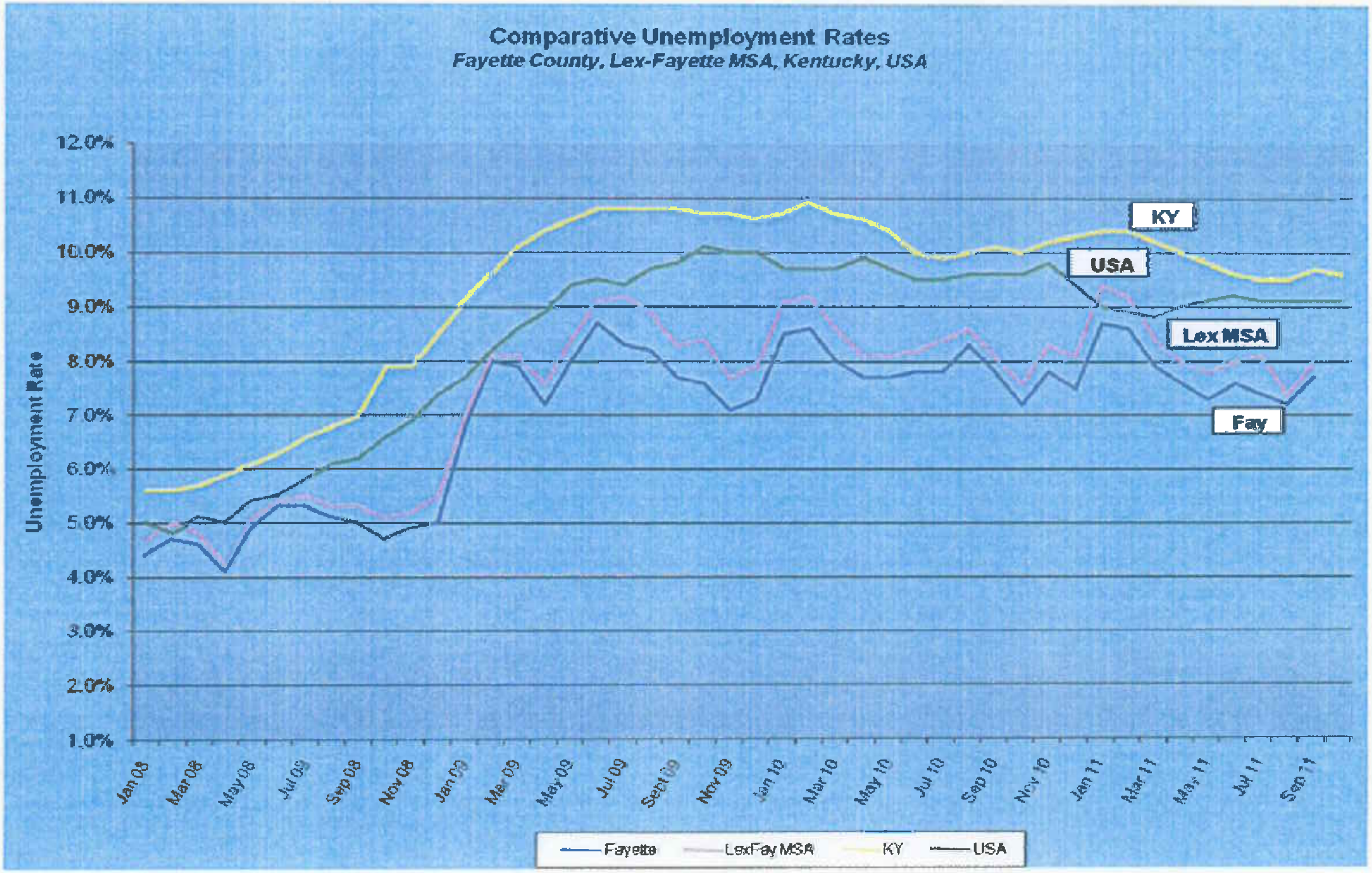
Finance Department Update

- Streetlight funding (Urban Service)
  - Meeting with KU representatives
  - Investigating cost mitigation options
  - Presentation to Council in January

