Bledsoe
Brown
Farmer
Ford
Kay
Lane
Moloney
Mossotti
Scutchfield
Stinnett

Budget, Finance & Economic Development Committee
January 27, 2015
1:00 p.m.
Agenda

1	Election of Committee Chair
2	Appointment of Vice Chair
3	Summary: Special Budget & Finance Committee, December 9, 2014, p. 1-3
4	Presentation: Monthly Financials; By: Bill O'Mara, Commissioner of Finance, p. 4-16
5	Committee Referrals, p. 17

The budget, finance and economic development committee, to which shall be referred matters relating to the department of finance and administration and the office of economic development respectively, including but not limited to accounting; budgeting; purchasing; revenue; the urban county courts and constitutional officers; fiscal operations of the government; revenues and expenditures of the government; and organization changes which affect the fiscal operations of the government (consideration limited to operational aspects only). 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 reports its findings concerning the same to the mayor and council for appropriate action. Council Rules & Procedures, Section 2.102 (1) Effective January 1, 2015. Adopted by the Urban County Council September 25, 2014.

2015 Meeting Schedule (Meeting Time 1:00 PM Unless Otherwise Noted:

January 27	June 23
February 24	August 25
March 17	September 22
April 28	October 27
May 26	December 1

Special Budget & Finance Committee

December 9, 2014

Summary and Motions

Councilmember Ellinger called the meeting to order at 2:00pm. All members were present except Mossotti. Clarke, Akers and Myers were also present.

1. November 18 Budget Committee of the Whole Summary

Motion by Scutchfield to approve the summary of the November 18 Committee meeting, second Farmer. Motion passed unanimously

2. Wellness Center Update

Jenifer Wuorenmaa stated that the Administration had reviewed the concept of expanding the wellness center as requested by Council. She stated that the facility would combine the existing City Pharmacy and the City medical facility and add to it a wellness physical fitness component, with the overall goal of improving the health of LFUCG employees.

Wuorenmaa stated that currently the City supports and subsidizes the Samuel Brown Health Center and pharmacy and provides discounted YMCA memberships to employees.

Wuorenmaa stated that the new facility would combine the health center, pharmacy and fitness center in one location.

The Administration formed a working group consisting of the CAO Office, Human Resources, Law, Purchasing, Facilities/Fleet, Finance and Benefits Insurance Marketing to direct the process.

Wuorenmaa stated that Law and Facilities/Fleet had re negotiated a new short term lease at the current clinic location at $ 8,350 per month to research the expanded 'wellness center' concept.

Wuorenmaa stated that the work group had drafted a request for information (RFI) and received 2 proposals that met the minimum requirements.

Wuorenmaa stated that it's the Administration's recommendation that we remain in the current location.

In response to a question from Akers, Wuorenmaa stated that the current YMCA employee subsidy is averaging 11,081 per month. She stated that in 2013 the subsidy was $ 128,479 annually.

Stinnett stated that the RFI had too small a geographic boundary. He started that the clinic lease, with janitorial expenses plus YMCA subsidy brought the current cost to over $ 230,000 annually. He stated that Lexington should go forward with a Request For Proposals (RFP) for an employee wellness facility.

In response to a question from Kay, Wuorenmaa discussed the required space requirements including the health clinic, pharmacy and fitness center.

Kay stated that he did not want to reduce the employee incentive to work out and get proper wellness coaching. Kay agreed with Stinnett that the wellness center concept was best.

Myers stated that he wanted the RFP to include minimum programming requirements if we thought they were so needed.

Clarke suggested that it be kept at 2 separate ideas, one health clinic/pharmacy and the other a fitness center. He stated that parties could bid on either or both ideas but that they didn't need to be combined.

Myers stated that he disagreed with Clarke and thought there was considerable benefit to the partnership of combining the elements into a wellness center.

Motion by Stinnett to direct the Administration to draft and circulate the expanded wellness center concept, second Myers. Motion passed unanimously.

In response to a question from Ellinger, Wuorenmaa stated that responses should be back by late January for review and a proposal brought to Council by early Spring.

3. AOC Reimbursement Policy Update

Jamshid Baradaran updated the Committee on the AOC reimbursement policy for maintenance expenditures at the Courthouse complex. He reminded the Committee that the AOC had recently capped the courthouse maintenance expense to $ 4 per square foot at the Courthouses across the State.

