



Lexington-Fayette Urban County Council

Budget Committee of the Whole (COW)

April 22, 2014

1:00 PM

Council Chambers

Agenda

1. Mayor's Proposed Budget - Revenue, Debt & Capital (1-26)
2. Upcoming Budget COW Meetings (27)



FY2015 Mayor's Proposed Budget Revenue, Debt & Capital

April 22, 2014

Overview

- ❖ UK Center for Business and Economic Research (CBER) Revenue Forecast
- ❖ FY15 Mayor's Proposed Budget - Revenue
- ❖ FY15 Current and Proposed Bonding
- ❖ FY15 Cash Funded Capital





LFUCG Tax Forecasting Model

Center for Business and Economic Research
University of Kentucky

Dr. Christopher Bollinger, Director
Derrick Jennings, Graduate Assistant
Jamie Sharpe, Graduate Assistant

Figure 4: Employment in Lexington MSA

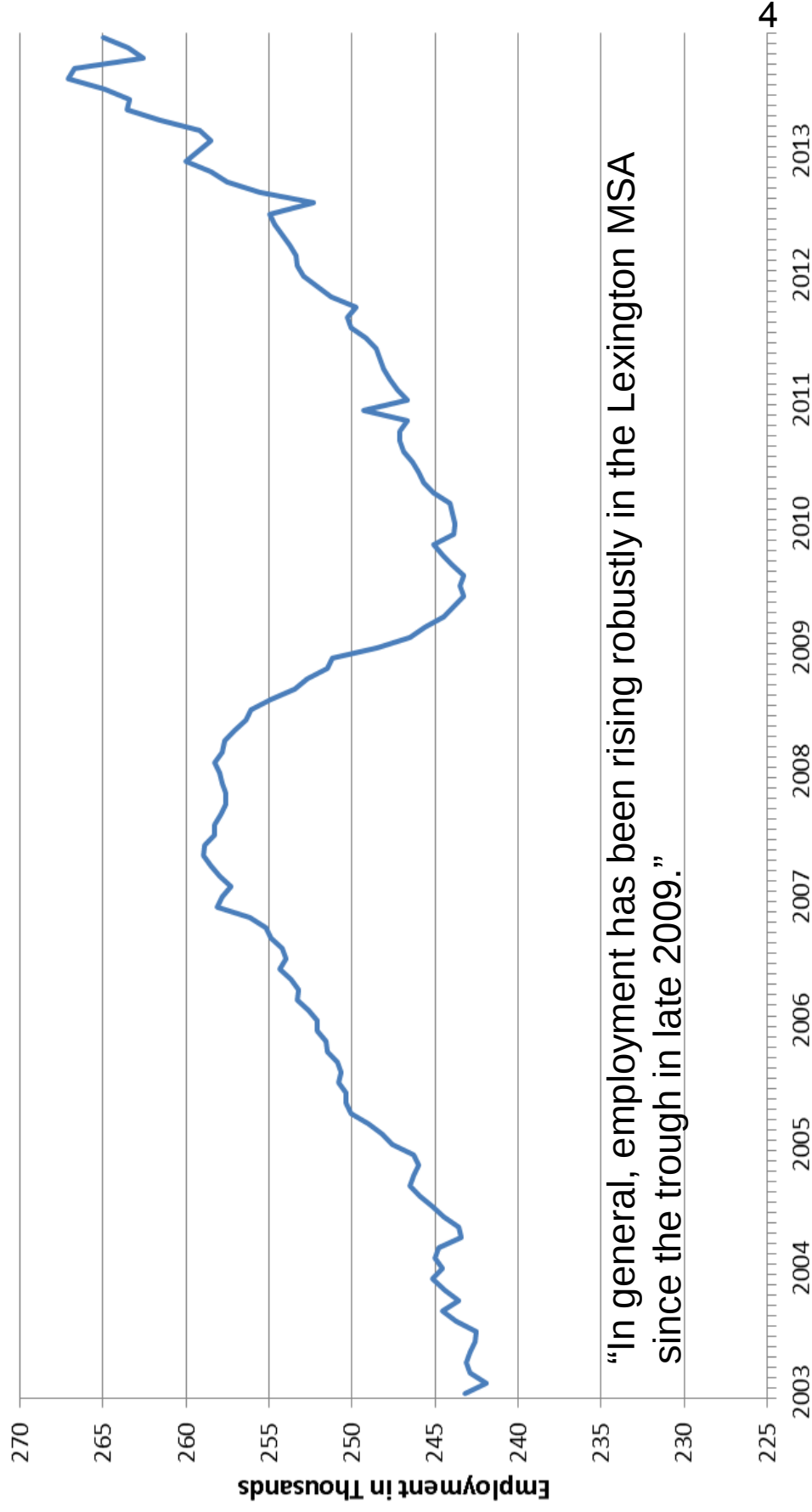


Figure 5: Lexington MSA Wages and Salaries

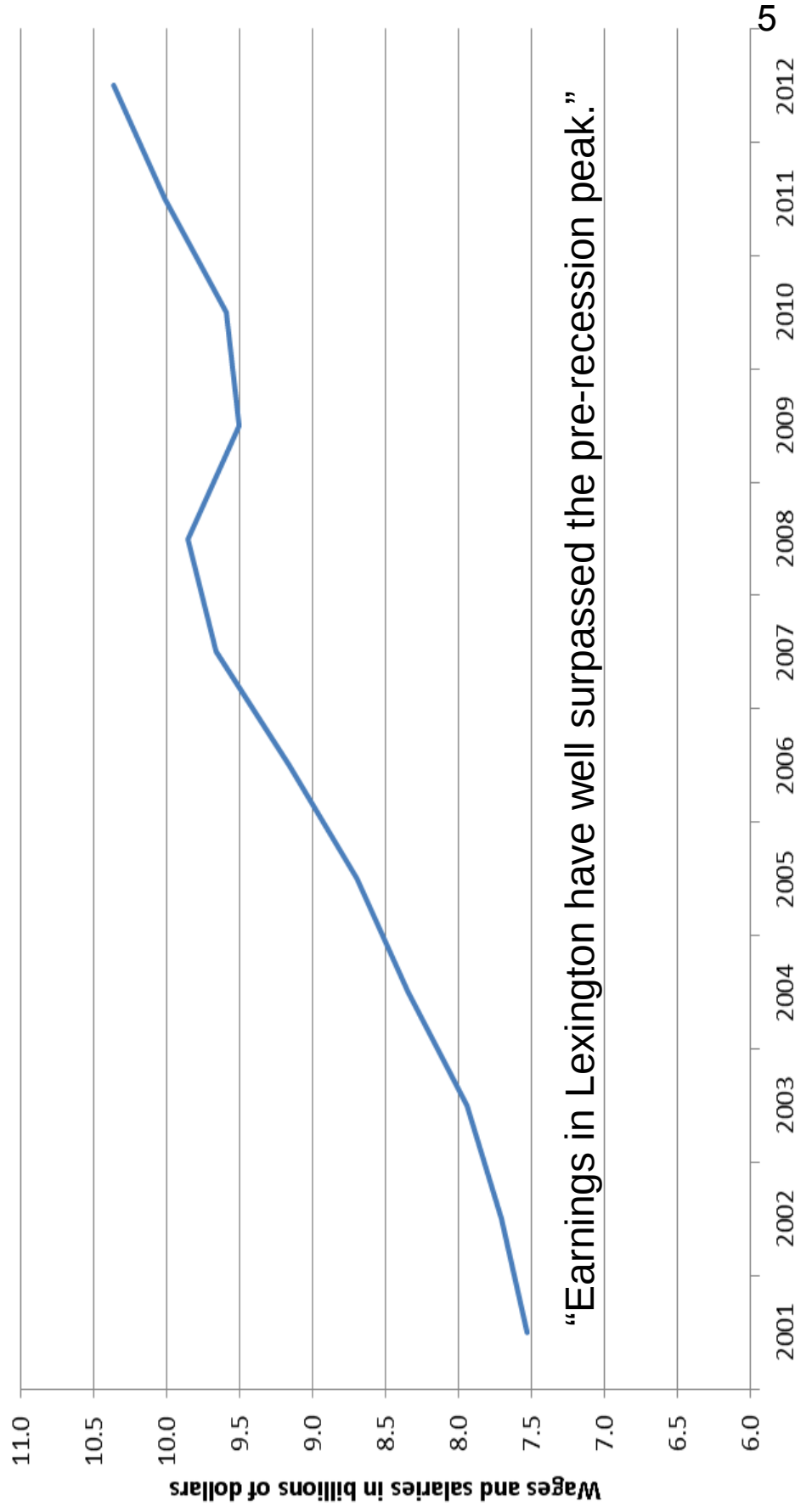


Figure 8: Lexington MSA GDP

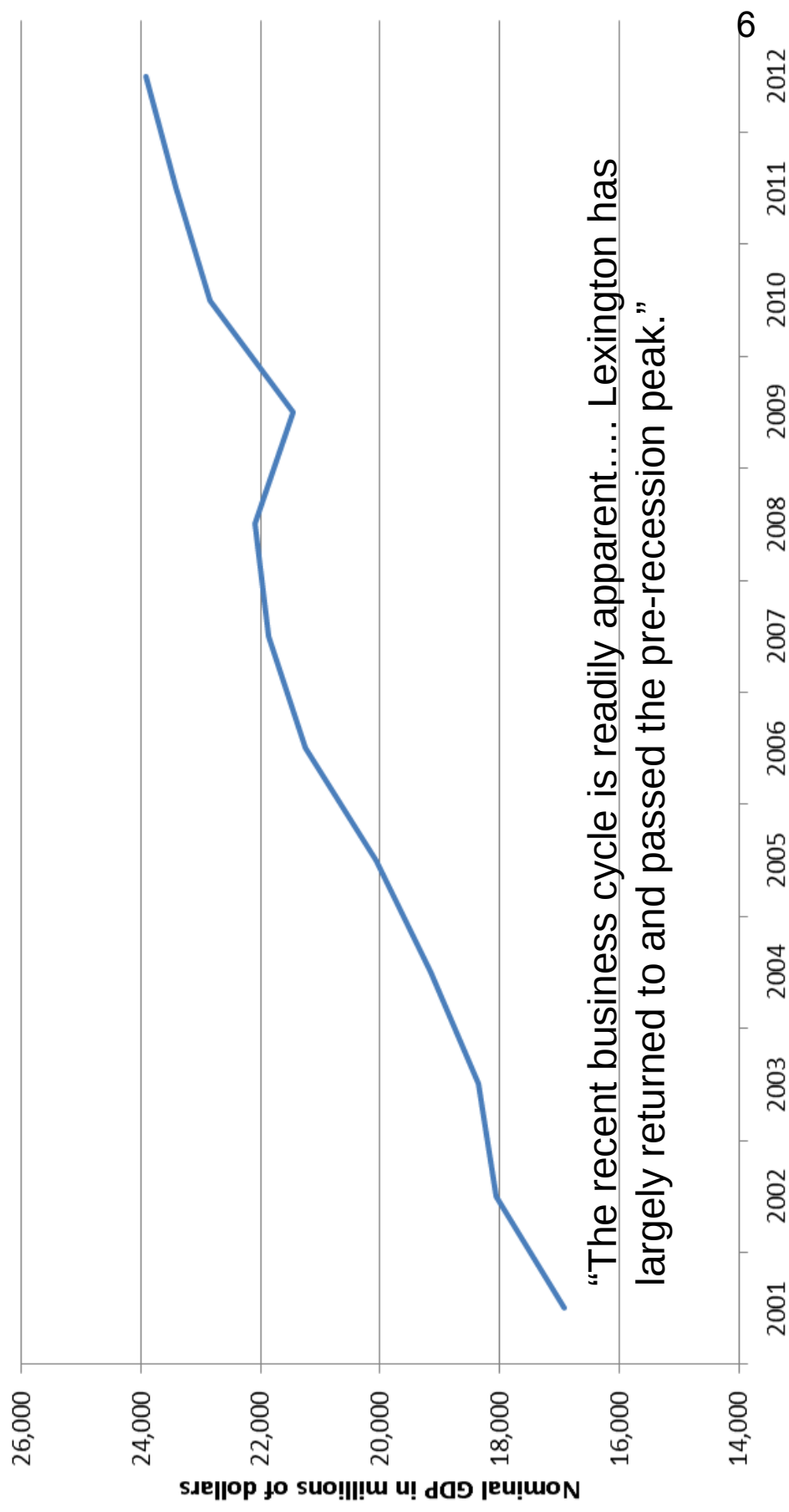


