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

AGENDA
Budget & Finance Committee
February 25, 2014
1:00 P.M.

1.	**January 28, 2014 Committee Summary**	(1-4)
2.	**Monthly Financial Report**	(5-18)
3.	**Refunding Urban Services Ad Valorem Taxes – Stinnett**	(19-28)
4.	**Police & Fire Pension Update – Stinnett**	(29-42)
5.	**TIF Roles & Responsibilities – Kay**	(43-58)
6.	**FY 15 Links**	(59-61)
7.	**Items Referred to Committee**	(62)

"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

2014 Meeting Schedule

Jan 28	May 27	Oct 21
Feb 25	Jun 17	Nov 18
Mar 18	Aug 26	Dec 9
Apr 22	Sep 23	

Budget & Finance Committee
January 28th, 2014
Summary and Motions

Council Member Ellinger called the meeting to order at 1:00pm. Council Members Stinnett, Gorton, Kay, Ford, Beard, Farmer, Scutchfield and Henson were present. Council Member Mossotti was absent. Council Members Myers, Akers and Clarke were present as non-voting attendees.

1. December 10, 2013 Committee Summary

   Motion by Beard to approve the December 10, 2013 committee summary. Seconded by Gorton. Motion passed without dissent.

   Motion by Stinnett to postpone item #4 (Police and Fire Pension Update) to the next meeting due to lack of information in the packet. Seconded by Scutchfield. Motion passed without dissent.

   Motion by Kay to move item #5 (Parking Fines in Handicap Zones) to the top of the agenda for public comment. Seconded by Gorton. Motion passed without dissent.

2. Parking Fines in Handicap Zones

   Kristy Stambaugh and Donnie Wittler presented to the committee on the Commission for Citizen's with Disabilities recommendations for the issue of handicap parking violations. They would like to erect a sign saying no parking anytime for the wheelchair loading area, they also would like to add no parking anytime language in paint to the striped area as well as change the striping to blue. They have received a grant from LexPark to assist with the cost for businesses that want to come into compliance prior to the language becoming law. Our current citation rate for Lexington is $15. They propose that the fine be raised to a minimum of $150 (or whatever Council determines appropriate but would like to see it set at more than $15).
   Gorton asked how much the grant was for. Stambaugh said $10K this fiscal year and $10K in July from LexPark. They anticipate going in for half of the cost with interested businesses. Gorton asked if these would be in Fayette Co. Stambaugh said yes. They will approach all businesses but will start with the list provided where people have the most issues with finding handicap parking. Gorton asked if towing the cars was possible. Stambaugh said she wasn't sure but added that the committee had discussed graduated fees for repeat offenders.

Myers asked if they considered raising the fee to $250 or $300. Stambaugh said they would gladly raise the fee to anything the council decided.
Stinnett asked if this was the same for public and private property (some are marked $300). Stambaugh said yes. If police write it as a traffic violation the fine is $250 and the money goes to the state but if they write the ticket as a parking violation the fee is $15 and the money goes to the city. They plan to speak with the police to update them on the ordinance change and request patrolling assistance. Means commented that there are two separate pads used for tickets, which is where the two fees come into play. All local parking citations are paid at LexPark and go to the parking program.
Farmer asked about the pricing listed on page 36. Stambaugh said we already had the stencil so we could provide them that and cover half of the associated cost. If they are upgrading 6 spaces, the city would cover 3.
Clarke asked how long it would take to make this happen and why we are giving them so long to correct this issue. Stambaugh said they did not want this to become a controversial issue and prevent businesses from wanting to come to or stay in Lexington. They do not want to create undue hardship and hit them with something that is not currently on their radar. Clarke stated that this can't really be a huge expense and feels that the sooner the better. Is there a way for a driver to know that the fine is $150 or whatever is decided. Stambaugh said they can do this through the education campaign but that the ADA does not require us to post the cost of the fine. Clarke feels we need to post something for people who come in from out of town to let them know the amount of the fine. Stambaugh stated that the state citation is $250 and that is out there for everyone to see and know.
Ellinger added that we could add that to the bottom of the sign.

3. Parking Fines

Gary Means commented on the difference between the two issues. The handicap parking fine issue requires an ordinance. The presentation on parking fines is just an update to Council on a previous discussion and does not require any action by Council because they are not increasing anything more than $100.
Ellinger asked if these new fines were in effect yet. Means said no that they were waiting until July 1, 2014 to implement but that the rates in the packet have been approved by the Parking Authority. Ellinger asked if Means had advice on what the handicap violation should be. Means said he agrees that it should be $250 which is what the current fine is for the state.
Farmer asked about the changes that were higher than the average, five examples. Farmer added that Council has very little say in this but added that he does not support the ones that are increasing above the average.
Henson stated that the ones that are more frequent than others should be increased in her opinion and asked for clarification.
Clarke asked if there were curb markings all over the city that would make it obvious to citizens that you can't park there. The distance is not clear to everyone. Means said there are some hydrants that have no coloring and some have yellow. He agrees that it would make sense to

mark them all. Clarke added on putting a "maximum of" on the sign stating would make it seem like the fine could be less. Means agreed that we need to work on the wording for the signage. Myers commented on where they came up with the pricing for the various fines He gave an example of dropping his child of at Maxwell Elementary and seeing fire trucks having problems getting out of the fire station for calls due to people parking in front of the station.
Farmer clarified that everything on the list has already been done except for the handicap parking fine which needs Council approval. Means agreed adding that the fines have not been implemented at this time, they have just been adopted by the Parking Authority.
Scutchfield commented on issues at her school where citations are being issued that had not been issued previously adding that we need to communicate this to anyone impacted.
Gorton asked if we had to have a range or can we just set the fine at $250 for handicap violations. Graham said they can just set the fine without a range. Gorton asked about signage with a tow truck on it, can this be used for handicap parking as well. Graham stated that the existing ordinance has a provision in the penalty part of it but she would have to check to see if this can be added to other sections. Gorton asked if this could be added for people who continue to park illegally in a handicap zone. Means suggested that the policy could state a fine of $250 or possible towing. This would allow Council to set the number of offenses that would result in towing at a later date.

<u>Motion by Henson to set the fine at a minimum $150 up to $250. Seconded by Scutchfield. Motion passed without dissent as amended.</u>

Farmer asked for clarification on the language in the packet "no less than $250 and no more than $500" will the language of the motion replace this. If so, how does this flow into item I, will it be the same. He does not see the distinction between D and I but they are listed separately. Barberie stated that the idea behind I was to give an incentive to pay it or the amount increases.

<u>Motion by Gorton to amend the setting the fine at $250. Seconded by Beard. Motion passed 8 – 1. Ellinger, Stinnett, Gorton, Kay, Ford, Beard, Scutchfield and Henson voted yes. Farmer voted no.</u>

<u>Motion by Farmer to approve signage as submitted in the presentation. Seconded by Gorton. Motion passed without dissent.</u>

Ellinger will report the motion out to the full council at the February 4, 2014 work session. He will add the towing issue for that discussion.

4. Monthly Financial Report

Commissioner O'Mara, Melissa Lueker and Rusty Cook walked the committee through the monthly financial presentation.
Gorton asked about the salt budget. Lueker stated that they are looking for money to do a budget amendment to cover more salt.

Simon Kemmer, Dean Dorton Allen and Ford, walked the committee through the Comprehensive Annual Financial Report (CAFR) and Audit.

5. Items Referred to Committee

Motion by Gorton to remove parking fines issue from the committee referral list. Seconded by Scutchfield. Motion passed without dissent.

