Ellinger, Chair
Stinnett, Vice Chair
Gorton
Kay
Ford
Beard
Farmer
Scutchfield
Mossotti
Henson

AGENDA
Special Budget & Finance Committee
October 1, 2013
1:00 P.M.

1.	**August 27, 2013 Committee Summary**	(1-3)
2.	**Monthly Financial Report**	(4-17)
3.	**Fund Balance Discussion – Farmer**	(18-56)
4.	**Items Referred to Committee**	(57)

"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

Future Meeting Schedule

March 19	June 18	October 22
April 30	August 27	November 19
May 28	**October 1**	December 10

BUDGET & FINANCE COMMITTEE
August 27, 2013
Summary

Ellinger called the meeting to order at 1:02 PM. All committee members were in attendance except Kay. Clarke was also present.

I. Monthly Financial Report

Bill O'Mara, Finance Commissioner provided the monthly financial report.
He discussed several economic indicators. He stated that the unemployment rate had risen in June but he did not think that was significant.

O'Mara stated that building permits, and home sales were in a positive position, but that foreclosures rose somewhat for the month of July.

O'Mara also addressed the Code Enforcement abatement collections for July.

Melissa Lueker stated that for the month of July revenue was approximately $ 870,000 above budget. She stated that this was primarily driven by higher than budget insurance premium revenue and services revenue, primarily from Jail revenue.

Lueker also reported that expenditures were approximately $ 350,000 below budget for July.

II. Fund Balance Discussion

O'Mara reviewed the Fund Balance process under Governmental Accounting Standards Board (GASB) effective with FY 2011.

O'Mara stated that GASB required that fund balance be identified by categories including Restricted, Non Spendable Restricted; and several unrestricted categories including Committed; Assigned; and Unassigned.

O'Mara stated that the Committed category included items that have been committed by Council, but in order to expend those funds Council would need to authorize such expenditures via budget amendment or other fiscal tool.

O'Mara stated that the Assigned category includes projects that the Administration intends to pursue.

Farmer stated that he thought this would include a continued discussion of the unallocated FY 12 fund balance from April.

Farmer stated that in April Council took action to allocate a portion of the FY 12 Fund Balance. He stated that this included allocating some of the Fund Balance for Employee Health Care Fund, Grant Match, Capital and a transfer to the Street Lights Fund.

O'Mara agreed and stated that Council did allocate funds but he thought this would be a discussion of the process. He stated that he would be prepared to discuss the preliminary FY 13 Fund Balance by October 1.

Ellinger stated that he was responsible for the miss-communication.

Stinnett agreed with Farmer stating that this was not the information Council requested this past spring.

O'Mara provided information about the FY 12 Fund Balance. He stated that before Council action in April, the Fund Balance was $ 13,451,904. He stated that Council approved allocating $ 2,600,000 to Capital Projects; $ 250,000 for the HOME grant match; $ 700,000 for other grant match; $ 640,000 for Fire Overtime; $ 2,500,000 for Street Light Fund transfer for a total of $ 7,690,000. He stated that LFUCG has spent $ 5.1 million of that allocation.

He stated that the FY 12 Fund Balance is $ 8,283,913. He stated that in October this would be part of the preliminary FY 13 Fund Balance.

Farmer stated tat he wanted Council to consider the FY 12 Fund Balance prior to discussing the FY 13 Fund Balance at the October Budget & Finance Committee..

Ellinger discussed moving the Budget Y& Finance Committee from September 24 to October 1. He stated that this would require moving the Public Safety Committee as well. He stated that Chair Henson is agreeable with the change.

O'Mara stated that the Administration will try to meet the deadline for an Oct 1 meeting.

<u>On a motion by Mossotti, second Farmer the Budget & Finance committee scheduled for September 24 was moved to October 1. Motion passed unanimously.</u>

Gorton suggested that Councilmembers identify capital projects for consideration for the Budget & Finance Committee meeting.

Ellinger stated that if Councilmember's can get information on potential uses of the Fund Balance to Paul Schoninger by Wednesday September 25, that information can be tabulated and included in the Oct 1 Budget & Finance Committee packet.

Gorton stated that this will allow Council to vet any project proposed by a Councilmember or by the Administration before making a decision on using the Fund Balance.

On a motion by Mossotti, second Ford, the Committee agreed to recommend the establishment of a Council Capital Fund utilizing Fund Balance funds. Each Councilmember would be allocated $ 250,000 for capital projects. Motion passed on a 5-4 vote (YES- Henson, Mossotti, Stinnett, Ford & Scutchfield; NO- Beard, Ellinger, Farmer, Gorton)

Meeting adjourned at 2:55 PM.