Baradaran stated that they have met with AOC representatives on at least 3 occasions. In addition that have completed an office inventory of the Courthouses and re negotiated the janitorial services with the current vendor.

He stated that due to the enhanced diligence expenses should remain below the $ 4 per square foot threshold for the remainder of the fiscal year.

Baradaran also stated that Lexington can assess a surcharge on all Court fees to re coup maintenance and capital replacement expenses.

In response to a question from Stinnett, Baradaran stated that the janitorial services for both Courthouses are bid as one project.

In response to a question from Ellinger, Baradaran stated that he will come back to the Committee at the conclusion of the fiscal year for an update.

4. **Items in Committee**

Motion by Gorton to remove the "AOC Reimbursement Policy" item from the Committee referral list, second Scutchfield. Motion passed unanimously.

Gorton requested that Stinnett take sponsorship of the Solid Waste Expenditure item.

The meeting adjourned at 2:45 pm.

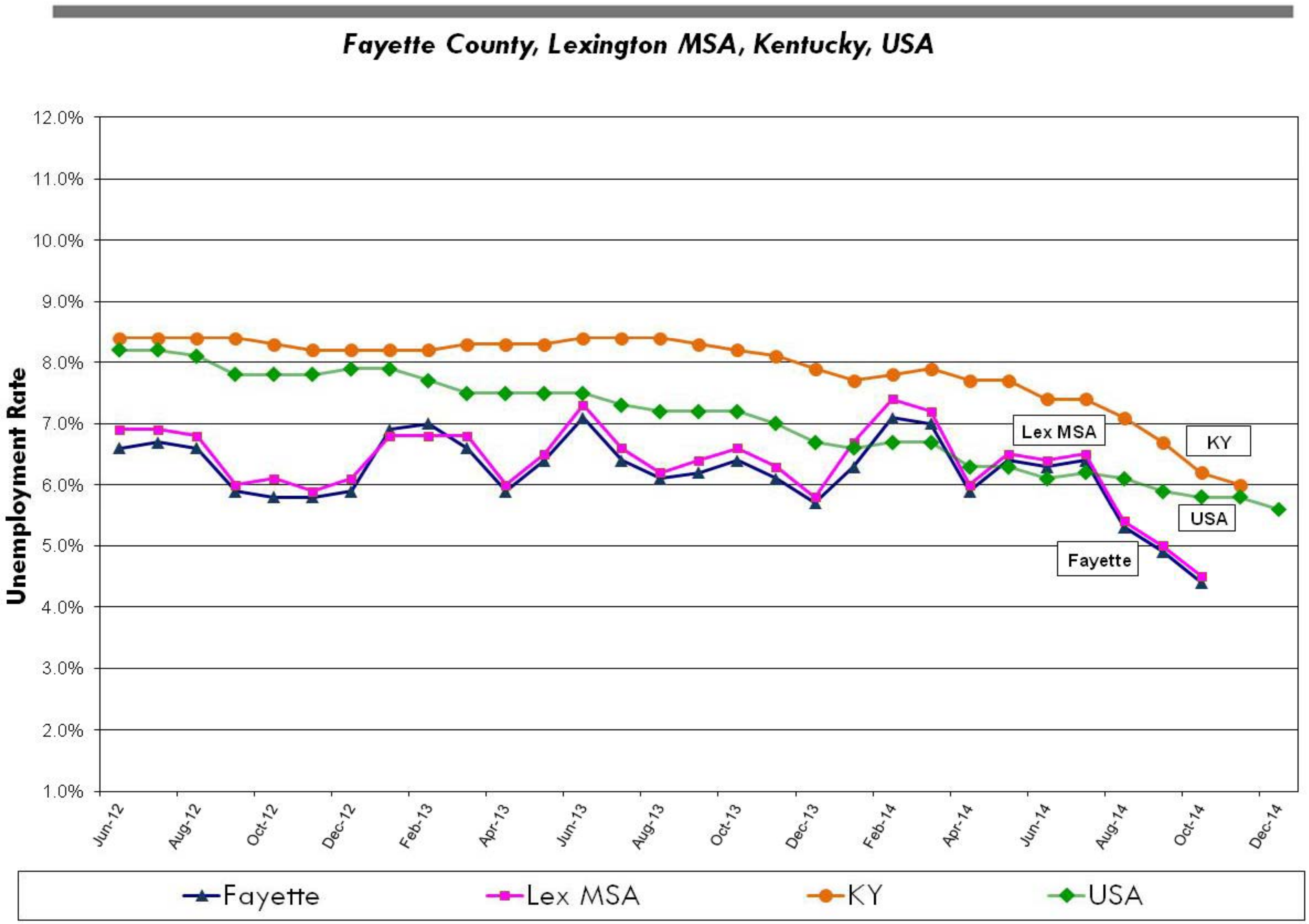
PAS 12.22.14

Budget, Finance & Economic Development Committee

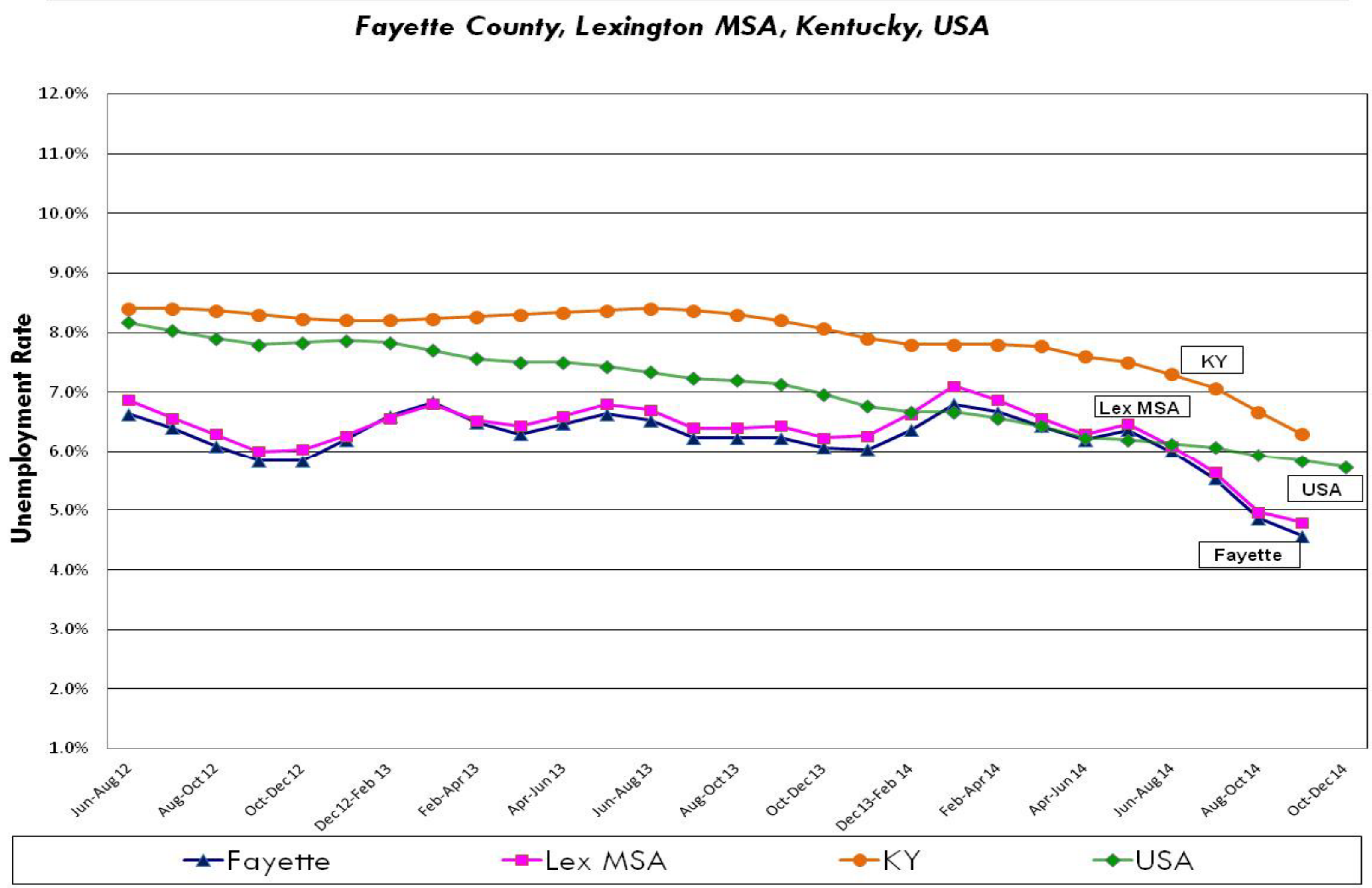
Financial Update

January 27, 2015

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 County	2013	6.9%	7.0%	6.6%	5.9%	6.4%	7.1%	6.4%	6.1%	6.2%	6.4%	6.1%	5.7%