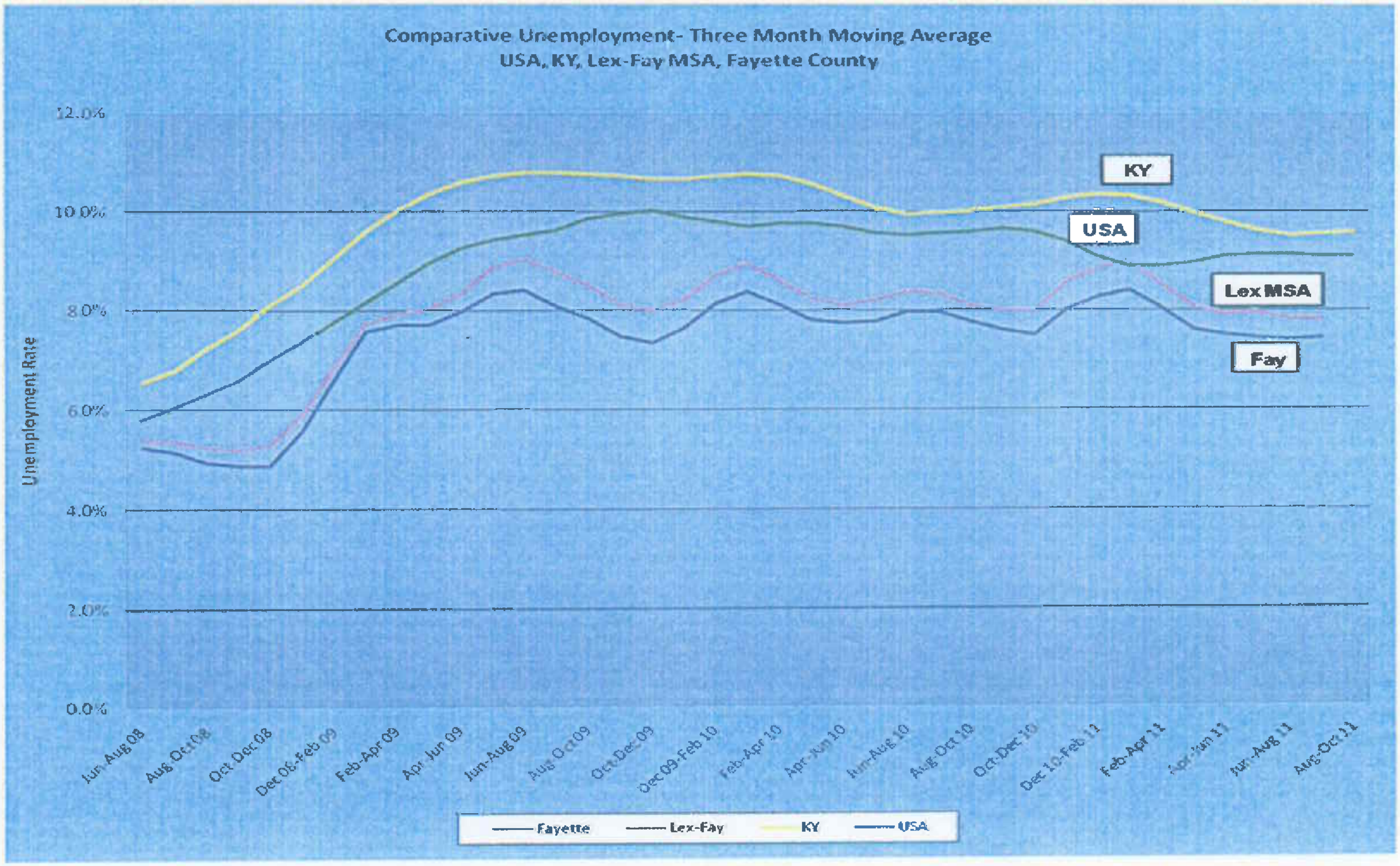
October Financial Overview

- October revenue up due to timing, still over $195MM left to achieve in FY12
- End of 2nd quarter for best revenue review with projections to follow
- October expenses up in personnel
- Future expense pressures from
  - Health care $1.9 million (Jan. – Jun.)
  - Collective bargaining savings not yet in place
  - General Fund Efficiency Savings
  - Streetlight Funding (Urban Fund)