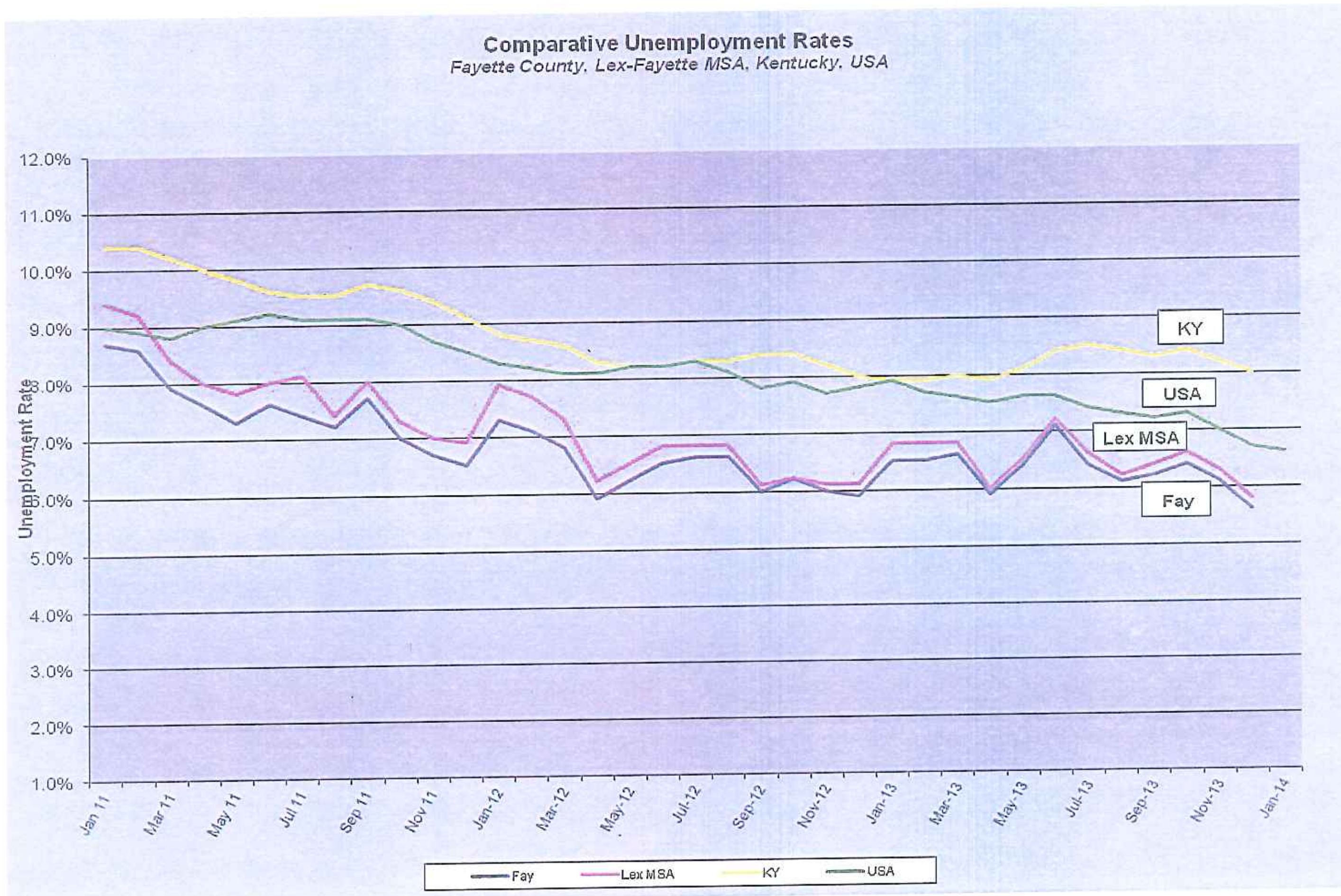
Motion by Gorton to adjourn. Seconded by Farmer. Motion passed without dissent.

Budget & Finance Committee

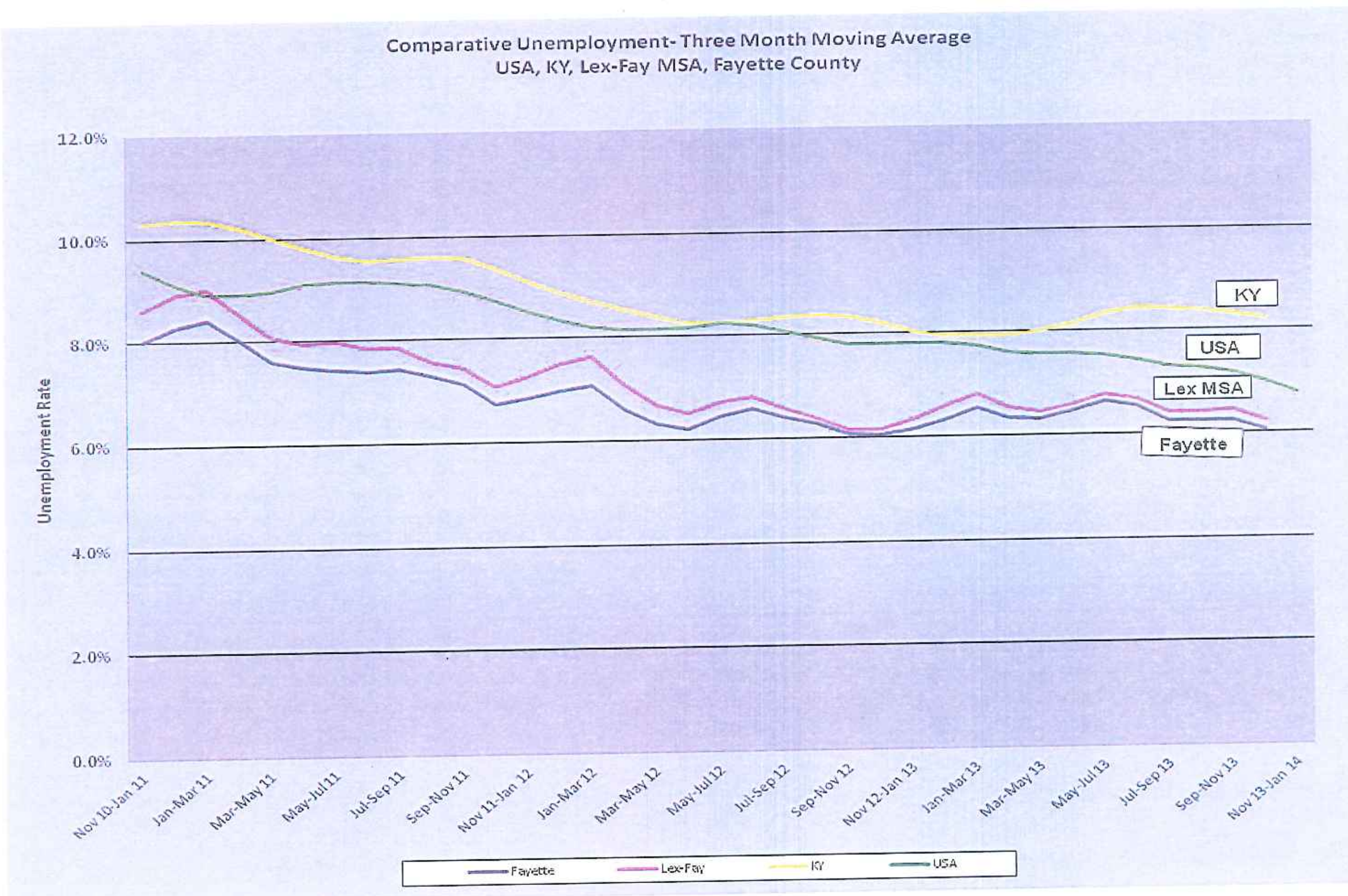
Financial Update

February 25, 2014

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	2012	7.3%	7.1%	6.8%	5.9%	6.2%	6.5%	6.6%	6.6%	6.0%	6.2%	6.0%	5.9%
	2013	6.5%	6.5%	6.6%	5.9%	6.4%	7.1%	6.4%	6.1%	6.2%	6.4%	6.1%	5.6%
	2014	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly Fayette County Employment	2012	-	-	174,800	-	-	178,500	-	-	180,700	-	-	183,700
	2013	-	-	178,300	-	-	180,300	-	-	N/A	-	-	N/A
	2014	-	-	N/A			N/A			N/A			N/A
Fayette County Permits Issued	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	1,201	1,294	1,163	1,359
	2014	1,157	-	-	-	-	-	-	-	-	-	-	-
Fayette County New Business Business Licenses	2012	183	281	373	718	371	212	209	216	210	254	178	132
	2013	218	258	339	634	456	222	152	218	183	285	195	164
	2014	244	-	-	-	-	-	-	-	-	-	-	-
Home Sales (MSA)	2012	400	448	632	649	783	785	864	850	676	727	673	605
	2013	511	541	758	809	984	956	1,075	1,009	829	790	725	618
	2014	524	-	-	-	-	-	-	-	-	-	-	-
Fayette County Foreclosures	2012	71	76	45	68	75	65	61	57	66	92	90	72
	2013	79	44	46	42	38	54	89	52	41	47	39	45
	2014	31	-	-	-	-	-	-	-	-	-	-	-

January 2014 MTD Actual/Adopted Budget

January 2014 Monthly Actual Compared to Adopted Budget

Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	9,009,809	10,527,515	(1,517,706)	-14.4%
OLT - Net Profit	1,017,466	1,450,787	(433,321)	-29.9%
Insurance	4,208,303	4,328,958	(120,655)	-2.8%
Franchise Fees	1,026,440	1,595,496	(569,056)	-35.7%
TOTALS	15,262,018	17,902,756	(2,640,738)	-14.8%

January 2014 YTD Actual/Adopted Budget

January YTD Actual Compared to Adopted YTD Budget

Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	90,690,924	92,017,857	(1,326,933)	-1.4%
OLT - Net Profit	10,546,509	11,594,214	(1,047,705)	-9.0%
Insurance	17,385,839	17,230,058	155,781	0.9%
Franchise Fees	9,956,723	11,190,410	(1,233,687)	-11.0%
TOTALS	128,579,995	132,032,539	(3,452,544)	-2.6%

January 2014 MTD/January 2013 MTD

Actual Monthly Compared to Prior Year

Revenue Category	Jan '14	Jan '13	Diff	% Var
OLT- Employee Withholding	9,009,809	8,579,263	430,546	5.02%
OLT - Net Profit	1,017,466	1,134,798	(117,332)	-10.34%
Insurance	4,208,303	4,193,319	14,984	0.36%
Franchise Fees	1,026,440	741,817	284,623	38.37%
TOTALS	15,262,018	14,649,196	612,822	4.18%

January 2014 YTD/January 2013 YTD

	Actual YTD Compared to Actual Prior YTD			
Revenue Category	**Jan '14 YTD**	**Jan '13 YTD**	**Variance**	**% Var**
OLT- Employee Withholding	90,690,924	89,109,961	1,580,963	1.8%
OLT - Net Profit	10,546,509	9,959,367	587,142	5.9%
Insurance	17,385,839	16,181,967	1,203,871	7.4%
Franchise Fees	9,956,723	9,197,517	759,206	8.3%
TOTALS	128,579,995	124,448,813	4,131,182	3.3%