Figure 13: 2014 Occupation Tax Model

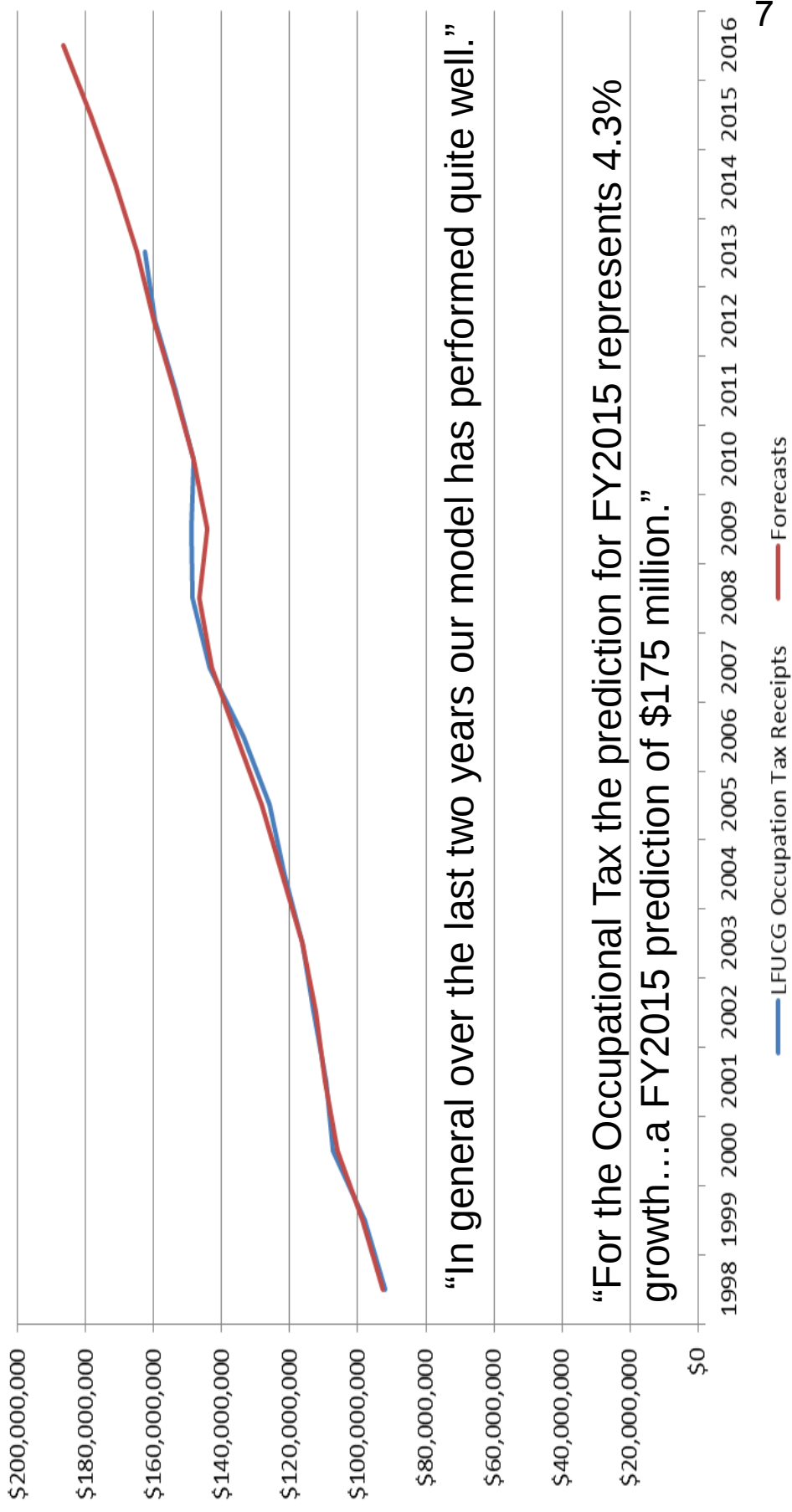


Figure 15: 2014 Net Profits Model

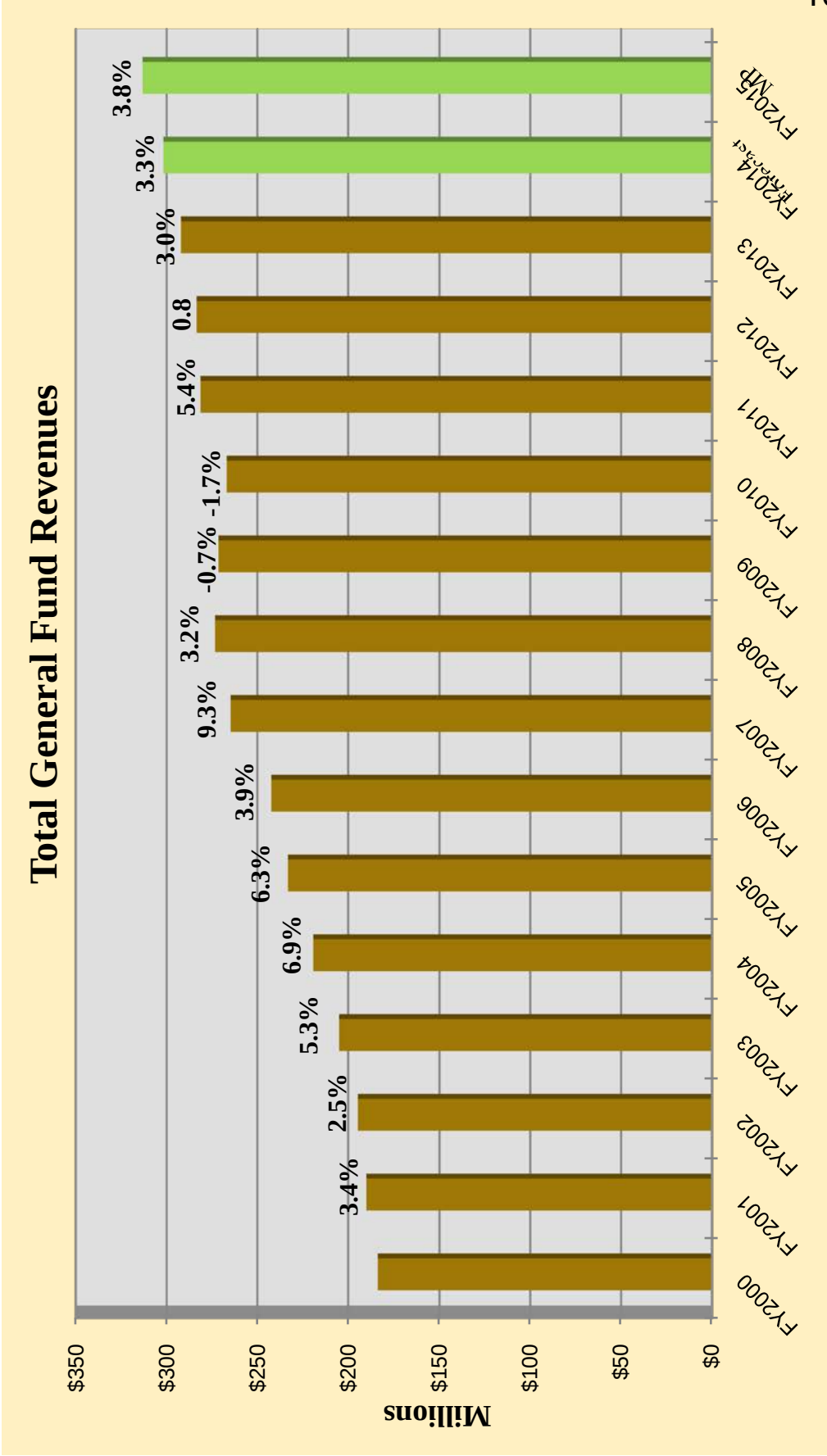


FY2015 Mayor's Proposed Budget

Revenue



FY2015 MPB Revenue – General Fund



FY2015 MPB Revenue – General Fund

- ❖ **Employee Withholding - \$174,750,000**
 - 4.0% increase over FY2014 Projection
 - 5.1% increase over FY2014 Budget
- ❖ Assumes improvement in employment and local economy
- ❖ **Net Profit - \$35,175,000**
 - 5.0% increase over FY2014 Projection
 - 5.4% increase from FY2014 Budget
- ❖ Assumes growth in business activity