Comparative Unemployment Rates



Comparative Unemployment Rates Three Month Moving Average



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Comparison of Economic Indicators 2010 / 2011

Comparison of Economic Indicators

Economic Indicators		Apr	May	Jun	Jul	Aug	Sep	Oct
Fayette County Unemployment Rate	2010	7.7%	7.7%	7.8%	7.8%	8.3%	7.8%	7.2%
	2011	7.6%	7.3%	7.6%	7.4%	7.2%	7.7%	N/A
Fayette County Employment	2010	140,920	140,638	142,196	141,013	140,722	141,820	141,617
	2011	145,410	145,985	147,052	145,881	146,076	145,577	N/A
Fayette County Permits Issued	2010	1,125	1,298	1,407	1,193	1,434	1,427	923
	2011	1,169	1,187	1,405	1,195	1,292	1,102	1,109
Fayette County New Business Licenses	2010	613	400	243	350	366	203	239
	2011	873	223	199	223	224	223	265
Home Sales (MSA)	2010	740	917	871	585	539	465	442
	2011	586	657	720	614	713	610	512
Fayette County Foreclosures	2010	47	65	50	50	94	52	110
	2011	33	33	39	39	53	25	58

N/A indicates not available.

October Actual/Adopted Budget

Revenue Category	October 2011 Monthly Actual Compared to Adopted Budget			
	Actual	Budget	Variance	%
OLT- Employee Withholding	9,911,494	8,101,718	1,809,776	22.3%
OLT - Net Profit	1,181,973	1,247,642	(65,670)	-5.3%
Insurance	3,891,384	2,462,731	1,428,653	58.0%
Franchise Fees	456,512	397,043	59,468	15.0%
TOTALS	15,441,363	12,209,136	3,232,227	26.5%

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October YTD Actual/Adopted YTD Budget

Revenue Category	Oct '11 YTD	Oct '10 YTD	Variance	%
	Actual YTD Compared to Actual Prior YTD			
OLT- Employee Withholding	47,799,094	45,170,918	2,628,176	5.8%
OLT - Net Profit	5,857,913	6,237,063	(379,150)	-6.1%
Insurance	9,337,630	8,134,608	1,203,022	14.8%
Franchise Fees	4,259,747	3,923,754	335,993	8.6%
TOTALS	67,254,383	63,466,343	3,788,040	6.0%

October 2011 YTD/October 2010 YTD Less Amnesty Activity

Actual YTD Less Amnesty Compared to Actual Prior YTD Less Amnesty

Revenue Category	Oct '11 Actual	Oct '10 Actual	Variance	%
OLT- Employee Withholding *	47,776,467	44,758,794	3,017,673	6.74%
OLT - Net Profit	5,820,940	5,215,345	605,595	11.61%
Insurance	9,337,630	8,134,608	1,203,022	14.79%
Franchise Fees	4,259,747	3,923,754	335,993	8.56%
TOTALS	67,194,783	62,032,501	5,162,282	8.32%

2012 Fiscal Year - Cash Flow Variance Revenue

	ACTUAL YTD	BUDGET YTD	Variance
Revenue			
Payroll Withholding	$ 47,796,850	$ 45,782,535	$ 2,014,315
Net Profit	5,857,495	5,752,427	105,067
Insurance	9,337,630	7,687,272	1,650,358
Franchise Fees	4,176,683	4,105,251	71,433
Other Licenses & Permits	992,959	927,457	65,501
Ad Valorem	665,796	871,246	(205,450)
Services	8,615,072	6,593,498	2,021,573
Fines and Forfeitures	66,545	76,340	(9,795)
Property Sale	76,504	0	76,504
Intergovernmental	155,230	786,398	(631,168)
Investment Income	223,188	10,000	213,188
Other Financing Sources	50,000	174	49,826
Other Income	831,860	585,527	246,333
Total Revenue	**$ 78,845,812**	**$ 73,178,125**	**$ 5,667,687**