FY 2014 Code Enforcement Nuisance Abatement/Lien Collections

Code Enforcement Lien Collections

Month	Administrative Collection Fees		Miscellaneous		Penalty & Interest		Total Collections	
	FY 2014	FY2013	FY 2014	FY2013	FY 2014	FY2013	FY 2014	FY2013
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
September	1,475	975	1,568	573	57,003	11,445	60,046	12,993
October	1,575	2,400	1,305	1,572	38,168	28,214	41,048	32,186
November	525	626	572	695	7,892	12,107	8,989	13,428
December	975	300	884	459	25,904	5,577	27,763	6,336
January	701	825	1,014	1,503	34,699	33,921	36,414	36,249
Totals	9,076	7,777	8,198	7,191	253,004	129,512	270,278	144,480

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

For the seven months ended Jan 31, 2014

	ACTUAL	BUDGET	Variance
Revenue			
Payroll Withholding	$90,690,924	$92,017,858	($1,326,934)
Net Profit	10,546,509	11,594,213	(1,047,704)
Insurance	17,385,839	17,230,058	155,781
Franchise Fees	9,956,723	11,190,410	(1,233,687)
Other Licenses & Permits	3,964,212	2,953,007	1,011,205
Ad Valorem	19,003,094	18,442,490	560,603
Services	14,243,818	10,969,918	3,273,900
Fines and Forfeitures	154,050	110,358	43,692
Property Sale	34,100	4,903	29,197
Intergovernmental	717,991	770,600	(52,609)
Investment Income	11,640	70,000	(58,360)
Other Financing Sources	100,000	100,000	
Other Income	1,635,142	799,032	836,111
Total Revenue	**$168,444,042**	**$166,252,848**	**$2,191,195**

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

For the seven months ended Jan 31, 2014	ACTUAL	BUDGET	Variance
Expenses			
Personnel	($107,944,738)	($108,785,906)	$841,168
Operating	(19,504,424)	(24,335,368)	4,830,944
Debt Service	(22,850,268)	(22,953,112)	102,844
Partner Agencies	(10,607,407)	(10,978,950)	371,543
Insurance - Expense	(1,072,818)	(1,072,817)	(1)
Operating Capital Expenditures	(803,766)	(271,664)	(532,102)
Total Expenses	**(162,783,421)**	**(168,397,817)**	**5,614,396**
Interfund Transfers			
Transfers	(846,827)	(1,689,293)	842,465
Change in Net Position	**$4,813,794**	**($3,834,262)**	**$8,648,056**

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

Current YTD Actual compared to Prior YTD Actual	Jan '14	Jan '13	Variance
Revenue			
Payroll Withholding	$90,690,924	$89,109,961	$1,580,963
Net Profit	10,546,509	9,959,367	587,142
Insurance	17,385,839	16,181,967	1,203,871
Franchise Fees	9,956,723	9,197,517	759,206
Other Licenses & Permits	3,964,212	3,266,326	697,886
Ad Valorem	19,003,094	18,378,155	624,939
Services	14,243,818	12,119,593	2,124,225
Fines and Forfeitures	154,050	235,547	(81,497)
Property Sale	34,100	80,009	(45,909)
Intergovernmental	717,991	844,776	(126,785)
Investment Income	11,640	19,753	(8,113)
Other Financing Sources	100,000	100,000	
Other Income	1,635,142	1,269,553	365,590
Total Revenue	$168,444,042	$160,762,524	$7,681,518

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

Current YTD Actual compared to Prior YTD Actual	Jan '14	Jan '13	Variance
Expenses			
Personnel	(107,944,738)	(95,662,644)	(12,282,094)
Operating	(19,504,424)	(19,092,389)	(412,035)
Debt Service	(22,850,268)	(19,949,514)	(2,900,754)
Partner Agencies	(10,607,407)	(10,002,221)	(605,186)
Insurance - Expense	(1,072,818)	(1,012,284)	(60,533)
Operating Capital Expenditures	(803,766)	(795,178)	(8,588)
Total Expenses	**(162,783,421)**	**(146,514,231)**	**(16,269,190)**
Interfund Transfers			
Transfers	(846,827)	(801,939)	(44,889)
Change in Net Position	**$4,813,794**	**$13,446,354**	**($8,632,560)**

- Questions ?

BUDGET & FINANCE COMMITTEE
November 19, 2013
Summary

Ellinger called the meeting to order at 1:01 PM. All members present. Clark also attended.

V. Urban Services Refund Policy

Stinnett introduced the topic. Charlie Martin discussed the Urban Services Refund Policy Martin explained the current refund policy for street lights, waste collection and street cleaning. He said that LFUCG has refunded property owners if street lights weren't installed during the calendar year but not for solid waste and street cleaning.

He stated that the Administration is reviewing this and would like to get out of the refund practice and develop a more reasonable policy.

Mossotti asked about the refund process. O'Mara discussed the Urban Services Tax Ordinances. Schoninger stated that approximately 1200 properties were refunded the tax. The refund totaled approximately $ 34,000.

Stinnett suggested that the tax not be assessed until the services are provided rather than at the beginning of the year.

In response Martin stated that that is the type of policy that the Administration is leaning toward.

Scutchfield stated that over 900 properties are due refunds in the 7th District. She asked about the timetable to install the street lights.

In response Martin stated that Kentucky Utilities has a back log of street light installations. Barberie stated that part of the problem was caused when LFUCG ordered a moratorium on street light installations.

Gorton asked about a graduated tax for new development to account for street lights, street cleaning and solid waste collection. In response Barberie stated that the Administration is considering staggering urban services to new development. He stated that solid waste would be offered first, and then followed by street lights and finally street cleaning.

Farmer discussed the decorative street light policy. He stated that at least 1 neighborhood in the 5th District is interested in the program so he wanted to continue that discussion with KU and the Administration in the near future.

In response to a question from Akers, Kevin Wente discussed the street light installation process and offered to get a timetable for the new development areas still without street lights.

Stinnett reviewed what information the Administration will provide to the Committee including a list of streets without urban services and a timetable to install in those cases; a more reasonable policy for installation of urban services and the Administration with meet with KU regarding ramping up installation efforts

Stinnett asked about properties that pay for public solid waste services but utilize private collection services. In response Barberie stated that LFUCG offers solid waste services to every property in that urban services tax district but some properties prefer to utilize private collection services. He stated that some properties prefer to use compactor services which LFUCG doesn't offer for example.

Akers asked why LFUCG doesn't offer compactor service. In response Martin indicated that the solid waste collection business has evolved and LFUCG made a business decision to not offer compactor service.

Stinnett requested that the item stay in the committee for further discussion.

PAS 12/1/13

STREETLIGHT QUESTIONS
BUDGET AND FINANCE COMMITTEE
FEBRUARY 2014

1. **How many accounts have special street lights and are paying ad valorem taxes?**

   Private Street Lights spreadsheet indicates that three (3) neighborhoods have functioning decorative streetlights:

   Hartland – approximately 449 fixtures
   South Mill Commons – approximately 12 fixtures
   Wallace's Subdivision – approximately 10 fixtures

   Two other neighborhoods have a non-functional decorative light but otherwise are fully part of the LFUCG streetlight program.

2. **Are those accounts paying more tax that what the service entails?**

   Areas with private streetlights have chosen to pay both ad valorem taxes that include streetlight costs plus the additional cost of private streetlights. Neighborhood accounts pay thru a private contract with KU for decorative streetlights. The parcels that make up the association membership also pay the ad valorem tax.

   The taxable benefit received by a decorative light neighborhood was LFUCG absorbing part of the decorative light installation capital cost … up to the cost of light installation for standard LFUCG streetlights. The installation cost benefit received is shown on the Private Street Lights spreadsheet.

3. **What is the backlog of streetlight installations?**

   The Near-Term Streetlight Installations Projections list identifies approximately 468 fixtures spread over 21 different locations. KU has indicated that they have the resources to install approximately 400 fixtures in calendar year 2014 (risk factors identified)

   Risk Factors identified
   - Weather
   - Variable complexity of installs
   - Product availability and lead time from the manufacturer

4. **What is the current schedule for those installations?**

   See Near-Term Streetlight Installations Projections list

5. **Based on historical trends, how many new installation requests may be coming for 2014 and how does that impact the current backlog?**

   Nearly impossible to predict with the existing data but given that current backlog volume exceeds KU's stated capacity – calendar year 2014 additions to the Near-Term Streetlight Installations Projections list will likely not see installation in calendar year 2014.

   In the past, the trigger for being added to the streetlight ad valorem tax roll is recording of the final plat but actual installation is not initiated until approximately 90% of that plat is built out (internal goal). The trigger for determining 90% build-out lacks consistency – sometimes observation driven, sometimes complaint driven, sometimes both.

   Action Items for 2014
   - Develop a better approach for determining when a street should be added to the "to be installed" streetlight list.
   - Develop a written protocol for predicting installations for the coming calendar year.

6. **What is our current process for executing installations?**

   Process for adding new development parcels to ad valorem tax roll.
   - Division of Planning sends final plat to Public Works and Traffic
   - Public Works conducts ongoing review of final plats to develop lists of parcels that will be added to tax roll for next calendar year.
   - Before last council meeting of calendar year – obtain two readings for adding ad valorem tax to each parcel.