FY2015 MPB Revenue – General Fund

- ❖ **Insurance Premium Tax - \$27,000,000**
 - 1.9% increase over FY2014 Projection
 - 1.9% increase over FY2014 Budget
- ❖ Insurance premium tax revenue tends to be cyclical
- ❖ Assumes flat risk rates for state

- ❖ **Franchise Fee - \$21,500,000**
 - 2.4% increase over FY2014 Projection
 - 6.3% increase over FY2014 Budget



FY2015 MPB Revenue – *Urban Service Fund*

- ❖ \$37,119,520 for FY2015
 - 1.4% increase from FY2014 Projection
 - 1.3% increase from FY2014 Budget
- ❖ Reflects 2.1% increase in total Realty Tax revenue
- ❖ Reflects flat commodity sales
- ❖ Transfer from General Fund of \$2.3 million for street light program



FY2015 MPB Revenue – *Sanitary Sewer Fund*

- ❖ \$49,555,430 for FY2015
 - 0.3% decrease from FY2014 Projection
 - 6.6% increase from FY2014 Budget
- ❖ User Fees revenue is flat over FY2014 projection
- ❖ Decrease in interest revenue due to draw down on capital funds
- ❖ \$37.27 million in KIA loan proceeds assumed for capital program



FY2015 MPB Revenue – *Water Quality Fund*

- ❖ \$13,111,250 for FY2015
 - Flat from FY2014 Projection
 - 3.7% decrease from FY2014 Budget
 - No KIA proceeds budgeted in FY2015
- ❖ Reflects flat revenue in User Fees



FY2015 MPB Revenue – *Landfill Fund*

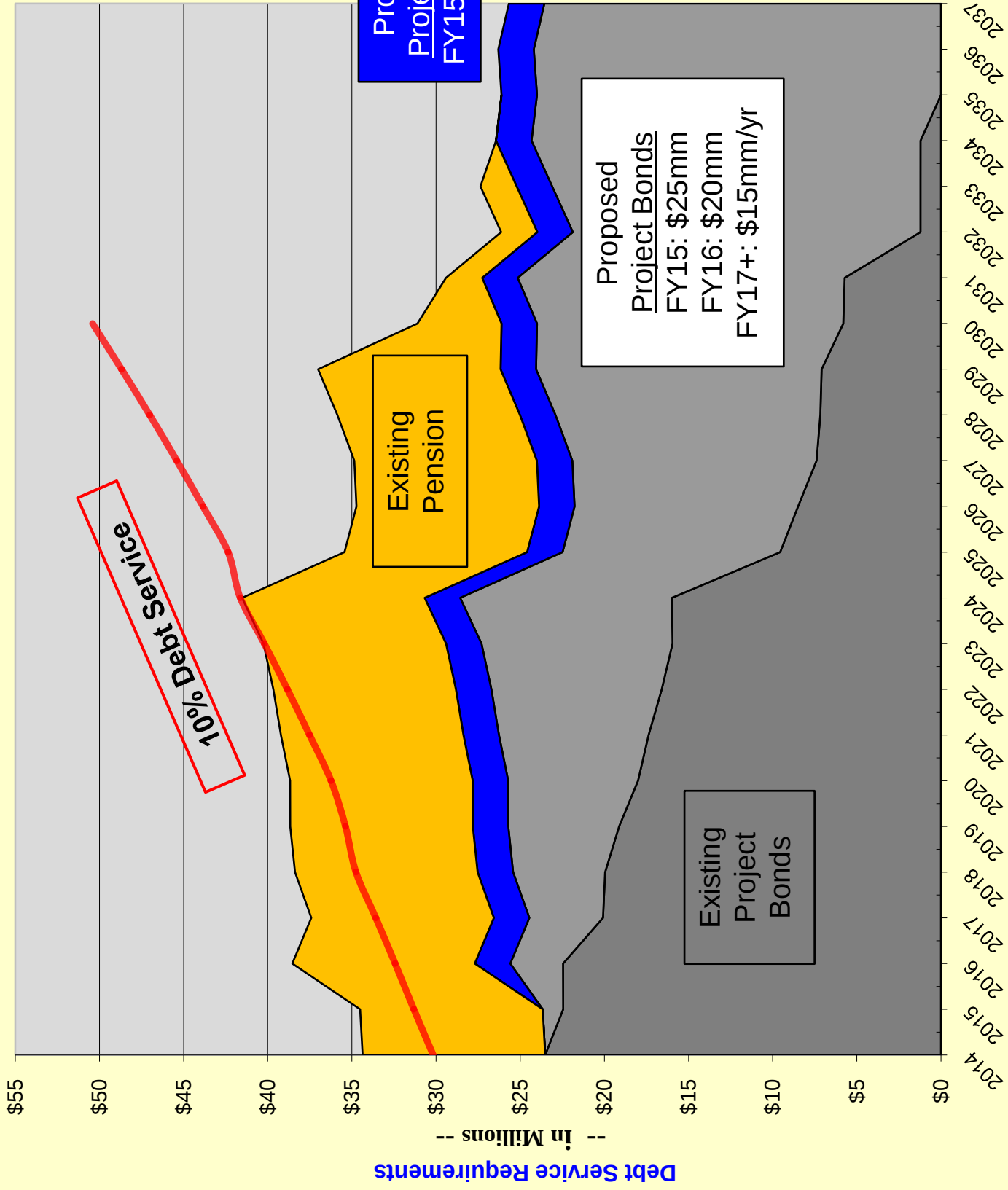
- ❖ \$6,983,600 for FY2015
 - 2.7% increase from FY2014 Projection
 - 0.8% increase compared to FY2014 Budget