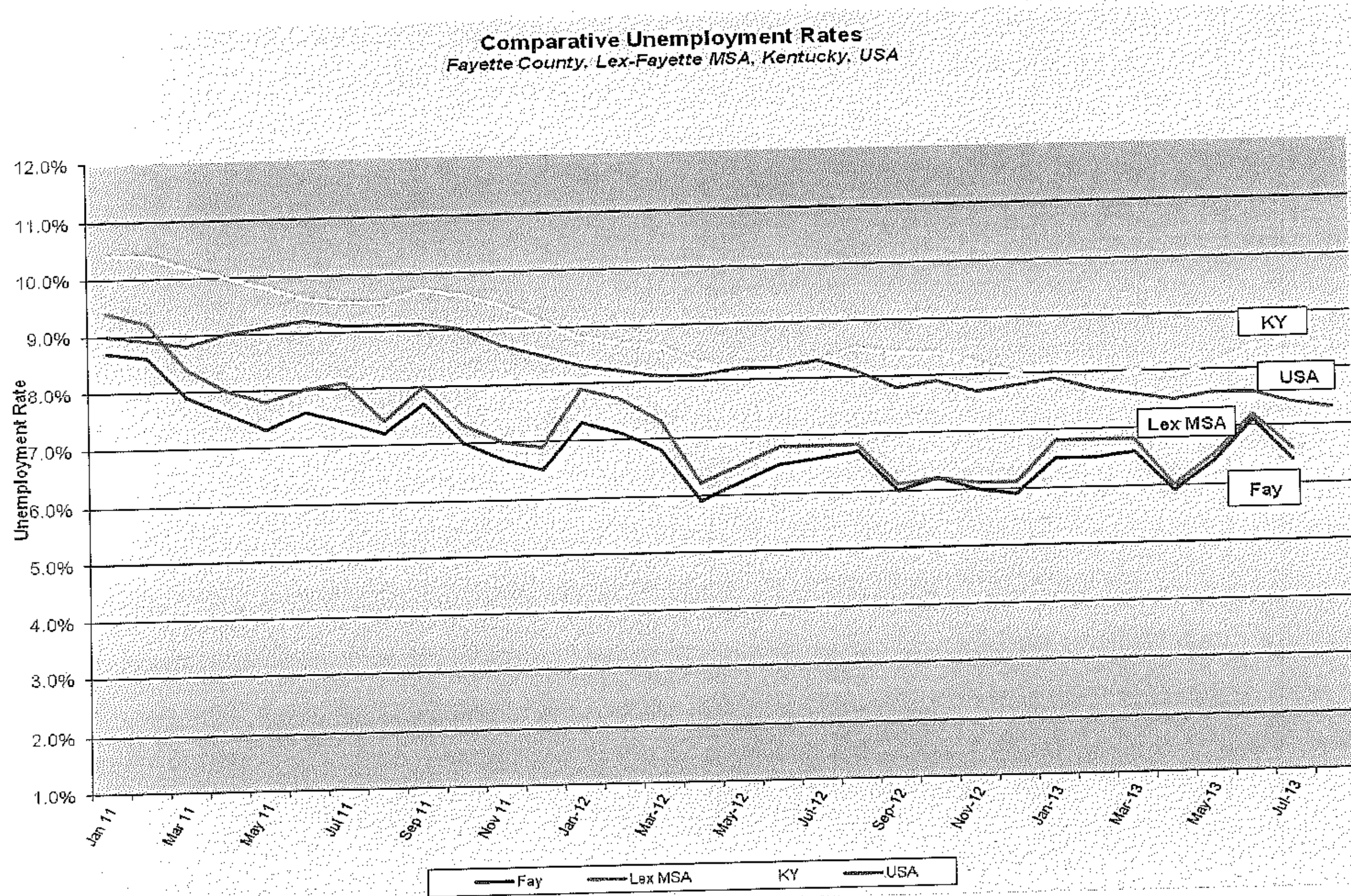
PAS 09.03.13

Budget & Finance Committee

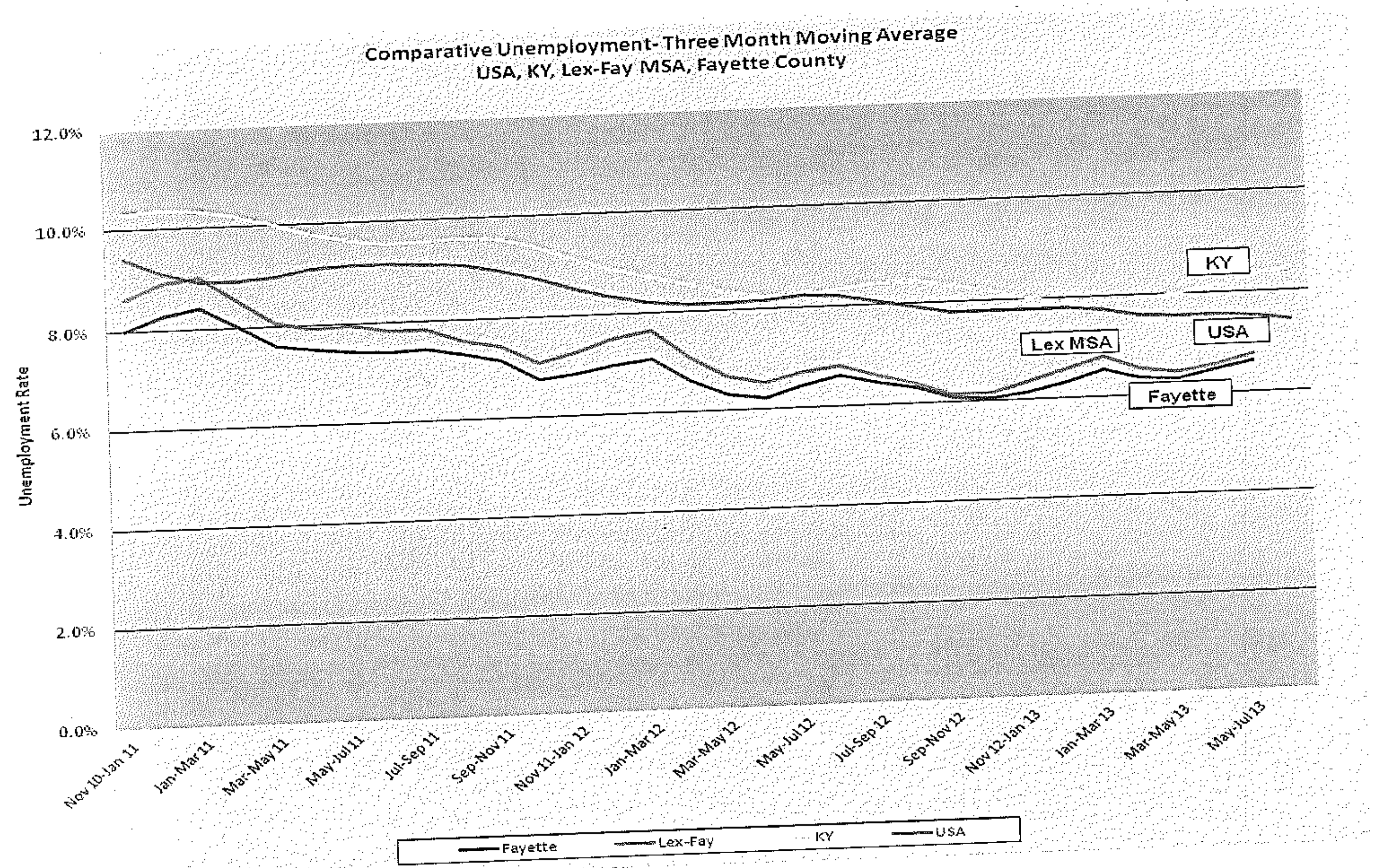
Financial Update

October 1, 2013

Comparative Unemployment Rates



Comparative Unemployment Rates Three Month Moving Average



Comparison of Economic Indicators 2013 / 2014

Comparison of Economic Indicators

Economic Indicators		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fayette Co. Unemployment Rate	2011	8.7%	8.6%	7.9%	7.6%	7.3%	7.6%	7.4%	7.2%	7.7%	7.0%	6.7%	6.5%
	2012	7.3%	7.1%	6.8%	5.9%	6.2%	6.5%	6.6%	6.7%	6.0%	6.2%	6.0%	5.9%
	2013	6.5%	6.5%	6.6%	5.9%	6.4%	7.1%	6.4%	N/A				
Quarterly Fayette County Employment	2011	-	-	169,500	-	-	175,000	-	-	176,500	-	-	179,500
	2012	-	-	174,800	-	-	178,500	-	-	180,700	-	-	183,700
	2013	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A
Fayette County Permits Issued	2011	793	786	1,019	1,169	1,187	1,405	1,195	1,292	1,102	1,109	893	726
	2012	929	903	1,169	1,220	1,544	1,492	1,218	1,609	1,064	1,244	1,257	870
	2013	1,169	955	1,131	1,299	1,781	1,490	1,692	1,411	-	-	-	-
Fayette County New Business Licenses	2011	205	245	446	873	223	199	223	224	223	265	187	128
	2012	183	281	373	718	371	212	209	216	210	254	178	132
	2013	218	258	339	634	456	222	152	218	-	-	-	-