   Process for adding new development parcels to the Near-Term Streetlight Installations Projections list
   - Traffic Engineering monitors plat build-out to determine when an area is ready for streetlight installation.
   - Once Traffic adds to area to the list, updated list is forwarded to KU.

7. **Can KU meet the expected installation demand?**

   KU has indicated that they have the resources to install approximately 400 fixtures in calendar year 2014 (risk factors identified)

8. **What budget implications are expected under differing backlog acceleration plans?**

FY14 budget allocates $500,000 for capital installation. Projected capital installation cost shown on the December 9, 2013 Near-Term Streetlight Installations Projections list is $351,000.

Annual operating cost for the 468 fixtures contained on the current list ranges from \$67,400 to \$101,100 annually. Currently, overall annual streetlight operating costs exceed overall annual revenue. Adding more streetlights increases need to General Fund supplements.

Action Items

	ACTION	OWNER	DUE DATE
1	Write out detailed, step by step process for adding an area to the "Near Term Streetlight Installation Projections" list.	Traffic Engineering	
2	Modify "Near Term Streetlight Installation Projections" list to add a "date authorized for installation" column	Jeff Neal	
3	In conjunction with a process that better determines when an area is ready for streetlight installation, initiate new practice that adds ad valorem tax the same year that installation is reasonably scheduled to occur. Revised process should include development / maintenance of a Calendar Year 20ZZ Streetlight Installation List that reflects those properties being assessed the streetlight ad valorem for the first time in a given year (Year 20ZZ)	Public Works	
4	In developing the list of parcels slated to be assessed the streetlight ad valorem for the first time in the coming year, review the list with KU prior to initiating the assessment approval process. The purpose of this review would be to correlate KU's projected capacity for completing all installations projected on the draft Calendar Year 20ZZ Streetlight Installation List...	Traffic Engineering	
5	Establish a quarterly status meeting protocol with KU to provide quarterly updates on overall progress in completing the Calendar Year 20ZZ Streetlight Installation List.	Traffic Engineering / Public Works	
6	In developing the list of parcels slated to be assessed the streetlight ad valorem for the first time in the coming year, review the list with KU prior to initiating the assessment approval process. The purpose of this review would be to correlate KU's projected	Traffic Engineering / Public Works	

	capacity for completing all installations projected on the draft Calendar Year 20ZZ Streetlight Installation List...		
7	Establish a quarterly status meeting protocol with KU to provide quarterly updates on overall progress in completing the Calendar Year 20ZZ Streetlight Installation List.	Traffic Engineering / Public Works	

Private Street Lights on Public Streets					
Date Requested	Development	Fixtures	Type	LFUCG Payment	Notes
1991	Hartland Subdivision Complete	449	Colonial	$ 120,580	Approx. number of fixtures
1993 March	*Lochmere (Andover)*	~~113~~	*Colonial*	*$ 27,368*	*Non-functioning, decorative light at select intersections for Stop and Street name signs.*
1993 March	*Stonecase Valley (Andover)*	~~17~~	*Colonial*	*$ 4,561*	*Non-functioning, decorative light at select intersections for Stop and Street name signs.*
1998 Sept	The Shetlands (Hamburg Place)	~~53~~	Arlington	$ 23,400	Residents later rejected terms and chose Colonial Fixtures replacing existing lights with no installation costs charged to LFUCG.
2004 May	West Wind (Hamburg Place Community-Phase II)	~~149~~	Arlington	$ 89,400	Residents later rejected terms and chose Colonial Fixtures replacing existing lights with no installation costs charged to LFUCG.
2005 Nov	*Denton Farms (Ellerslie @ Delong) 1a, 1b, 3a, 3b*	~~65~~	*Arlington*	*$ 40,500*	***No Payment Made to Developer.*** *Residents rejected terms and chose Colonial Fixtures*
2006 July	South Mill Commons - Cedar, Mill, Pine, & Lawrence St.	12	Arlington	$ 6,400	
2006 July	*Patchen Wilks, Phase I*	~~51~~	*Arlington*	*$ 25,500*	***No Payment Made to Developer.*** *Residents rejected terms and chose Colonial Fixtures*
1995	Wallace's Subdivision - Fayette Park	10	Acorn	??	**No Records in TE.** Site visit showed pedestal type lights in the median.

NEAR-TERM STREETLIGHT INSTALLATION PROJECTIONS

SUBDIVISION	STREETS	TIER	RANK	EST. FIXTURE COUNT	AUTHORIZED TO KU DATE	EST. INSTALL DATE	STATUS	NOTES
Writt Station	Laclede Ave.	1	5	13	17-Jan-14		Marked 8/13	
	Sorrell Way			2	17-Jan-14			
	Old Versailles Road			2	17-Jan-14			
	Marietta Dr			1	17-Jan-14			
	Kenswood Dr			1	17-Jan-14			
	Clearwater Way			1	17-Jan-14			
Masterson Station Ctr	Ferndale Dr			4	17-Jan-14			
Johnson Prop	Millbank Dr			3	17-Jan-14			
Highland Lakes	Highland Lakes, Southpoint, Riverridge, Largo, Lantern			12	17-Jan-14			
Greendale Hills	Meluna Dr, Cielo Vista Rd	1	3	18	17-Jan-14		Marked 8/13	
Patchen Wilkes	Patchen Wilkes Dr, General Warfield Way, Goodpaster Way	1	4	25	17-Jan-14		Marked 8/13	
Taborlake	Taborlake Dr/Cv/Cir/Pt/Pl/Ct	3	TBD	39	17-Jan-14		Marked 8/13	
Sunny Slope	Kelli Rose Way, Loblolly Way/Ct	1	6	33	17-Jan-14			
Gess Property	Willman Way, Marcu Trl	1	7	64	17-Jan-14			
Tuscany - Unit 4	Patchen Wilkes Dr, Battery St, Sandhurst Cv	2	1	33	17-Jan-14			
Mahan Property	Osbourn Way, Mooncoin Way, Victoria Way, Parker Meadows, Spencer Park	2	2	48	17-Jan-14			
Marshall Property, Unit 2	McConnells trace, New River Pl	2	3	10	17-Jan-14			
Myers Property, Unit 1	Calendula Rd, Fieldrush Rd	2	4	21	17-Jan-14			
Sebastian Property, Unit 3	Old Wooden Mill Ln, Trailwood Ln, Burnt Mill Rd	2	5	33	17-Jan-14			
Coventry - Belmont Farm	Milsom Ln, Walcot Way	2	6	8	17-Jan-14			

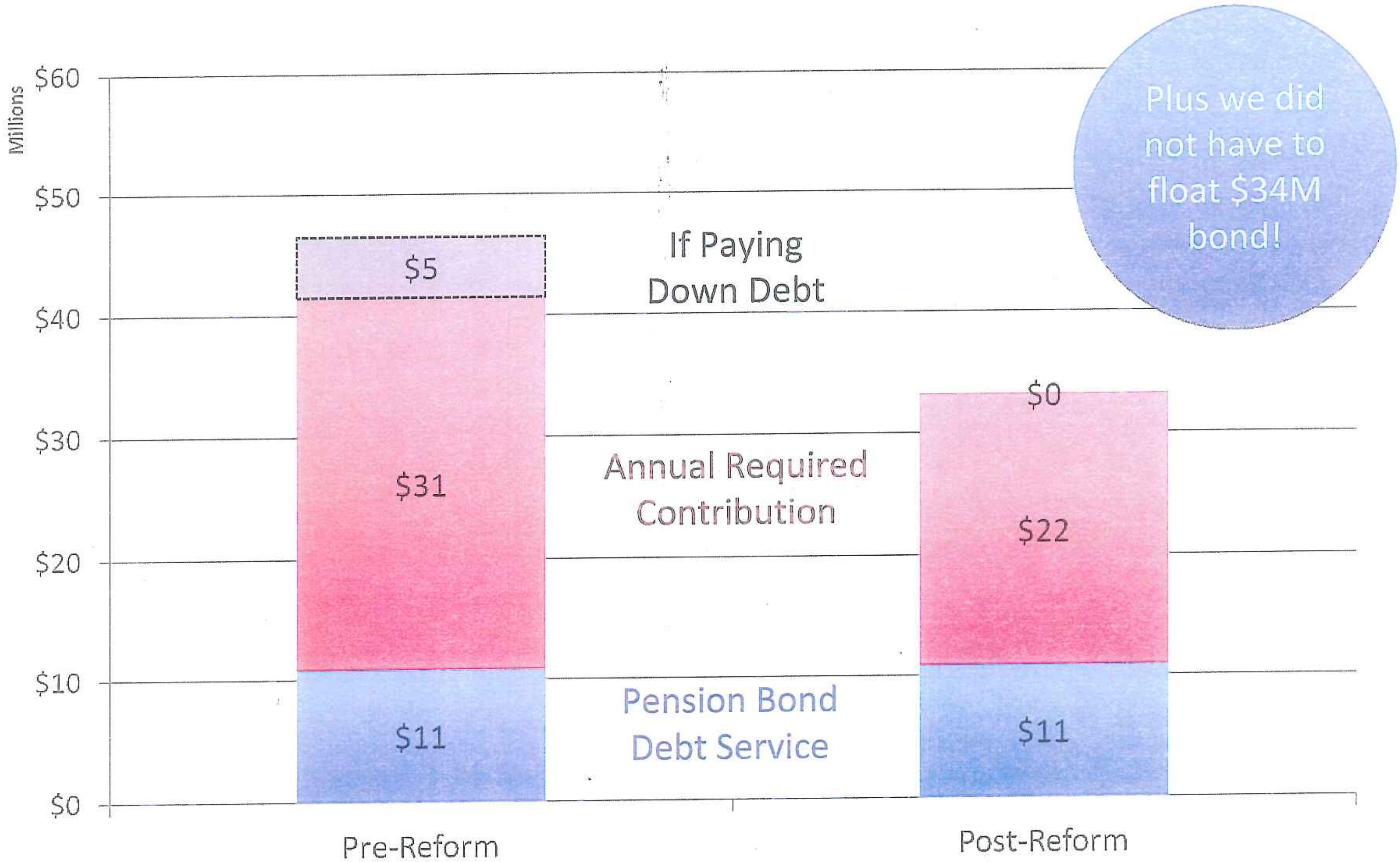
NEAR-TERM STREETLIGHT INSTALLATION PROJECTIONS