FY2015 Mayor's Proposed Budget

Current and Proposed Bonding





FY2015 MPB Bonding - Sewer Fund

- ❖ FY2015 use of \$37 million in KIA loans and cash reserves
- ❖ No new money bond issue
- ❖ Restructure existing sewer bonds to allow more favorable debt covenants
- ❖ Defease existing revenue bond
- ❖ Refund existing Build America Bond
- ❖ Better positions LFUCG to issue debt to support EPA consent decree



FY2015 Mayor's Proposed Budget

Proposed Project Bond



FY2015 MPB Proposed Project Bond - General Fund

DIVISION	Description	FY 2015
Government Communications	Public Safety Ops/Lexcall Center	172,210
Purchase of Development Rights	Purchase of Development Rights	1,000,000
Planning, Preservation & Dev	Accela Software	1,100,000
Computer Services	Storage Area Network	250,000
Computer Services	Network Infrastructure Remediation	1,000,000
Computer Services	Managed Email Solution/Exchange	200,000
Streets and Roads	Sidewalk and Catch Basin Repair of Man-O-War	150,000
Streets and Roads	Sidewalks that are Non-Existent in Developed Areas (Lamont, Loudon, etc.)	100,000
Facilities and Fleet Management	Roof Repair & Replacement	300,000
Facilities and Fleet Management	HVAC Repair & Replacement	350,000
Facilities and Fleet Management	General Repairs	250,000
Facilities and Fleet Management	Infrastructure Improvements	200,000
Facilities and Fleet Management	Life Safety	100,000
Facilities and Fleet Management	Vehicle Replacement	1,000,000
Facilities and Fleet Management	Pothole Patcher	200,000
Revenue	New Tax Revenue System	800,000
Public Safety Administration	Public Safety Ops/Lexcall Center	1,728,000
Community Corrections	Rewrite Jail Management System	1,500,000
Police	Police Patrol Transport Wagon	90,000
Enhanced 911	Public Safety Radio System	2,000,000
Fire	Fire Training Tower	800,000
Social Services Administration	New Senior Center	8,000,000
Parks and Recreation	Shillito Multipurpose Sports Fields	150,000
Parks and Recreation	Carver Center Improvements	190,000
Parks and Recreation	Dugout Replacement	150,000
Parks and Recreation	Aquatics Maintenance	440,000
Fire	Land Acquisition Station #24	250,000
Fire	Relocation Station 2	2,500,000
Central Purchasing	Procurement Website Upgrade	22,500
		24,992,710