Home Sales (MSA)	2011	328	352	520	586	657	720	614	713	610	512	552	596
	2012	400	448	632	649	783	785	864	850	676	727	673	605
	2013	511	541	758	809	984	956	1,075	1,009	-	-	-	-
Fayette County Foreclosures	2011	59	59	40	33	33	39	39	53	25	29	38	33
	2012	71	76	45	68	75	65	61	57	66	92	90	72
	2013	79	44	46	42	38	54	89	52	-	-	-	-

N/A indicates information not available.
BLS Releases Date for Fayette Co. Quarterly Employment - 6 months after quarter end

August 2013 Actual/Adopted Budget

August 2013 Monthly Actual Compared to Adopted Budget

Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	17,021,146	17,433,914	(412,768)	-2.4%
OLT - Net Profit	459,935	644,043	(184,108)	-28.6%
Insurance	2,066,086	2,329,335	(263,249)	-11.3%
Franchise Fees	965,268	2,084,650	(1,119,382)	-53.7%
TOTALS	20,512,435	22,491,942	(1,979,507)	-8.8%

August 2013 YTD Actual/Adopted Budget YTD

August YTD Actual Compared to Adopted YTD Budget

Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	25,810,178	26,308,268	(498,090)	-1.9%
OLT - Net Profit	1,104,158	1,405,075	(300,917)	-21.4%
Insurance	6,489,850	6,253,129	236,721	3.8%
Franchise Fees	2,157,690	3,589,027	(1,431,337)	-39.9%
TOTALS	35,561,876	37,555,499	(1,993,623)	-5.3%