SUBDIVISION	STREETS	TIER	RANK	EST. FIXTURE COUNT	AUTHORIZED TO KU DATE	EST. INSTALL DATE	STATUS	NOTES
Ramsey Sullivan Property	Kearney Ridge/Creek			12	17-Jan-14			
Beaumont Farm (Commercial)	Midnight Pass., Monarch			7	17-Jan-14			
Coldstream Research	Bull Lea Run			5	17-Jan-14			
Polo Club Blvd	North of MOW			41	17-Jan-14			
Equestrian View	Julia Way, Cunningham Ln, Shropshire eeg.			12	17-Jan-14			
Denton Farms	off Richmond Road (Ellerslie @ Delong)			20	17-Jan-14			
Total				468				

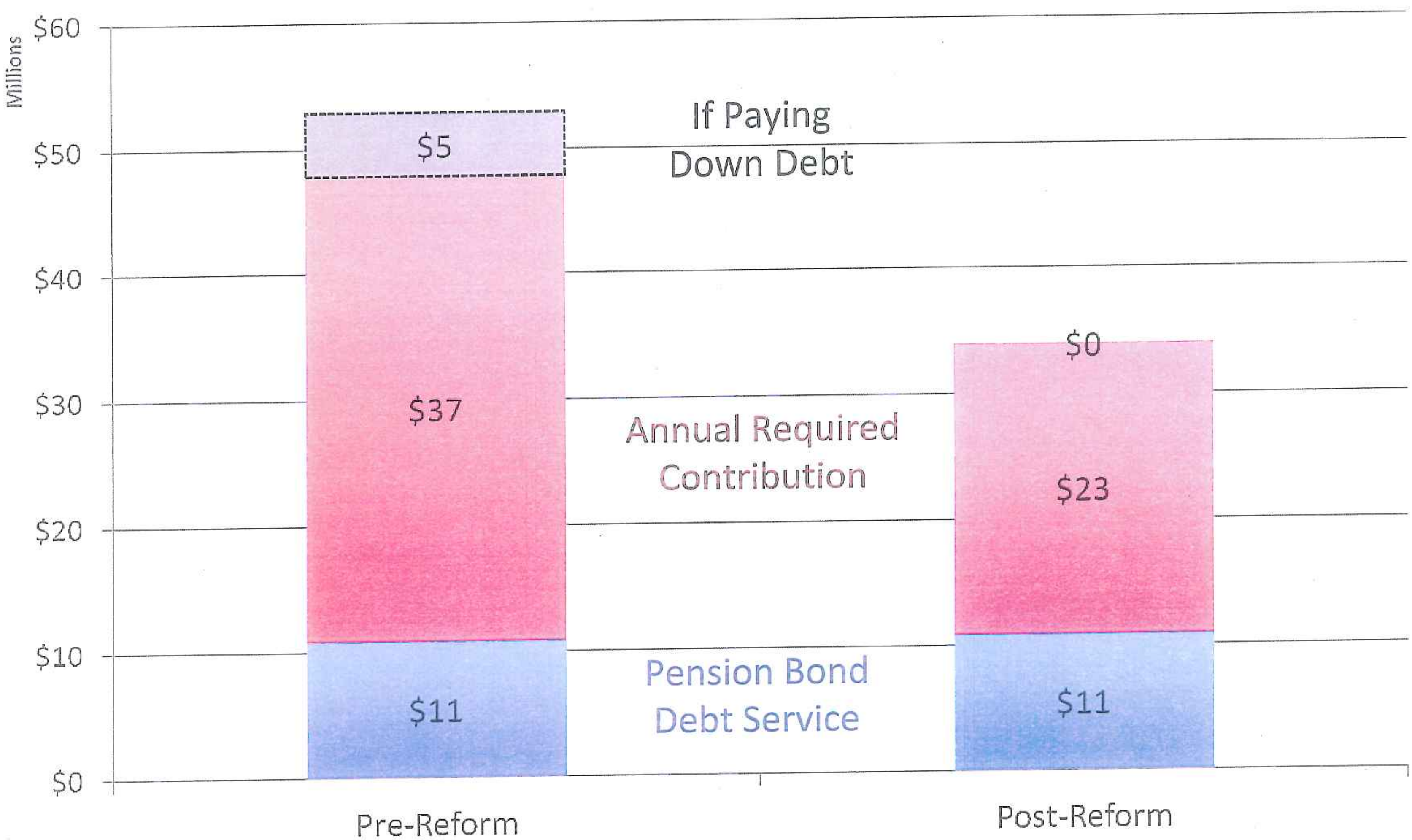
Police and Fire Pension Reform Update

February 25, 2014

2013 Pension Savings: $9+$5 million



2014 Pension Savings: $14+$5 million



Annual Required Contribution (ARC)

- Actuarial analysis from reform agreement showed level-dollar method costing $20M a year over 30 years to pay ARC and pay down unfunded liability
- First post-reform valuation six months later came in at between $21.5M and $22.5M per year
- Why?

Annual Required Contribution (ARC)

- Three reasons:
  - We are in the last year of recognizing investment losses from the 2008 downturn -- $24M this past year
  - Payroll is larger than anticipated by actuary
  - Service and disability retirements rose 148% in the year of reform

Annual Required Contribution (ARC)

- Can we expect other changes?
- We must be vigilant:
  - Further spikes in early disability retirements
  - Major market movements
  - Increase in police and fire payroll
    - Expansion of public safety personnel
    - Collective bargaining impacts

Annual Required Contribution (ARC)

- To budget for the future, the actuarial study will be done yearly, instead of every other year
- Since reform, Lexington began paying a pro-rated share of the ARC each pay period to stay current
- For FY14, the budgeted number was $22.8M

Actuary predicts payments will be between ~$21.5M and ~$22.5M per year for next 30 years.

Unfunded Liability

- Actuary said: reform, when signed by the Governor, immediately drops unfunded liability from $296M to $161M
- First post-reform actuarial analysis six months later shows only a drop to $204M

- Why?

Unfunded Liability

- Actuary always showed a (non-intuitive) bump *up* in the first year after reform.

Impact of Changes on Employer Contribution

Implementing recommended plan will reduce projected unfunded actuarial accrued liability from $296,806,491 to approximately $161,960,044 – a $134,846,447 or 45% reduction

Projected City Annual Contribution
30-Year Level $ Funding with Recommended Plan Changes

*Note: Analysis assumes that assumptions are met. Gains or losses will be amortized each year based on the remaining years left in the 30-year amortization period. Also assumes new hire defined benefit plan with 2% multiplier and 25 years of service. Does not include savings from no COLA for over $100,000 until 1/1/2016 or costs from line of duty death

30

Source: Cavanaugh Macdonald estimates under current GASB reporting rules

Unfunded Liability

- The bump was higher due to the same reasons that drove the rise in the ARC:
  - Spike in disability retirements
  - Payroll larger than anticipated
  - Recognizing last part of the market loss from recession

Conclusion

- Together, we have fixed the largest financial issue that was facing Lexington, creating a national model
- Saved $23M/$33M in two years; reduced unfunded liability by $100M
- But we still must manage it closely
- For next 30 years, actuary tells us will be annual payments between ~$21.5M and ~$22.5M – a decreasing percentage of GF moving forward
- Must be vigilant regarding payroll size, disabilities and the market

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

November 1, 2013

Mr. Scott Shapiro
Senior Advisor
Office of Mayor Gray
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, KY 40507

Subject: Lexington-Fayette Urban County Government Policemen's and Firefighters' Pension Plan

Dear Scott:

As requested, we have prepared a 30 year projection of the liabilities and required contributions of the Lexington-Fayette Urban County Government Policemen's and Firefighters' Pension Plan.

The projections were performed using the July 1, 2013 valuation results as a base, and projecting active and retired memberships over a thirty-year period assuming the active population remained constant in number. We then performed valuations of the populations annually to develop the contribution rates. For this projection, all actuarial assumptions are assumed to be met. In addition, the employer will fully fund the greater of the actuarially determined contribution and $20 million on an annual basis.