2012 Fiscal Year - Cash Flow Variance Expenses

	ACTUAL YTD	BUDGET YTD	Variance
Expenses			
Personnel	(56,996,411)	(56,289,516)	(706,895)
Operating	(7,949,051)	(8,922,061)	973,010
Debt Service	(6,891,163)	(6,890,838)	(325)
Partner Agencies	(6,155,395)	(5,623,840)	(531,556)
Insurance - Expense	(734,215)	(734,065)	(150)
Operating Capital Expenditures	(109,401)	(247,333)	137,933
Total Expenses	**$ (78,835,636)**	**$ (78,707,653)**	**$ (127,983)**
Interfund Transfers			
Transfers	(292,028)	-	(292,028)
NET INCOME	**$ (281,852)**	**$ (5,529,527)**	**$ 5,247,675**

FY2012 Challenges

1) Revenue

2) Health Care

3) Collective Bargaining

4) Efficiency Savings

5) Streetlight Funding (Urban Fund)

6) Capital Needs

7) Adequate Reserves (LFUCG Funds & Pension)

6) Future issues/events - Volatility of economy

- Questions ?

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Lexington-Fayette Urban County Government
Division of Historic Preservation

Jim Gray
Mayor

MEMORANDUM

TO: Chuck Ellinger, Chair of Budget and Finance Committee
Members of Budget and Finance Committee

FROM: Bettie L. Kerr, Historic Preservation Director BK

DATE: November 22, 2011

SUBJECT: Permit fees for Certificate of Appropriateness (H-1 Local Historic Districts)

During the FY-2012 budget discussions, the Link Committee reviewing Historic Preservation requested that the Division of Historic Preservation look at charging a permit fee for all Certificates of Appropriateness issued in the Local Historic Districts (H-1). We have researched data from some 70 cities around the country relative to permit fees in historic districts and included with this material are the spread sheets reflecting the findings of that research. You will see that the data reflects cities of various sizes and we tried to include a number with populations similar to Lexington.

The research findings resulted in a range of fees, generally categorized in two areas: one permit fee for work that is able to be approved at the administrative level and permit fees for projects that are reviewed by a Board of Architectural Review. For the administrative level permits the fees ranged from $0 to $35 and for the permits issued by Board of Architectural Review the fees ranged from $25 to $100.

Lexington-Fayette County has had Local Historic Districts since 1958 and currently includes 14 Districts and two Local Landmarks, encompassing approximately 2000 properties. To date, there has been no permit fee but certainly with the challenging financial times it is important to consider the same. Therefore, in accordance with the Link committees request, we are recommending permit fees for Local Historic District Properties be considered at $25.00 for Administrative permit fee; $50.00 for BOAR reviewed permit fee; New Construction of Primary Structure permit fee of $150, Demolition of Primary Structure Permit fee of $250, Fence Permit Fee of $25.00 and Retroactive Permit fee of $75.00. The H-1 process issues approximately 400 permits annually and many (but not all) of the projects also are required to get a Building Permit, which also requires fees. It is anticipated that if fees such as those outlined above for the Local Historic District permits were initiated that it would result in approximately $10,000 to $12,000 per year to the LFUCG.

I hope the attached information will be of assistance to you and should you have questions, please contact me. Thank you.

Cc: Richard Moloney, CAO

	2 2011 Original (Current Budget Year)	4 2012 Request (Continuation)	5 2012 Mayor's (Continuation)	6 2012 Council (Continuation)	7 2012 Request (New or Expanded Service)	8 2012 Mayor's (New or Expanded Service)	9 2012 Council (New or Expanded Service)
Fund 1101 General Services District — Department 160400 Div of Historic Preservation							
Adopted Budget Control Levels							
Personnel	336,860	342,900	338,666				
Operating	25,930	25,930	23,460				
Transfers							
Capital							
Total	362,790	368,830	362,126				

Budget Detail (Information Only)

Fund 1101 General Services District — Department 160401 Historic Preservation — Section 0001 Unallocated Subsection