August 2013 MTD/August 2012 MTD

Actual Monthly Compared to Prior Year

Revenue Category	Aug '13	Aug '12	Diff	% Var
OLT- Employee Withholding	17,021,146	16,584,625	436,520	2.63%
OLT - Net Profit	459,935	704,806	(244,871)	-34.74%
Insurance	2,066,086	2,079,577	(13,491)	-0.65%
Franchise Fees	965,268	2,591,299	(1,626,031)	-62.75%
TOTALS	20,512,435	21,960,307	(1,447,873)	-6.59%

August 2013 YTD/August 2013 YTD

	Actual YTD Compared to Actual Prior YTD			
Revenue Category	**Aug '13 YTD**	**Aug '12 YTD**	**Variance**	**% Var**
OLT- Employee Withholding	25,810,178	26,333,663	(523,485)	-2.0%
OLT - Net Profit	1,104,158	1,362,644	(258,486)	-19.0%
Insurance	6,489,850	5,874,452	615,398	10.5%
Franchise Fees	2,157,690	3,508,096	(1,350,406)	-38.5%
TOTALS	35,561,876	37,078,855	(1,516,979)	-4.1%

FY 2014 Code Enforcement Nuisance Abatement/Lien Collections

Code Enforcement Lien Collections

Month	Administrative Collection Fees		Miscellaneous		Penalty & Interest		Total Collections	
	FY 2014	FY 2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY 2013
July	1,875	975	1,366	1,430	35,459	22,987	38,700	25,392
August	1,950	1,676	1,489	959	53,878	15,261	57,317	17,896
Totals	3,825	2,651	2,855	2,389	89,337	38,248	96,017	43,288

2014 Fiscal Year - Cash Flow Variance Revenue (Actual to Budget)

For the two months ended Aug 31, 2013	*ACTUAL*	*BUDGET*	*Variance*
Revenue			
Payroll Withholding	$25,810,178	$26,308,268	($498,090)
Net Profit	1,104,158	1,405,075	(300,917)
Insurance	6,489,849	6,253,129	236,720
Franchise Fees	2,157,690	3,589,027	(1,431,337)
Other Licenses & Permits	599,726	254,385	345,341
Ad Valorem	438,753	424,748	14,005
Services	4,296,254	3,910,922	385,332
Fines and Forfeitures	50,655	23,049	27,606
Property Sale	20,301	1,515	18,786
Intergovernmental	487,493	355,542	131,951
Investment Income	(277,241)	20,000	(297,241)
Other Income	474,744	188,019	286,725
Total Revenue	**$41,652,559**	**$42,733,678**	**($1,081,119)**

2014 Fiscal Year - Cash Flow Variance Expense (Actual to Budget)

For the two month ended Aug 31, 2013

	ACTUAL	*BUDGET*	*Variance*
Expenses			
Personnel	($27,744,896)	($28,175,252)	$430,355
Operating	(4,817,141)	(6,419,165)	1,602,024
Debt Service	(9,137,224)	(9,137,224)	0
Partner Agencies	(2,930,201)	(2,459,278)	(470,923)
Insurance - Expense	(982,560)	(982,560)	(0)
Operating Capital Expenditures	(191,672)	(77,618)	(114,054)
Total Expenses	(45,803,695)	(47,251,097)	**1,447,402**
Interfund Transfers			
Transfers	(446,671)	(482,655)	35,984
Change in Net Position	($4,597,807)	($5,000,073)	**$402,266**

2014 Fiscal Year - Cash Flow Variance Revenue (CY to PY)

Current YTD Actual compared to Prior YTD Actual	*Aug '13*	*Aug '12*	*Variance*
Revenue			
Payroll Withholding	$25,810,178	$26,333,663	($523,485)
Net Profit	1,104,158	1,362,644	(258,486)
Insurance	6,489,849	5,874,452	615,397
Franchise Fees	2,157,690	3,508,096	(1,350,406)
Other Licenses & Permits	599,726	373,901	225,825
Ad Valorem	438,753	414,928	23,825
Services	4,296,254	4,320,796	(24,542)
Fines and Forfeitures	50,655	47,539	3,116
Property Sale	20,301	12,496	7,805
Intergovernmental	487,493	559,005	(71,512)
Investment Income	(277,241)	87,282	(364,523)
Other Income	474,744	304,525	170,219
Total Revenue	**$41,652,559**	**$43,199,327**	**($1,546,768)**

2014 Fiscal Year - Cash Flow Variance Expense (CY to PY)

Current YTD Actual compared to Prior YTD Actual	Aug '13	Aug '12	Variance
Expenses			
Personnel	($27,744,896)	($26,222,652)	($1,522,244)
Operating	(4,817,141)	(5,002,582)	185,441
Debt Service	(9,137,224)	(7,333,688)	(1,803,535)
Partner Agencies	(2,930,201)	(2,735,413)	(194,788)
Insurance - Expense	(982,560)	(913,070)	(69,490)
Operating Capital Expenditures	(191,672)	(13,021)	(178,651)
Total Expenses	(45,803,695)	(42,220,426)	(3,583,268)
Interfund Transfers			
Transfers	(446,671)	(391,143)	(55,528)
Change in Net Position	($4,597,807)	$587,758	($5,185,564)

Questions ?