Finally, the amortization method of the Unfunded Actuarial Accrued Liability reflects HB 430 in that a level dollar closed amortization period beginning July 1, 2013 with 30 years and decreasing by one each year is used until the UAAL is completely paid.

Costs

The table on the following page shows the projected valuation results at each future valuation date. Actual assets, liabilities, contribution rates and funded ratios in the future will be based on actual membership statistics, including payroll, and financial information at the time of each annual valuation.

It is important to note that the COLA, based on the projection results, will not revert back to the provisions currently in place even though under both new COLA scenarios the funded ratios exceed 85%. The reason for this is that at the point that the new scenario reaches an 85% funded ratio reversion to the current COLA increases the liabilities to an extent that the funded ratio falls, and remains, below 85% for the entire projection period.

3550 Busbee Pkwy, Suite 250, Kennesaw, GA 30144
Phone (678) 388-1700 • Fax (678) 388-1730
www.CavMacConsulting.com
Offices in Englewood, CO • Kennesaw, GA • Bellevue, NE • Hilton Head Island, SC

I certify that I am a member of the American Academy of Actuaries and that I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

If you have any questions, please give me a call.

Sincerely,

Todd B. G

Todd B. Green, ASA, FCA, MAAA
Principal & Consulting Actuary

S:\Lexington Fayette Urban County Government Police and Firefighters Pension Plan\2013\Correspondence\Projection Based on July 1, 2013 Valuation.docx

Mr. Scott Shapiro
November 1, 2013
Page 2

Lexington-Fayette Urban County Government Policemen's and Firefighters' Retirement Fund

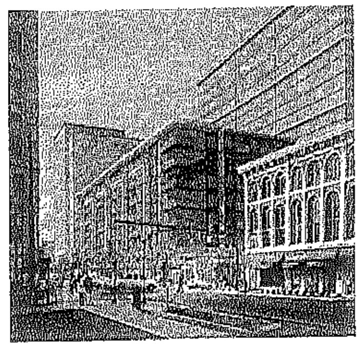
30 Year Projection

Valuation Date July 1,	(a) Projected Actuarial Accrued Liability	(b) Projected Actuarial Value of Assets	(a) - (b) Projected Unfunded Actuarial Accrued Liability	(c) Projected Normal Cost Rate	(d) Projected UAAL Amortization Cost Rate	(c) + (d) Total Actuarial Determined Contribution Rate	Funded Ratio	Projected Employer Contribution
2013	$738,343,325	$533,892,554	$204,450,771	10.75%	25.78%	36.53%	72.30%	$23,122,034
2014	$757,968,145	$568,715,383	$189,252,762	10.91%	23.47%	34.38%	75.00%	$22,480,483
2015	$779,758,746	$603,311,494	$176,447,252	10.83%	21.28%	32.11%	77.40%	$21,785,212
2016	$802,584,540	$627,227,723	$175,356,817	10.63%	20.65%	31.28%	78.20%	$21,935,040
2017	$826,007,277	$658,478,569	$167,528,708	10.66%	19.37%	30.03%	79.70%	$21,737,762
2018	$850,208,700	$685,260,743	$164,947,956	10.53%	18.71%	29.24%	80.60%	$21,839,616
2019	$875,005,191	$712,721,862	$162,283,328	10.46%	18.13%	28.59%	81.50%	$21,997,980
2020	$900,403,118	$740,909,719	$159,493,399	10.31%	17.59%	27.90%	82.30%	$22,082,761
2021	$926,122,113	$769,546,739	$156,575,373	10.31%	17.09%	27.40%	83.10%	$22,311,530
2022	$952,325,626	$798,939,051	$153,386,574	10.13%	16.59%	26.72%	83.90%	$22,370,017
2023	$978,716,184	$828,665,015	$150,051,169	10.02%	16.14%	26.16%	84.70%	$22,499,339
2024	$1,005,279,450	$858,807,435	$146,472,015	9.82%	15.69%	25.51%	85.40%	$22,533,309
2025	$1,031,766,342	$889,050,815	$142,715,528	9.66%	15.29%	24.95%	86.20%	$22,618,389
2026	$1,058,025,221	$919,368,182	$138,657,040	9.41%	14.88%	24.29%	86.90%	$22,601,896
2027	$1,083,735,783	$949,396,069	$134,339,714	9.22%	14.51%	23.73%	87.60%	$22,674,196
2028	$1,108,839,576	$979,266,786	$129,572,790	9.02%	14.09%	23.11%	88.30%	$22,735,030
2029	$1,133,433,905	$1,009,082,858	$124,351,046	8.66%	13.65%	22.31%	89.00%	$22,601,511
2030	$1,157,198,190	$1,038,396,287	$118,801,903	8.36%	13.23%	21.59%	89.70%	$22,549,241
2031	$1,180,036,411	$1,067,310,622	$112,725,789	8.10%	12.78%	20.88%	90.40%	$22,539,812
2032	$1,202,207,541	$1,096,157,502	$106,050,039	7.92%	12.28%	20.20%	91.20%	$22,604,286
2033	$1,224,367,787	$1,125,584,596	$98,783,191	7.51%	11.74%	19.25%	91.90%	$22,351,888
2034	$1,246,066,615	$1,154,904,276	$91,162,340	7.09%	11.25%	18.34%	92.70%	$22,077,602
2035	$1,266,880,879	$1,183,870,984	$83,009,895	6.81%	10.75%	17.56%	93.40%	$21,971,966
2036	$1,287,306,703	$1,213,193,970	$74,112,733	6.56%	10.20%	16.76%	94.20%	$21,848,114
2037	$1,307,926,665	$1,243,411,075	$64,515,590	6.38%	9.61%	15.99%	95.10%	$21,766,647
2038	$1,329,545,363	$1,275,316,635	$54,228,728	6.14%	8.96%	15.10%	95.90%	$21,497,557
2039	$1,352,507,881	$1,309,031,134	$43,476,747	5.84%	8.29%	14.13%	96.80%	$21,026,718
2040	$1,376,767,010	$1,344,238,453	$32,528,557	5.65%	7.66%	13.31%	97.60%	$20,672,824
2041	$1,402,550,102	$1,381,432,787	$21,117,315	5.41%	6.89%	12.30%	98.50%	$20,000,000
2042	$1,430,014,365	$1,420,388,769	$9,625,596	4.95%	5.81%	10.76%	99.30%	$20,000,000
2043	$1,458,012,503	$1,460,858,868	$0	4.72%	0.00%	4.72%	100.20%	$8,139,958

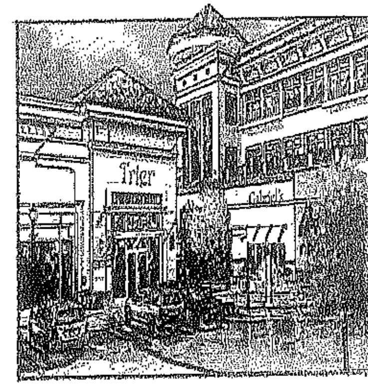
LFUCG Office of Economic Development
Overview of Tax Incentive Financing
Budget and Finance Committee
January 28th, 2014

CURRENT TIF PROJECTS

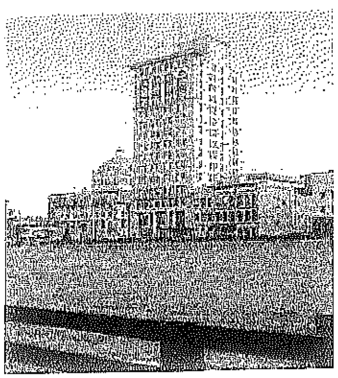
RED MILE



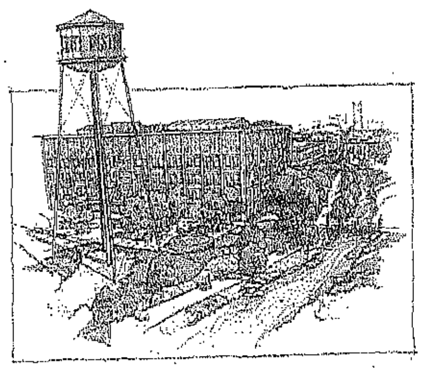
PHOENIX PARK / CENTRE POINT



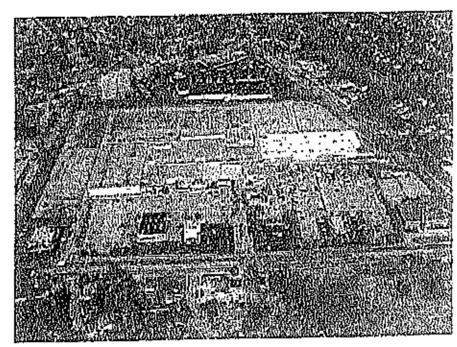
THE SUMMIT



21C HOTEL MUSEUM



DISTILLERY DISTRICT



TURFLAND TOWNE CENTRE

FLOW OF INFORMATION

DEVELOPER	LFUCG	KEDFA
BUSINESS QUESTIONNAIRES BASELINE TAX DATA CAPITAL EXPENDITURES	SUBMIT TIF APPLICATION CONSOLIDATE AND SUBMIT DEVELOPER PROVIDED DATA TO KEDFA	ANALYZE TIF APPLICATION REQUEST AND ANALYZE 3RD PARTY CONSULTANT REPORT CERTIFY NET POSITIVE IMPACT