Unemployment Rate	2014	6.3%	7.1%	7.0%	5.9%	6.4%	6.3%	6.4%	5.3%	4.9%	4.4%	4.4%	-
Quarterly Fayette County	2013	-	-	178,300	-	-	180,300	-	-	182,600	-	-	189,300
Employment	2014	-	-	180,000	-	-	184,700	-	-	N/A	-	-	N/A
Fayette County Permits	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	999	931	1,461	1,815	1,660	1,696	1,529	1,399	1,605	1,058	1,112
Fayette County New	2013	218	258	339	634	456	222	152	218	183	285	195	164
Business Licenses	2014	244	280	366	807	279	187	194	213	219	242	158	137
Home Sales (MSA)	2013	511	541	758	809	984	956	1,075	1,009	829	790	725	618
	2014	524	517	693	787	N/A	1,069	1,006	1,021	854	860	681	794
Fayette County	2013	79	44	46	42	38	54	89	52	41	47	39	45
Foreclosures	2014	31	40	34	53	16	53	35	25	46	25	42	25

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

December 2014 MTD
Actual Compared to Adopted Budget

December 2014 Monthly Actual Compared to Adopted Budget

Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	13,271,349	14,497,345	(1,225,996)	-8.5%
OLT - Net Profit	3,297,376	3,170,266	127,110	4.0%
Insurance	(4,813)	14,638	(19,451)	-132.9%
Franchise Fees	1,510,055	1,409,576	100,479	7.1%
TOTALS	18,073,966	19,091,825	(1,017,859)	-5.3%

December 2014 YTD
Actual Compared to Adopted Budget

December YTD Actual Compared to Adopted YTD Budget

Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	84,367,805	86,018,606	(1,650,801)	-1.9%
OLT - Net Profit	10,364,562	9,941,299	423,263	4.3%
Insurance	13,920,240	13,101,076	819,164	6.3%
Franchise Fees	10,672,094	8,870,623	1,801,471	20.3%
TOTALS	119,324,701	117,931,604	1,393,097	1.2%

December 2014 YTD/December 2013 YTD
Current Year Compared to Prior Year

Actual YTD Compared to Actual Prior YTD

Revenue Category	Dec '14 YTD	Dec '13 YTD	Variance	% Var
OLT- Employee Withholding	84,367,805	81,681,116	2,686,689	3.3%
OLT - Net Profit	10,364,562	9,529,043	835,520	8.8%
Insurance	13,920,240	13,177,536	742,705	5.6%
Franchise Fees	10,672,094	8,930,283	1,741,811	19.5%
TOTALS	119,324,701	113,317,977	6,006,724	5.3%

FY 2015 Code Enforcement
Nuisance Abatement/Lien Collections

Code Enforcement Lien Collections

Month	Administrative Collection Fees		Miscellaneous		Penalty & Interest		Total Collections	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
July	1,601	1,875	1,690	1,366	37,790	35,459	41,081	38,700
August	877	1,950	1,432	1,489	48,014	53,878	50,323	57,317
September	1,275	1,475	993	1,568	32,299	57,003	34,567	60,046
October	1,275	1,575	1,040	1,305	22,962	38,168	25,277	41,048
November	825	525	1,198	572	15,340	7,892	17,363	8,989
December	525	975	2,157	884	44,938	25,904	47,620	27,763
Totals	6,378	8,375	8,510	7,184	201,342	218,304	216,230	233,863