Budget & *Finance* Committee

Preliminary *Fund* Balance *Discussion*

FY2013

October 1, 2013

FY2013 Preliminary Fund Balance Discussion

- First Step: *<u>Reporting</u>*
  - Discussion of Fund Balance Categories
  - Concurrence or Amend Approach
    - Endorse recommended per category, or
    - Amend amounts per category
  - Proceed to Complete CAFR

- Second Step: *<u>Spending Authorization</u>*
  - Council Decide on Use of Non-Recurring Fund Balance Assignment

FY2013 Preliminary Fund Balance Discussion

- FY2013 Revenues Exceeded Expenses $10.4 million
  - Result of multiple factors:
    - Revenue exceed budget
    - Personnel less than budget
    - Operating less than budget
    - Use of fund balance

FY2013 Preliminary Fund Balance Discussion

	FY2013	FY2012	Difference
Total Fund Balance	54,534,500	44,265,600	10,268,900
Less: Non Fund 1101 Reserved	1,154,300	1,229,664	(75,364)
Less: Unspendable	1,405,200	1,461,447	(56,247)
	51,975,000	41,574,489	10,400,511

FY2013 Preliminary Fund Balance Discussion

		FY2013	FY2012	Difference
		51,975,000	41,574,489	10,400,511
Ordinance Requirements: Recommended				
Economic Contingency	18,829,100			
Additional Per Council (Recalc of 2012)	1,372,600			
Additionl 2013 Calculation	1,379,500			
Total Economic Contingency		21,581,200	18,482,971	3,098,229
27th Payroll		5,458,300	4,537,169	921,131
Energy Improvement		459,200	229,808	229,392
Sub Total After Ordinance Requirements		24,476,300	18,324,541	6,151,759

FY2013 Preliminary Fund Balance Discussion

	FY2013	FY2012	Difference
Sub Total After Ordinance Requirements	24,476,300	18,324,541	6,151,759
Assignments for Contingencies: Recommended			
Litigation Reserve	5,500,000	3,500,000	2,000,000
Heath Insurance	2,000,000	1,000,000	1,000,000
Pension Contribution	2,000,000	0	2,000,000
Sub Total After Contingencies	14,976,300	13,824,541	1,151,759

FY2013 Preliminary Fund Balance Discussion

	FY2013	FY2012	Difference
Sub Total After Contingencies	14,976,300	13,824,541	1,151,759
Assignments Non-Recurring Uses: *Recommended*	12,500,000	10,558,669	1,941,331
Unassigned Fund Balance: *Recommended*	2,476,300	3,265,872	(789,572)

FY2013 Preliminary Fund Balance Discussion

		FY2013	FY2012	Difference
Total Fund Balance		54,534,500	44,265,600	10,268,900
Less: Non Fund 1101 Reserved		1,154,300	1,229,664	(75,364)
Less: nonspendable		1,405,200	1,461,447	(56,247)
		51,975,000	41,574,489	10,400,511
Ordinance Requirements: Recommended				
Economic Contingency	18,829,100			
Additional Per Council (Recalc of 2012)	1,372,600			
Additionl 2013 Calculation	1,379,500			
Total Economic Contingency		21,581,200	18,482,971	3,098,229
27th Payroll		5,458,300	4,537,169	921,131
Energy Improvement		459,200	229,808	229,392
Sub Total After Ordinance Requirements		24,476,300	18,324,541	6,151,759
Assignments for Contingencies: Recommended				
Litigation Reserve		5,500,000	3,500,000	2,000,000
Heath Insurance		2,000,000	1,000,000	1,000,000
Pension Contribution		2,000,000	0	2,000,000
Sub Total After Contingencies		14,976,300	13,824,541	1,151,759
Assignments Non-Recurring Uses: Recommended		12,500,000	10,558,669	1,941,331
Unassigned Fund Balance: Recommended		2,476,300	3,265,872	(789,572)

FY2013 Preliminary Fund Balance Discussion

- First Step: *Reporting*
  - Discussion of Fund Balance Categories
  - Concurrence or Amend Approach
    - Endorse recommended per category, or
    - Amend amounts per category
  - Proceed to Complete CAFR

- Second Step: *Spending Authorization*
  - Council Decide on Use of Non-Recurring Fund Balance Assignment

Questions and Discussion

FY2013 Preliminary Fund Balance Discussion

Economic Contingency Calculation	
Annual *Changes* in:	
General Fund Balance	10,268,900
Non 1101 Funds	(75,364)
Nonspendable	(56,247)
27th Payroll	921,131
Energy Efficency	229,392
Available Fund Balance	9,249,988
Less:	
Budget Carry Forward	1,500,000
Capital Reappropriations	2,231,965
	5,518,023
Multiplied by 25%	**1,379,506**

Economic Contingency Balance	
As of June 30, 2013	18,482,971
FY2013 Monthlt Deposits	600,000
Invest Income/Unrealized Gain or (Loss)	(253,875)
	18,829,096