FLOW OF FUNDING

KEDFA	LFUCG	DEVELOPER
CAPTURES PLEDGED REVENUE RELEASES REVENUE TO LFUCG WHEN REQUEST FOR FUNDS IS VALIDATED	RECEIVES FUNDS PLEDGED BY KY AND RELEASES THEM TO DEVELOPER RELEASES LOCAL PLEDGED FUNDS	RECEIVES ALL PLEDGED FUNDS FROM LFUCG

LIFECYCLE

TIF funded development projects can roughly be classified into three phases of activity

TIF Lifecycle Activities

1. Phase I: Project Development
2. Phase II: Application and Agreement
3. Phase III: Compliance

PHASE I: DEVELOPMENT

ACTIVITY	X=DEVELOPER RESPONSIBILITY	LFUCG CONTACT
LFUCG and Developer negotiations		
Identify development area	X	Economic Development
Determine project eligibility	X	Economic Development
Prepare Development Plan		
Assess current state of the property vs future state	X	Economic Development
Review for compliance with regulations	X	Law
Review the detailed financial plan	X	Finance
Recommend proposed zoning changes	X	Planning
File Development Plan		
Planning Commission review	X	Economic Development
Determine compliance with comprehensive plan		Planning
Council actions		
Conduct public hearing on the development plan		Economic Development
Adopt ordinance creating the development area		Economic Development
Adopt the development plan		Economic Development
Determine method of local funding		Economic Development
Adopt ordinance: local participation agreement or bond issue		Finance

FAYETTE URBAN COUNTY GOVERNMENT 1775 LEXINGTON KENTUCKY

PHASE II: APPLICATION AND AGREEMENT

ACTIVITY	X=DEVELOPER RESPONSIBILITY	LFUCG CONTACT
Submit application for state participation to KEDFA		Economic Development
Establish special fund to collect incremental revenue		
Create general ledger account		Finance
Establish bank account		Finance
Develop method to capture local incremental revenue		Finance
State actions		
TIF Office requests that LFUCG provide a report from an		Economic Development
independent third party		Economic Development
TIF Office submits application and report to the TIF Commission		Economic Development
TIF Commission certifies net positive economic impact		Economic Development
TIF Commission elects to pledge incremental state tax revenue		Economic Development
Execute Master Development Agreement	X	Economic Development
State and LFUCG enter into a TIF Agreement		Economic Development

PHASE III: COMPLIANCE

ACTIVITY	X=DEVELOPER RESPONSIBILITY	LFUCG CONTACT
Reporting and Compliance		
Attend monthly KEDFA work sessions		Economic Development
Minimum Capital Investment	X	ED and Finance
Capital Investment certified by independent accountant		ED and Finance
Initial Business and Resident Questionnaires	X	ED and Finance
Annual Business and Resident Questionnaires	X	ED and Finance
Base Year Revenue	X	ED and Finance
Calculation of Disbursement		ED and Finance
Request for Disbursement		ED and Finance
Certification of Increment Use		ED and Finance
TIF Office certifies minimum capital investment		State Function
State releases pledged revenue		
Revenue is disbursed from special fund to developer		ED and Finance
Maintain documentation and records in an audit-ready condition		ED and Finance

Thank you!

LFUCG TIF PROCESS: ACTIVITIES AND ACCOUNTABILITY

Phase		ACTIVITY	DEVELOPER RESPONSIBILITY	LFUCG CONTACT
PHASE I: DEVELOPMENT	1	LFUCG and Developer negotiations		
		Identify development area	X	Economic Development
		Determine project eligibility	X	Economic Development
	2	Prepare Development Plan		
		Assess current state of the property vs future state	X	Economic Development
		Review for compliance with regulations	X	Law
		Review the detailed financial plan	X	Finance
		Recommend proposed zoning changes	X	Planning
	3	File Development Plan		
		Planning Commission review	X	Economic Development
		Determine compliance with comprehensive plan		Planning
	4	Council actions		
		Conduct public hearing on the development plan		Economic Development
		Adopt ordinance creating the development area		Economic Development
		Adopt the development plan		Economic Development
		Determine method of local funding		Economic Development
		Adopt ordinance: local participation agreement or bond issue		Finance
PHASE II: APPLICATION	5	Submit application for state participation to KEDFA		Economic Development
	6	Establish special fund to collect incremental revenue		
		Create general ledger account		Finance
		Establish bank account		Finance
	7	Develop method to capture local incremental revenue		Finance
	8	State actions		
		TIF Office requests that LFUCG provide a report from an		Economic Development
		independent third party		Economic Development
		TIF Office submits application and report to the TIF Commission		Economic Development
		TIF Commission certifies net positive economic impact		Economic Development
		TIF Commission elects to pledge incremental state tax revenue		Economic Development
	9	Execute Master Development Agreement	X	Economic Development
	10	State and LFUCG enter into a project grant agreement (TIF Agreement)		Economic Development
PHASE III: COMPLIANCE	11	Reporting and Compliance		
		Attend monthly KEDFA worksessions		Economic Development
		Minimum Capital Investment	X	ED and Finance
		Capital Investment Threshold certified by independent accountant		ED and Finance
		Initial Business and Resident Questionnaires	X	ED and Finance
		Annual Business and Resident Questionnaires	X	ED and Finance
		Base Year Revenue	X	ED and Finance
		Calculation of Disbursement		ED and Finance
		Request for Disbursement		ED and Finance
		Certification of Increment Use		ED and Finance
	12	TIF Office certifies minimum capital investment		State function
	13	State releases pledged revenue		
		Revenue is disbursed from special fund to developer		ED and Finance
	14	Maintain documentation and records in an audit-ready condition		ED and Finance

Lexington-Fayette Urban County Government
DEPARTMENT OF LAW

Jim Gray
Mayor

Janet M. Graham
Commissioner

TO: Members of the Budget and Finance Committee
Paul Schoninger, Council Research Analyst

FROM: Department of Law

DATE: January 22, 2014

RE: TIF Ordinance

You have asked for information related to the Tax Increment Financing (TIF) process. The process is largely driven by state statute. (See KRS 65.7041 - 65.7083; KRS 154.030-10, et al). Fundamentally, a district which meets certain criteria may be created by local ordinance along with the approval of any related agreements. Tax revenue derived from development within that area is then earmarked for expenditure on public infrastructure. If state tax funds are to be included a tax incentive agreement must also be executed with the Commonwealth of Kentucky.

The ordinances creating the TIF districts expressly authorize the Mayor, the Commissioner of Finance, and other urban county government officials, employees, or agents to undertake necessary actions related to the district. See e.g., Ordinance No. 266-2008.

More specifically you have asked where the authority is derived for the administration (i.e., the executive branch of the government) to terminate the district without Council approval. In answering this question it may be helpful to clarify the action taken by the administration which led to this matter being referred to Committee.

On October 30, 2013 the administration made a decision, based upon its understanding of the information that it had available at that time, that it was in the best interest of LFUCG to take the limited action of withdrawing the application for state funding related to the TIF district known as the Lexington Distillery District in order to avoid non-compliance. A letter to that effect (a copy of which is attached hereto) was delivered to the Cabinet for Economic Development.

An ordinance, which would dissolve the TIF fund related to the above project and cancel or terminate the related agreements while preserving the existing TIF district pending further action by the Urban County Council, was then presented to the Council for consideration at the November 12, 2013 work session and November 21, 2013 Council meeting (a copy of that ordinance is attached).

It is the Department of Law's opinion that the executive branch of the government had the authority to take the specific action outlined above with respect to the Lexington Distillery District without need of additional authorization or approval by the Urban County Council. This is based both upon the express language in Section 12 of Ordinance No. 266-2008 as well as Section 5.04 of the Urban Charter.

Moreover, it is also the Department of Law's belief that the executive branch recognized that its powers in this area were limited, which is why it then presented the attached ordinance to the Council for its consideration.

Given that the withdrawal of the application would act to effectively end the state funding for the proposed Lexington Distillery District, in hindsight it may have been prudent for the administration to have notified the Council of its intent to withdraw the application prior to doing so. However, it is the Department of Law's understanding that: (i) multiple meetings with the developer regarding this issue took place; (ii) the decision was being driven by the pending activation date for the project, and (iii) at the time the decision was made the administration was acting in good faith and believed that the developer and all other interested parties were in agreement (see attached letter). The administration was also trying to avoid a situation in which LFUCG's Department of Finance, as the applicant, would be viewed as non-compliant by the Cabinet. This would have been the case had the application not been timely withdrawn.

Please contact me should you have any other questions related to this matter.

David J. Barberie
Managing Attorney

ATTACHMENTS

(via-email only)

cc: Sally Hamilton, Chief Administrative Officer
Kevin Atkins, Chief Development Officer
Derek Paulsen, Commissioner of Planning
Janet M. Graham, Commissioner of Law

00422155

Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

Jim Gray
Mayor

Oct. 30, 2013

Larry Hayes, Secretary
Kentucky Cabinet for Economic Development
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Dear Secretary Hayes,

Lexington would like to withdraw the TIF application for the Distillery District at this time, but leave the development area in place for the future.

Early plans for the District have not materialized due to several factors. In talking with the developer it is clear that the District development plan is changing and withdrawing the current application is prudent. The developer supports this action.

Thank you for all you have done to support economic development work in Lexington. The Cabinet is an important and essential partner.