FY2015 Mayor's Proposed Budget

Cash Funded Capital



FY2015 MPB Cash Funded Capital

❖ General Fund

○	\$30,000	Coroner – Radio Equipment
○	\$18,500	Council Office – Copy Machine
○	\$13,000	Gov't Communications – Camera
○	\$180,000	Computer Services – Desktop Computers
○	\$100,000	Computer Services – Redundant Network
○	\$6,670	Streets & Roads – Radio Equipment
○	\$25,000	Traffic Engineering – Neighborhood Traffic
○	\$32,400	DEEM – Upgrade Emergency Sirens
○	\$30,000	Fire – Air Cylinders
○	\$250,000	Fire – Mobile Data Computers
○	\$50,000	Arboretum
○	\$50,000	Parks – Woodhill Indoor Sports Complex
○	\$300,000	Parks – Playground Upgrades
○	\$50,000	Parks – ADA Improvements
○	<u>\$100,000</u>	Kentucky Theatre
○	\$1,235,570	Total



FY2015 MPB Cash Funded Capital

❖ Urban Service Fund

○	\$699,120	Gov't Communications – Public Safety Ops/Lexcall
○	\$21,670	Streets & Roads – Radio Equipment
○	\$750,000	Waste Mngmt – Truck Bays
○	\$80,000	Waste Mngmt – Software
○	\$25,000	Waste Mngmt – Zonar Equip Replacement
○	\$131,250	Waste Mngmt – Routeware Equipment
○	\$10,500	Waste Mngmt – Loan A Box
○	\$600,000	Waste Mngmt – Herbie, Rosie, Carts
○	\$350,000	Waste Mngmt – Compost Pond Improvements
○	\$750,000	Waste Mngmt – Concrete Pad Repair
○	\$48,000	Waste Mngmt – Lenny Carts
○	\$300,000	Traffic Engineering – Street Light Installation
○	\$614,000	Fleet – Vehicle Replacement
○	\$370,000	Fleet – Street Sweeper Replacement
○	\$75,000	Fleet – Leaf Vacuum Replacement
○	<u>\$2,900,000</u>	Fleet – Refuse Vehicle Equipment
○	\$7,724,540	Total Urban Service Fund



FY2015 MPB Cash Funded Capital

❖	Road Resurfacing	
0	\$1,216,380	MAP Fund
0	\$500,000	Mineral Severance Fund
0	\$200,000	Coal severance Fund
0	\$300,000	General Fund
0	<u>\$800,000</u>	Reallocation of Coldstream
0	\$3,016,380	Total



FY2015 MPB Revenue, Debt, Capital

QUESTIONS



FY2015 Committee of the Whole Budget Schedule

Description:		Date	Day	Time	Location
Mayor's Proposed Budget		4/8/14	Tuesday	3:00	Chamber
Revenue Projections, Bonding, Debt & Capital Discussion		4/22/14	Tuesday	1:00	Chamber
Discussion/Analysis of Mayor's Proposed Budget		4/29/14	Tuesday	2:00	Chamber
Links Report Out - Order TBD		5/27/14	Tuesday	10:00	Chamber
Public Hearing Mayor's Proposed Budget		5/27/14	Tuesday	3:00	Chamber
Links Recommendations Deadline		5/29/14	Thursday	5:00	Email to VM Gorton, CM Ellinger, Stacey & Connie
Councilmembers Recommendation Deadline		5/30/14	Friday	5:00	Email to VM Gorton, CM Ellinger, Stacey & Connie
Revenue Update/Review Mayor's Late Items/Review					
Links/CM Recommendations		6/5/14	Thursday	3:00	Chamber
Discussion of Proposed Amendments		6/10/14	Tuesday	9:00	Chamber
Ratify Budget/Motion to Place on Docket		6/10/14	Tuesday	3:00	Chamber
1st Reading of Budget		6/17/14	Tuesday	3:00	Chamber
2nd Reading of Budget		6/19/14	Thursday	6:00	Chamber
Council Budget Debriefing		9/25/14	Thursday	3:30	Chamber