Council Fund Balance Potential Projects

Projects	Amount	
Council Capital Fund	$	2,250,000
Economic Contingency Fund	$	4,000,000
Legacy Trail	$	1,100,000
Man O' War Resurfacing: Tates Creek to Buckhorn	$	1,149,000
Debt Reduction	$	4,100,000
New Senior Citizen's Center Fit Up	$	200,000
Rehab Berry Hill Bath House for Year Round Use	$	120,000
Bullet Proof Vest Replacements for Police	$	100,000
Replace Air Tanks for Fire	$	100,000
Update Technology in Building Inspection, Code Enforcement, Zoning Enforcement and a portion of Engineering to Integrate with Accela	$	31,900
Idle Hour Ball Fields	$	150,000
Backstop River Hill Park	$	20,000
Berry Hill Park Walking Trail	$	82,000
Move playground (due to skatepark) $60,000	$	60,000
Restore Bus Shelter & Sign on Alexandria Drive in Gardenside Shopping Center		45,000
Improve Waller Ave/Mason Headley/South Broadway for Pedestrian Accessibility	$	175,000
Repurpose an existing basketball court to parking at Valley Park.	$	130,000
Install Solar Lighting at Cross Keys Park	$	55,000
Additional Reserve for Health Insurance	$	1,000,000
Economic Contingency Fund	$	3,000,000
Resurfacing Lansdowne Drive: New Circle Overpass to Reynolds Road	$	182,057
Meadowbrook Park: Repair/Replace Trail/School Route	$	80,000
Picnic Pods for Belleau Woods, Kirlevington, Veterans, Meadowbrook, Wildwood & Zandale Parks	$	21,000
Repaving	$	2,000,000
Parks Infrastructure	$	1,000,000
Employee Health Care Reserve	$	2,000,000
Curb, Gutter & Sidewalk Match Grant	$	1,000,000
Fund Balance Reserve	$	3,000,000
Public Art Match Grant	$	500,000
Renovate restrooms (ADA) - Carver Center		TBD
New Parking Lot - Carver Center	$	75,000
Playground Renovation - Woodland Park	$	100,000
Slide - Woodland Pool	$	75,000
Lap Pool Liner - Woodland Pool	$	40,000
Sandblast & Repaint Recreation Pool - Woodland Pool	$	100,000
Aquatic Climbing Wall & Shade Structure - Woodland Pool	$	45,000
Replace Basketball Court - Johnson Heights Park	$	60,000
Douglass Park Expansion	$	149,050
Dunbar Community Center Window Replacement	$	150,000

Charles Young Park Expansion	$	67,500
Traffic Controls Reynolds Road Roundabout	$	26,000
Wellington Park Bridge		
9th District Road Resurfacing	$	114,000
Buckingham Lane Culvert Expansion/Replacement	$	20,000
Southland Drive Commercial Corridor Study	$	150,000
Fleet Upgrades (Replacement of Rolling Stock	$	1,000,000
Facilities Repairs & Upgrades (Roof, HVAC, and General Repairs)	$	1,000,000
Southland Pool & Park Improvements	$	200,000
Cardinal Run North Shared	$	537,000
East End Splash pad	$	300,000
Castlewood park Therapeutic Camp ADA Improvements	$	100,000
Woodland Pool Aquatic Climbing Wall	$	45,000
Bike lane stripage and signage Various Locations (attached)	$	80,510
Health Insurance Reserve	$	1,000,000
Fund Balance not Economic Contingency fund	$	4,000,000
Constitution Park Trail Replacement that was removed when pool was removed.	$	30,000
Fire Engine Replacement	$	1,000,000
Man-0-War Rd. Design for Traffic Improvement/Widening	$	250,000
Basketball Court Highlands Park	$	30,000
Basketball Court Repair Highlands Park	$	20,000
Parking Lot Expansion Highlands Park	$	70,000
Picnic Shelter Masterson Station Park Playground	$	50,000
Restrooms Masterson Station Park Playground	$	250,000
Tennis Court Repair/Paint Meadowthrope Park	$	25,000
Walking Path Meadowthrope Park	$	40,000
Benches Meadowthrope Park Walking Path	$	3,000
Resurface Parking Lot Meadowthrope Park	$	37,500
Repaint Meadowthrope Park Community Building	$	8,500
Replace Ceiling Whitney Young Park Community Building	$	10,000
Whitney Young Replace Drop Ceiling with Drywall	$	19,000
New Basketball Court TBD	$	60,000
New 1/2 Basketball Court TBD	$	30,000
New Neighborhood Playground TBD	$	60,000
New Tot Lot TBD	$	30,000
Repave Jacobson Park Roadway		TBD