Account		2 2011 Original	4 2012 Request	5 2012 Mayor's	6 2012 Council	7 2012 Request	8 2012 Mayor's	9 2012 Council
63111	Civil Service Salaries	249,150	241,700	242,922				
63411	Longevity	630	600	635				
63413	Sick Leave	11,990	11,600	11,952				
63511	Pension Contributions	42,290	44,600	46,178				
63612	Health Insurance							
63615	BP-Life/Health/Dental/Vision	29,450	40,200	32,022				
63621	FICA	19,110	18,800	19,546				
63622	Unemployment Insurance	240	400	411				
63624	Medicare Expense							
63964	Payroll Recovery-Grants	-16,000	-15,000	-15,000				
71299	Prof Svc - Other	3,000	3,000	3,000				
72203	Cell Phones	800	800					
74201	Business Travel	2,000	2,000	2,000				
75101	Operating Supplies and Expe	12,680	12,680	11,410				
75104	Newspaper advertising							
76101	Repairs & Maintenance	900	900	900				
77801	Dues	550	550	150				
78201	Grant Match	6,000	6,000	6,000				
	Section 0001 Total	362,790	368,830	362,126				
	Department 160401 Total	362,790	368,830	362,126				

H-1 Permit Fees

Cities that **do not** have Historic District Permit Fees

- LOUISVILLE, KY
- COVINGTON, KY
- WICHITA, KS
- COLORADO SPRINGS,CO
- BOULDER, CO
- BLOOMINGTON, IL
- BOSTON, MA
- SPRINGFIELD, MO
- GREENSBORO, NC
- ROCHESTER, NY
- CINCINATTI, OH
- COLUMBUS, OH
- DAYTON, OH
- ALLENTOWN, PA
- NASHVILLE, TN
- ARLINGTON, VA
- RICHMOND, VA
- MADISON, WI

Cities that **do** have Historic District Permit Fees

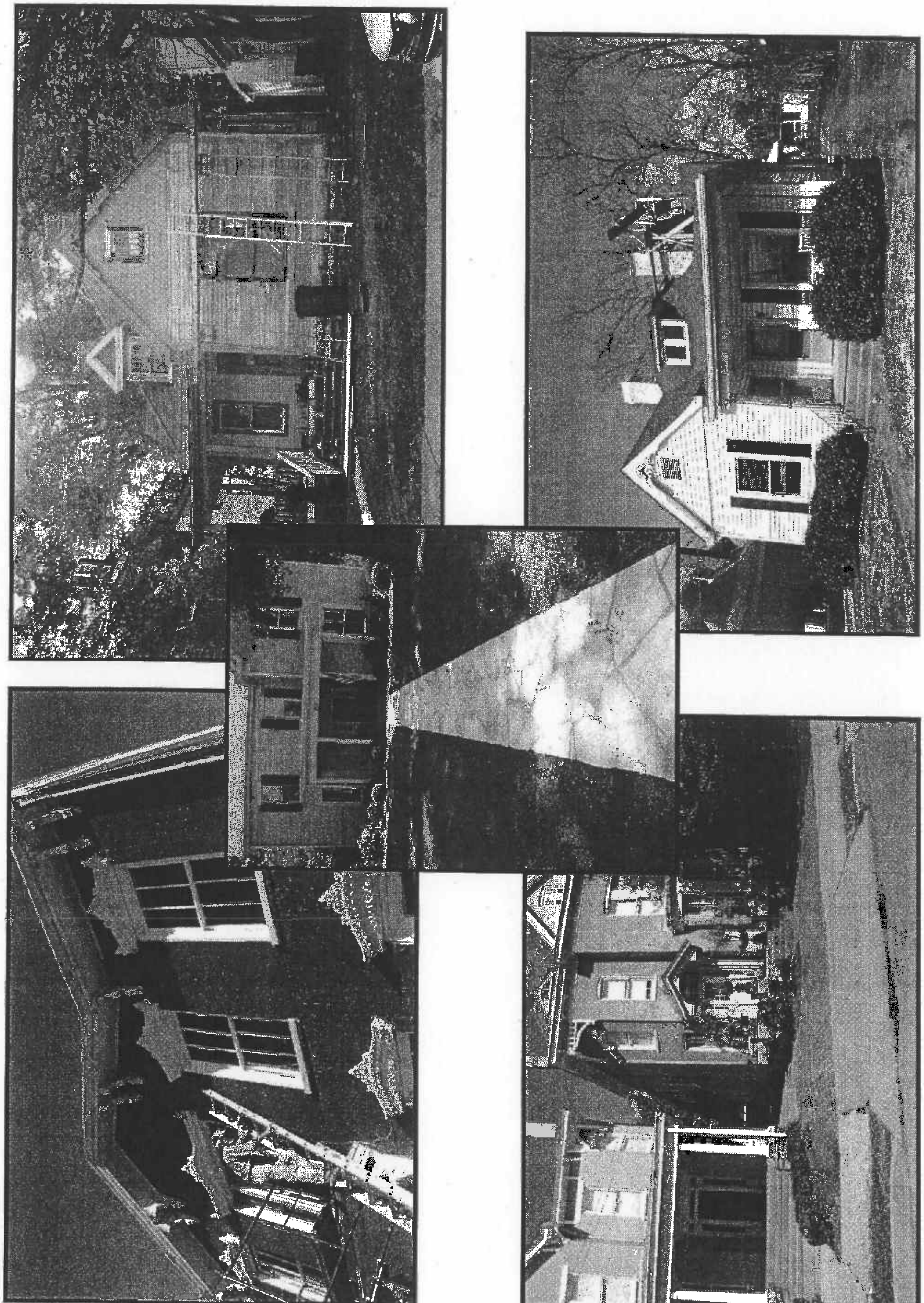
- DENVER, CO
- ORLANDO, FL
- AUGUSTA-RICHMOND CTY, GA
- SAVANNAH, GA
- INDIANAPOLIS, IN
- PEORIA, IL
- DURHAM, NC
- CLEVELAND, OH
- BOWLING GREEN, KY
- PADUCAH, KY
- TOPEKA, KS
- BALTIMORE, MD
- BROOKLINE, MA
- PITTSBURGH, PA
- CHARLESTON, SC
- MEMPHIS, TN
- AUSTIN, TX