Sincerely,

Kevin Atkins
Chief Development Officer

Cc: Hollie Spade, General Counsel
Brad Thomas, Assistant Director

FOLLOW MAYOR GRAY:
www.facebook.com/JimGrayLexKY www.twitter.com/JimGrayLexKY

200 East Main Street • Lexington, KY 40507 • (859) 425-2255 • www.lexingtonky.gov
HORSE CAPITAL OF THE WORLD

ORDINANCE NO. _____ - 2013

AN ORDINANCE REPEALING THOSE SECTIONS AND PROVISIONS OF ORDINANCE NO. 266-2008 (THE LEXINGTON DISTILLERY DISTRICT DEVELOPMENT AREA TIF) PERTAINING OR RELATED TO THE DEVELOPMENT, THE PROJECT, AND/OR THE CREATION OF AN INCREMENTAL TAX SPECIAL FUND AND DISSOLVING THE FUND; MAINTAINING THE BOUNDARY OF THE DISTRICT PENDING FURTHER ACTION OF THE URBAN COUNTY COUNCIL, AND CANCELLING OR TERMINATING THE AGREEMENTS RELATED TO ORDINANCE NO. 266-2008.

WHEREAS, although the Lexington-Fayette Urban County Government is desirous of promoting economic activity and development within the Lexington Distillery District, the state law pertaining to incremental tax fund projects requires that an approved project set an activation date within four years of application approval, and this deadline could not be met; and

WHEREAS, the Lexington-Fayette Urban County Government is also desirous of maintaining the defined boundary area for the district in order to promote future economic activity and development within the district.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the above recitals are incorporated herein as if fully stated.

Section 2 - That all those sections and provisions of Lexington-Fayette Urban County Government Ordinance No. 266-2008, pertaining or related to the development, the project, and/or the creation of an incremental tax special fund for the development of the Lexington Distillery District Development Area are hereby repealed in their entirety, and the incremental tax special fund is dissolved.

Section 3 - That the boundary of the Lexington Distillery District Development Area is otherwise maintained as provided in Ordinance No. 266-2008 with the understanding that such area will no longer be considered for any tax increment financing purposes without further additional action by the Urban County Council.

Section 4 - That the Mayor or his designee is hereby authorized to take any additional action which may be required to terminate the tax incentive agreement with the Kentucky Economic Development Authority related to the underlying project and development area, and any remaining agreements related to Ordinance No. 266-2008 or the development area are cancelled or terminated.

Section 5 - That this Ordinance shall be effective immediately upon passage.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL
Published:
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Sec. 5.04. Power and Authority.

Except as otherwise provided in this Charter, the Mayor is authorized to supervise, administer, and control all departments as may be created by this Charter or created by ordinance in pursuance thereof. The Mayor shall appoint all Department Commissioners, subject to confirmation by a vote of a majority of the Council and to the civil service limitations of this Charter.

The Mayor shall consult with the Chief Administrative Officer on all appointments involving Department Commissioners before submitting same to the Council for confirmation. All appointments involving Department Commissioners submitted to the Council for confirmation shall be accompanied by a written statement by the Mayor and the Chief Administrative Officer indicating the qualifications of the proposed appointee.

Except as otherwise provided, the Mayor shall appoint all members of boards and commissions created by this Charter or by ordinance enacted pursuant thereto. Appointments to boards and commissions shall not require confirmation by the Council except as the same may be specifically required by this Charter or by an ordinance creating a board or commission.

The Mayor is authorized to require any executive officer of the Merged Government to submit to him, or to the Chief Administrative Officer, written or oral reports and information relating to the business and general welfare of the Merged Government. The Mayor shall have the right to examine and inspect the books, records and official papers of any department, board, commission, office or agency of the Merged Government, and to attend the meetings of the Council, or any board or commission, and make recommendations thereto.

In addition, the Mayor:

A. Shall preside at all Council meetings, but vote only in the case of a tie, as provided in Article Four of this Charter.
B. Shall prepare and submit an annual report on the state of the Merged Government to be presented at a public meeting of the Council orally and in writing on or before the thirtieth of January of each year.
C. Shall submit to the Council the annual operating and capital improvements budgets as provided for in Article Eight of this Charter, and shall transmit to the Council any budgetary recommendations of the Chief Administrative Officer that are at variance with the Mayor's budget.
D. May call special meetings of the Council as provided in Article Four of this Charter.
E. Shall sign all written contracts or obligations of the Merged Government and administer all capital improvement projects authorized by ordinance.
F. May recommend to the Council such measures, resolutions or ordinances relative to the affairs of the Merged Government as may be deemed necessary.

Annotation—See Charter Section 7.02 relating to mayoral appointment of the members of boards and commissions. See also note at Section 4.07 relating to subsection D.

Lexington-Fayette Urban County Council
FY 2015 Budget Links

Finance and Social Services

Members

Ford
Beard (Chair)
Akers

Departments

Finance	Social Service Agencies
Social Services	Finance Agencies
Non-Departmental	Grants and Special Projects Agencies

Divisions

Accounting	Family Services
Adult and Tenant Services	Revenue
Budgeting	Social Services Commissioner
Central Purchasing	Youth Services
Commissioner of Finance	

Partner Agencies

American Red Cross	Hope Center
Aviation Museum of Kentucky	Iglesia Nueva Vida
AVOL Incorporated	Kentucky Refugee Ministries
Baby Health Service	Lexington Woman's Club
Bluegrass Community Action Agency	MASH Services of the Bluegrass
Bluegrass Domestic Violence Program	Mission Lexington
Bluegrass Rape Crisis Center	Moveable Feast Lexington
Bluegrass Regional MH MR Board	NAMI Lexington KY
Bluegrass Technology Center	New Life Day Center
Carnegie Literacy Center	Nursing Home Ombudsman
Center for Women, Children & Families	Pink Connection
Central KY Radio Eye	Prevent Child Abuse Kentucky
Children's Law Center	Repairers of the Breach
Chrysalis House	Salvation Army
Community Action Council	Sisohpromatem Art foundation
Explorium of Lexington	Sunflower Kids, Inc
Girl Scouts of Kentucky	Urban League
God's Pantry Food Bank	YMCA of Central Kentucky

Lexington-Fayette Urban County Council
FY 2015 Budget Links

General Services and Planning

Members

Gorton
Clarke (Chair)
Mossotti

Departments

General Services
Planning, Preservation, and Development
Economic Development Agencies

Divisions

Building Inspection	Facilities and Fleet
Code Enforcement	Historic Preservation
Commissioner of General Services	Parks and Recreation
Commissioner of Planning	PDR
Engineering	Planning

Partner Agencies

Bluegrass Area Development District	Downtown Arts Center
Commerce Lexington	Lexington Center Corporation
Convention and Visitors Bureau	Lyric Theater
Downtown Development Authority	SCORE
Downtown Lexington Corporation	World Trade Center

Environmental Quality and Public Works

Members

Kay
Farmer (Chair)
Stinnett

Departments

Public Works & Environmental Quality
Environmental Quality Agencies

Divisions

Environmental Policy	Traffic Engineering
EQ and Public Works Commissioner	Waste Management
Streets and Roads	Water Quality

Partner Agencies

Environmental Commission

Lexington-Fayette Urban County Council
FY 2015 Budget Links

General Government

Members

Myers
Lawless
Ellinger (Chair)

Departments

Constitutional Offices
Council Office
Mayor's Office
CAO
Internal Audit
Law
Lexington Public Library

Divisions

Board of Elections
CAO
Circuit Judges
Citizens' Advocate
Commonwealth Attorney
Computer Services
Coroner
Council Clerk
Council Office
County Attorney
County Clerk
County Court Clerk (Elections)
County Judge Executive
Enterprise Solutions
Government Communications
Grants and Special Projects
Human Resources
Internal Audit
Law
LexCall
Mayor's Office
PVA
Risk Management

Partner Agencies

Human Rights Commission
Lexington Public Library

Public Safety

Members

Lane
Henson (Chair)
Scutchfield

Departments

Public Safety

Divisions

Animal Control
Community Corrections
E-911
Emergency Management
Fire
Police
Public Safety Commissioner

Partner Agencies

None

Budget & Finance Committee Referrals

Item	Referred By	Date Referred	Status
Solid Waste Costs/Revenue/Tax Structure Cost Per Ton; Cost Per Customer Impact of User Fee Structure	Gorton	2-1-11	Waste Management Task Force
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/Ellinger	9-24-10	Procurement Task Force
Activity Based Costing/Financial Efficiency	Lane	1-16-12	1.31.12
Affordable Housing Trust Fund Report	Gorton	4-10-12	9.25.12 & 11.27.12
Financial Implications of the Mayor's Homelessness Commission	Kay	1-29-13	2.19.13
Franchise Fees	Gorton	2-26-13	
Debt Management Policy Review	Stinnett	10-22-13	
Refunding Urban Services Property Tax	Stinnett	11-5-13	
Increasing Certain Parking Fines	Gorton	12-3-13	
Reduce/Eliminate LexArts Financial Support In Exchange for Allowing DAC to Keep Program Revenue	Gorton	12-3-13	
Overview of Tax Increment Financing (TIF) and Role of Legislative and Administrative Bodies	Kay	12-5-13	
Economic Development Partner Agencies	Scutchfield	1-14-14	
Wellness Center & Lease	Stinnett	1-28-14	

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