Bike Lane Striping and Signage from
2007 Bike Master Plan

STREET	FROM_	TO	LENGTH _MI	PROJ_TYPE	Council Disrtrict	Approximate Cost
ALBANY ROAD	BELLEFONTE DRIVE	TATES CREEK ROAD	0.53	SIGNAGE	4	$1,000
ALBANY ROAD	CRESTWOOD DRIVE	BELLEFONTE DRIVE	0.5	SIGNAGE	4	$1,000
ALEXANDRIA DRIVE	APPOMATTOX ROAD	CROSS KEYS ROAD	0.41	RESRTIPE	11	$4,330
ALEXANDRIA DRIVE	CROSS KEYS ROAD	VERSAILLES ROAD	0.44	RESRTIPE	11	$4,646
ALEXANDRIA DRIVE	LANE ALLEN ROAD	APPOMATTOX ROAD	0.24	RESRTIPE	11	$2,534
Alumni	Tates Creek	Chinoe	0.7	Bike Lane Restripe & SW	5	$7,392
Armstrong Mill	Man o War	Squires Hill Ln	0.6	Bike Lane Restripe	8 & 12	$6,336
Clays Mill Rd	MOW	Co Line	0.5	BIKE LANE RESTRIPING	9	$5,280
COOPER DRIVE	NICHOLASVILLE ROAD	UNIVERSITY DRIVE	0.28	RESRTIPE	3	in design
COOPER DRIVE	UNIVERSITY	PBS DRIVE		SIGNAGE	3	in design
Euclid	S Ashland	High	0.1	Bike Lane Restripe	3	$1,584
Jefferson	W High	W Main	0.2	Bike Lane Restripe	2	$2,112
LANSDOWNE DRIVE	MALABU DRIVE	TATESCREEK	0.85	RESRTIPE	4	$8,976
POLO CLUB BLVD	WINCHESTER RD	TODDS RD	2.35	RESRTIPE	12	$24,816
Red Mile	Horseman Ln	Broadway		BIKE LANE RESTRIPING	11	$0
Rose	Euclid	Vine	0.4	Signage/Sharrow	3	$1,000
Rose	Vine	Main	0.1	Bike Lane Restripe	3	$1,056
Vine St	S Broadway	Main St	0.8	Bike Lane Restripe	3	$8,448
			9			**$80,510**

Budget & Finance Committee

Preliminary Fund Balance Discussion
FY2013
Administration Recommendations

October 1, 2013

FY2013 Preliminary Fund Balance Approach

- Prudent Financial Management
  - Assignments of contingencies
- Received requests in excess of $18M
- Three major categories
  - Deferred Infrastructure
  - Nonrecurring Critical Needs
  - Investing in the Future

Economic Contingency Account

- Capital Project: Economic Contingency
- Additional Amount: $2,500,000
- Purpose: Prudent financial management
- Rationale:
  - Goal is to accumulate 10% of the General Fund prior year's total revenue
  - This would bring our total to 8.3% of FY2013 General Fund revenues
  - No deposits were made in Fiscal Years 2009, 2010, and 2011

Assignments

CONTINGENCIES

Contingencies

- Capital Project: Health Insurance Reserve
- Recommended Total Amount: $2,000,000
- Additional Amount: $1,000,000
- Purpose: Prudent financial management
- Rationale:
  - Increase fund reserve
  - Minimize the impact to employee rates

Contingencies

- Capital Project: Litigation Reserve
- Recommended Total Amount: $5,500,000
- Additional Amount: $2,000,000
- Purpose: Prudent financial management
- Rationale:
  - Reserve funds for possible pending litigation

Contingencies

- Capital Project: Police & Fire Pension Contribution
- Recommended Total Amount: $2,000,000
- Additional Amount: $2,000,000
- Purpose: Prudent financial management
- Rationale:
  - Actuarial required employer payment unknown
  - May need funds due to additional staff levels

Capital Projects

DEFERRED INFRASTRUCTURE

Deferred Infrastructure

- Capital Project: Corrections Kitchen Floor
- Amount: $500,000
- Purpose: Replace kitchen floor
- Rationale:
  - Currently out of compliance
  - Replacement necessary to meet required standards
  - Bid in process

Deferred Infrastructure

- Capital Project: Facilities HVAC Projects
- Amount: $400,000
- Purpose: Repair/Upgrade HVAC
- Rationale:
  - Necessary maintenance has been deferred
  - These funds will address the most immediate needs

Deferred Infrastructure

- Capital Project: Facilities Roofing Projects
- Amount: $400,000
- Purpose: Repair roofs
- Rationale:
  - Necessary maintenance has been deferred
  - These funds will address the most immediate needs

Deferred Infrastructure

- Capital Project: Old Courthouse
- Amount: $250,000
- Purpose: Design Services for Courthouse renovation
- Rationale:
  - Redevelopment of the City's iconic Courthouse is over-due
  - Funds will be used to create preliminary re-development options including potential private partner opportunities and needs, programming and design options as well as overall project cost estimates

Deferred Infrastructure

- Capital Project: Pothole Patcher
- Amount: $325,000
- Purpose: Repair Potholes
- Rationale:
  - Potholes can be repaired year-round
  - Extend the life of our roads
  - Requires fewer crew members than traditional patching
  - Cheaper solution than resurfacing

Deferred Infrastructure

- Capital Project: Fire Trucks
- Amount: $1,750,000
- Purpose: Replace Aging Fleet
- Rationale:
  - Multiple apparatuses are out of service or have over 200,000 miles

Deferred Infrastructure

- Capital Project: Police Vehicles
- Amount: $1,250,000
- Purpose: Replace Aging Fleet
- Rationale:
  - Multiple vehicles from 2001 – 2003 need to be replaced
  - There are currently 161 vehicles with over 100,000 miles

Capital Projects

NONRECURRING CRITICAL NEEDS

Nonrecurring Critical Needs

- Capital Project: Fire SCBA
- Amount: $40,000
- Purpose: Replace SCBA Air Cylinders
- Rationale:
  - Increase in training of additional recruits resulted in extensive use of SCBAs, resulting in shorter useful life
  - Once everyone is trained, the SCBA usage will return to normal

Nonrecurring Critical Needs

- Capital Project: Initial outfit for Police Recruits
- Amount: $140,000
- Purpose: Outfit new recruits
- Rationale:
  - Increased number of recruits due to retirements require more funding for initial uniform, body armor, personal protective equipment, gun, taser, etc.