APPROXIMATE FEES RANGE IN THE SAMPLING OF CITIES

ADMINSTRATIVE PERMIT FEE $O-$75	BOAR PERMIT FEE $25-$100
DEMOLITION PERMIT FEE $50-$532	RETROACTIVE PERMIT FEE DOUBLE THE FEE TO $500

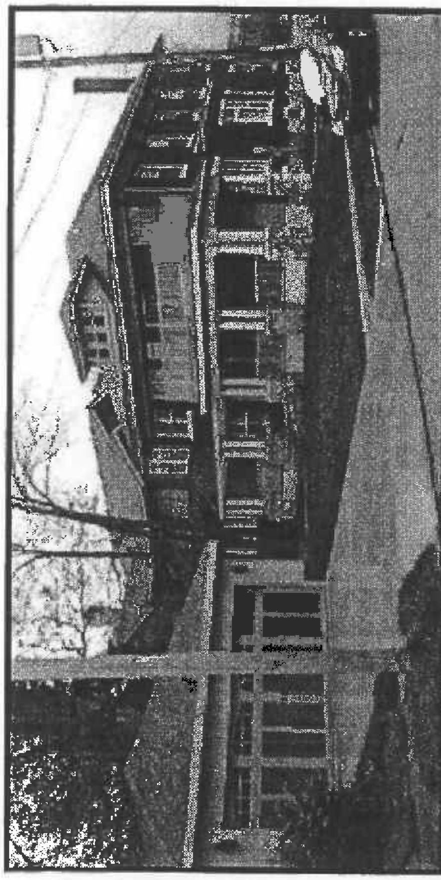
Types of Permits issued Administrative level by LFUCG Division of Historic Preservation