2015 Fiscal Year - Cash Flow Variance Revenue (Actual to Budget)

For the six months ended Dec 31, 2014	ACTUAL	BUDGET	Variance
Revenue			
Payroll Withholding	$84,367,805	$86,018,606	($1,650,801)
Net Profit	10,364,562	9,941,299	423,263
Insurance	13,920,240	13,101,076	819,164
Franchise Fees	10,672,094	8,870,623	1,801,471
Other Licenses & Permits	3,384,175	2,919,009	465,166
Ad Valorem	17,875,001	17,504,156	370,846
Services	11,195,143	10,717,266	477,877
Fines and Forfeitures	138,870	123,596	15,274
Property Sale	100,580	24,545	76,035
Intergovernmental	205,541	278,302	(72,760)
Investment Income	447,861	140,000	307,861
Other Financing Sources	100,000	100,000	
Other Income	1,955,847	1,000,724	955,122
Total Revenue	**$154,727,720**	**$150,739,201**	**$3,988,519**

2015 Fiscal Year - Cash Flow Variance Expense (Actual to Budget)

For the six months ended Dec 31, 2014	ACTUAL	BUDGET	Variance
Expenses			
Personnel	($84,667,577)	($88,807,269)	$4,139,692
Operating	(18,698,489)	(22,335,770)	3,637,281
Debt Service	(14,593,263)	(14,789,045)	195,782
Partner Agencies	(9,154,024)	(9,262,322)	108,299
Insurance - Expense	(1,017,203)	(1,017,202)	(0)
Operating Capital Expenditures	(475,136)	(232,855)	(242,281)
Total Expenses	**(128,605,692)**	**(136,444,464)**	**7,838,772**
Interfund Transfers			
Transfers	(781,083)	(1,229,920)	448,837
Change in Net Position	**25,340,944**	**13,064,817**	**12,276,128**

2015 Fiscal Year - Cash Flow Variance Revenue (CY to PY)

Current YTD Actual compared to Prior YTD Actual	Dec 2014	Dec 2013	Variance
Revenue			
Payroll Withholding	$84,367,805	$81,681,116	$2,686,689
Net Profit	10,364,562	9,529,043	835,520
Insurance	13,920,240	13,177,536	742,705
Franchise Fees	10,672,094	8,930,283	1,741,811
Other Licenses & Permits	3,384,175	3,544,736	(160,562)
Ad Valorem	17,875,001	17,627,706	247,295
Services	11,195,143	11,298,886	(103,742)
Fines and Forfeitures	138,870	132,035	6,835
Property Sale	100,580	32,993	67,587
Intergovernmental	205,541	676,556	(471,015)
Investment Income	447,861	(382,635)	830,496
Other Financing Sources	100,000	100,000	
Other Income	1,955,847	1,497,299	458,548
Total Revenue	**$154,727,720**	**$147,845,553**	**$6,882,166**

2015 Fiscal Year - Cash Flow Variance Expense (CY to PY)

Current YTD Actual compared to Prior YTD Actual	Dec-2014	Dec-2013	Variance
Expenses			
Personnel	($84,667,577)	($83,039,487)	($1,628,090)
Operating	(18,698,489)	(16,890,755)	(1,807,734)
Debt Service	(14,593,263)	(14,900,286)	307,023
Partner Agencies	(9,154,024)	(8,783,028)	(370,996)
Insurance - Expense	(1,017,203)	(1,017,758)	555
Operating Capital Expenditures	(475,136)	(816,432)	341,296
Total Expenses	**(128,605,692)**	**(125,447,745)**	**(3,157,947)**
Interfund Transfers			
Transfers	(781,083)	(752,743)	(28,340)
Change in Net Position	**25,340,944**	**21,645,065**	**3,695,880**

- Questions ?

Budget & Finance Committee Referrals

Item	Referred By	Date Referred	Status
Solid Waste Costs/Revenue/Tax Structure	Stinnett	2-1-11	Waste Management Task Force
Cost Per Ton; Cost Per Customer			
Impact of User Fee Structure			
Activity Based Costing/Financial Efficiency	Lane	1-16-12	1.31.12
Wellness Center & Lease	Stinnett	1-28-14	Dec Committee Meeting
Lyric Financial Audit	General Services Link	7-10-14	Sept Committee Meeting

12.16.14

Economic Development Committee of the Whole

Item	Referred By	Date	Status
Quarterly Development Report	Stinnett	2-28-11	
Collaboration Strategy Among Economic Development Agencies	General Services Links	6-17-13	
Jobs Program Review	Mossotti	1-14-14	
DDA 10-Year Development Plan	General Services Links	7-10-14	

PAS 12.16.14