Nonrecurring Critical Needs

- Capital Project: Affordable Care Act Expert
- Amount: $100,000
- Purpose: Outside legal opinion on LFUCG design to be in compliance
- Rationale:
  - Need review of current administration of benefits and how it overlays in new PPACA regulations

Nonrecurring Critical Needs

- Capital Project: Water Franchise Fee Negotiator
- Amount: $75,000
- Purpose: Negotiator to lead water franchise negotiations
- Rationale:
  - Existing franchise is nearly 20 years old and is anticipated to be more complicated then the gas, electric and telecommunications franchises
  - Utilized outside expertise with other franchise negotations

Capital Projects

INVESTING IN THE FUTURE

Investing in the Future

- Capital Project: Economic Development
- Amount: $2,000,000
- Purpose: Expand Lexington's ability to attract and grow jobs
- Rationale:
  - Leverage local resources to compliment state and federal job promotion incentive programs to attract and expand job opportunities in Fayette County
  - Lexington is significantly behind the competitor curve in terms of economic development investment when compared to peer cities with aspirational programs
  - A full proposal with details is being delivered for Council consideration

Investing in the Future

- Capital Project: Idle Hour Park Field and Playground
- Amount: $300,000
- Purpose: Site preparation for Senior Citizens Center
- Rationale:
  - Construction will need to begin this Fall to move the field
  - Could result in delay of the Senior Citizen's Center
- *Alternate Funding: This could be taken from the Senior Citizens Bond Fund and would require a Budget Amendment*

FY2013 Preliminary Fund Balance
Administration Recommendations Summary

Economic Contingency Account	
Economic Contingency Additional Amount	$ 2,500,000
**Working toward goal of 10% of General Fund prior year's total revenue*	
	$ 2,500,000
Contingencies (additional)	
Health Insurance	$ 1,000,000
**Increase fund reserve and also minimize the impact to employee rates*	
Litigation Reserve	$ 2,000,000
**Reserve funds for possible pending litigation*	
Pension Contribution	$ 2,000,000
**Actuarial required payment unknown, may need funds due to additional staff*	
	$ 5,000,000
Projects	
Deferred Infrastructure	
Corrections Kitchen Floor	$ 500,000
**Replacement necessary to meet required standards*	
Facilities HVAC Projects	$ 350,000
**Funds will address most immediate needs*	
Facilities Roofing Projects	$ 400,000
**Funds will address most immediate needs*	
Old Courthouse	$ 250,000
**Redevelopment of the City's iconic Courthouse is over-due*	
Pothole Patcher	$ 325,000
**Potholes can be repaired year round, extending the life of our roads*	
Fire Trucks	$ 1,750,000
**Multiple apparatuses are out of service*	
Police Vehicles	$ 1,250,000
**Multiple vehicles from 2001 - 2003 need to be replaced*	
	$ 4,825,000

FY2013 Preliminary Fund Balance
Administration Recommendations Summary

Nonrecurring Critical Needs	
Fire SCBA	$ 40,000
**Increase in training of additional recruits resulted in extensive use of SCBAs*	
Police Recruit Outfits	$ 140,000
**Increased number of recruits require more funding for initial uniform and gear*	
Affordable Care Act Expert	$ 100,000
**Need review of current administration of benefits and how it overlays in new PPACA regulations*	
Water Franchise Fee Negotiator	$ 75,000
**Existing franchise is nearly 20 years old and is anticipated to be complicated*	
	$ 355,000
Investing in the Future	
Economic Development	$ 2,000,000
**Expand Lexington's ability to attract and grow jobs*	
Idle Hour Field & Playground	$ 300,000
**Construction will need to begin this Fall to move the field for the Senior Citizens Center*	
	$ 2,300,000
Projects Total	$ 7,480,000

Budget & Finance Committee Referrals

Item	Referred By	Date Referred	Status
Solid Waste Costs/Revenue/Tax Structure	Gorton	2-1-11	Waste Management Task Force
Cost Per Ton; Cost Per Customer			
Impact of User Fee Structure			
Local Vendor Preference*	Gorton	10-14-10	11.29 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
Activity Based Costing	Lane	1-16-12	1.31.12
Affordable Housing Trust Fund Report	Gorton	4-10-12	9.25.12 & 11.27.12
Financial Efficiency Ordinance	Lane	10-16-12	3.5.13 Work Session
Financial Implications of the			
Mayor's Homelessness Commission	Kay	1-29-13	2.19.13
Discussion of Fund Balance	**Farmer**	**2-12-13**	
Franchise Fees	Gorton	2-26-13	
Risk Management Review	Gen Govt Link/Gorton	8-22-13	
Outsourcing Internal Audit Functions	Gen Govt Link/Gorton	8-22-13	
Activity Based Accounting	Public Safety Link/Gorton	8-22-13	

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

PAS 9-24-13