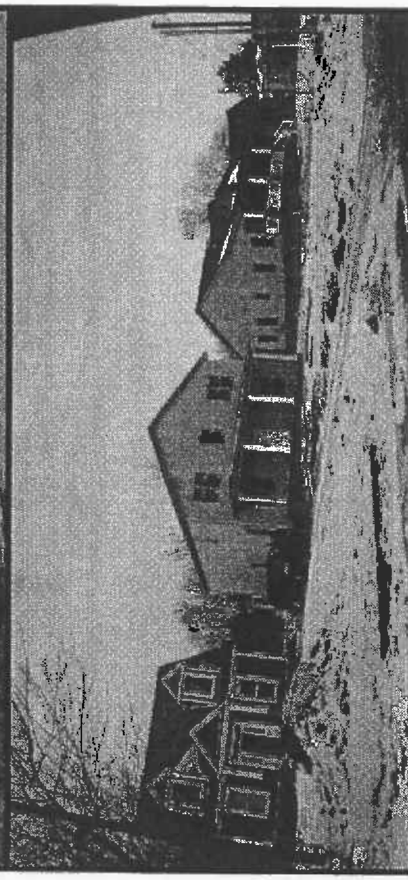
Replacement of roofs.	Replacement of doors and windows.	General renovation/ Repair of exterior trim and siding.	Re-pointing of masonry chimneys, walls, foundations.	Installation of satellite dishes
Installation and replacement of rear and side yard fences.	Construction of patios up to 200 square feet.	Replacement of signage.	Replacement of front sidewalks and driveways.	Removal of deteriorated or unhealthy trees.

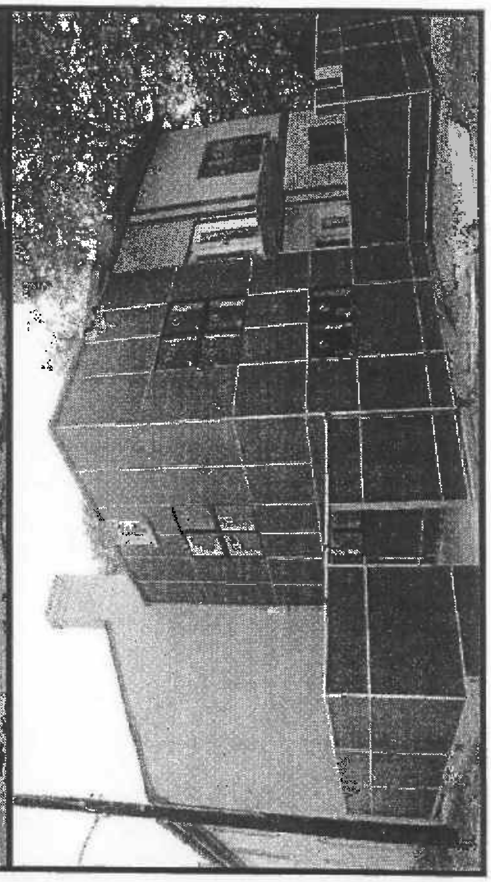


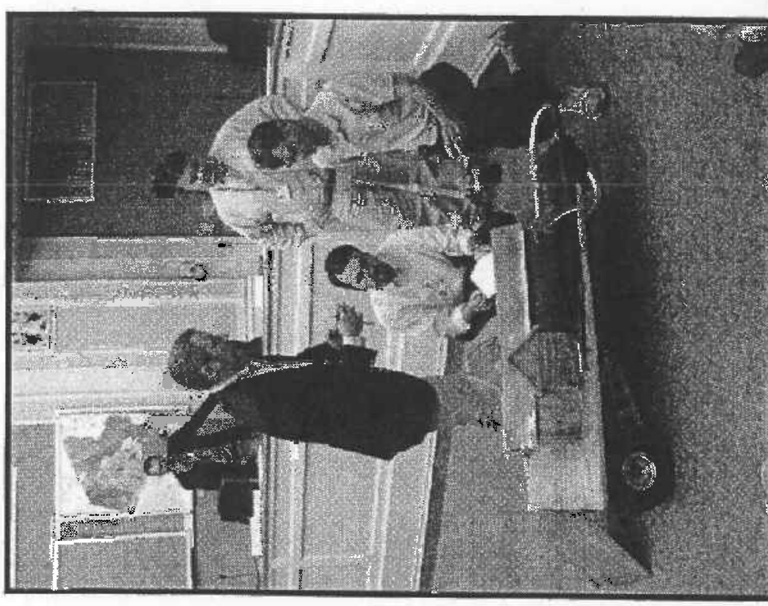
Types of Permits issued by the LFUCG Board of Architectural Review

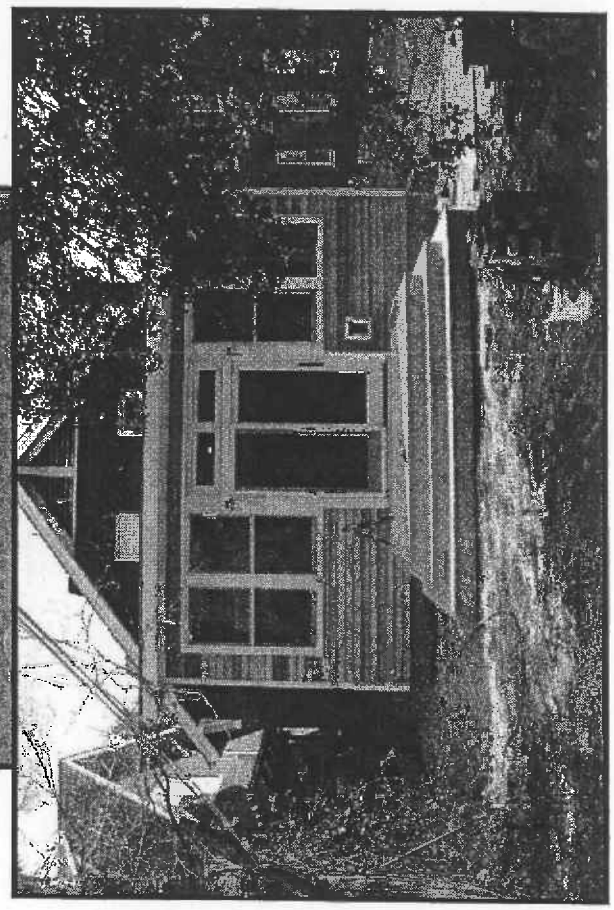
Installation of front yard fences	Installation of new signs	Construction of single family homes or duplex	Construction of addition	Demolition of any kind
Replacement of windows and doors	Constructi on of new parking areas	Construction of patio and decks over 200 square feet	Construction of dormers	Construction of new paving or re-graveling of parking areas.











PROPOSED FEES FOR LEXINGTON'S H-1 DISTRICTS

ADMINSTRATIVE PERMIT FEE $20.00	BOAR PERMIT FEE $50.00	DEMOLITION PRIMARY BLDG PERMIT FEE $250
NEW CONSTRUCTION PRIMARY BLDG PERMIT FEE $150	FENCE PERMIT FEE $25.00	RETROACTIVE PERMIT FEE $75

	Fee Summary of Data from Cities (both in KY and Nationally)								
# of Cities and populations used in the Sampling	In KY	Nationally	Fee for residential permit	Fee for BOAR	Fee for retroactive	Fee for Minor/Major Rehab	Fee for Demolition	Fee for Commerical	Fee for New Construciton
18 cities populations over 400,000		12	5	6	3	8	9	8	8
20 cities with populations between 200,00 and 400,000		5	4	2	1	3	3	3	2
16 cities with populations between 100,000 and 200,000		11	9	5	1	8	6	5	7
14 cities with populations between 50,000 and 100,000	1	8	4	2	2	3	4	2	2
23 cities with populations between 50,00 and 4,000	5	7	6	1		3	3	1	1

Budget & Finance Committee Referrals

Item	Referred By	Date Referred	Status
BOAR Fee Structure	General Government Link	8-11-11	Dec Meeting
Comprehensive Review of Economic Contingency Ordinance	Farmer	4-14-11	Oct Meeting
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	Nov 15 WS
Minority/Women Business Recruitment*	Stinnett	10-7-10	Procurement Task Force
Purchasing, Procurement & Professional* Service Selection Process	Crosbie	9-24-10	Procurement Task Force
Itinerant Merchant	Henson	4-17-11	Moved from PS to B&F Via Gorton 10-6-11

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

PAS 11-6-11