Stinnett, Chair
Moloney, Vice Chair
Kay
Lamb
Farmer
Scutchfield
F. Brown
Mossotti
Bledsoe
Hensley

A G E N D A
Budget, Finance & Economic Development Committee
December 1, 2015
1:00 P.M.

1. **Approval of October 27, 2015 Committee Summary** (1 - 5)
2. **October Financials General Fund** (6 - 18)
3. **Urban Services Fund – Street Light Funding (Stinnett)** (19 - 26)
4. **Economic Contingency Fund – Update (Farmer)** (27 - 36)
5. **Items Referred to Committee** (37)

"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 selected 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, 2015. Adopted by the Urban County Council, September 25, 2014.

<u>2015 Meeting Schedule</u>

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

Budget, Finance & Economic Development
October 27, 2015
Summary and Motions

Chair Stinnett called the meeting to order at 1:01 p.m. Committee Members Kay, Lamb, Farmer, Scutchfield, F. Brown, Mossotti, Bledsoe, and Hensley were in attendance. Committee Member Moloney was absent. Council Members Evans, J. Brown and Gibbs were also in attendance.

I. September 22, 2015 Committee Summary

A motion was made by Farmer to approve the September 22, 2015 Budget, Finance & Economic Development Committee, second by F. Brown. The motion passed without dissent.

II. September Financials General Fund

Commissioner Bill O'Mara gave a presentation of the September General Fund. Rusty Cook, Director of Revenue, gave a presentation of the top four revenue streams.

Kay inquired about an increase in Revenue from September to October and Cook replied that he will report an answer back to Council.

Melissa Lueker gave an update of Revenue.

Mossotti inquired about the negative $504,069 variance in Franchise Fees. Cook replied they increased their budget, and noted they are seeing benefit from the electric rate fee increase and that the other utilities are flat. Mossotti inquired if the City is meeting its goals for the franchise fees and Cook replied that they are, but they had more aggressive plan for 2015.

Bledsoe inquired about the increase in property sales. Lueker stated it is difficult to budget for this item because they never know what they may sell in a given year. Bledsoe stated she would like to know what items had been sold and Lueker stated she will send this information to her.

III. Monthly Budget Report Other Funds

There was no discussion on the item.

IV. Contingency Fund

Tyler Scott, from Finance, gave a presentation of the Contingency Fund.

Farmer inquired if it is unusual to cap these funds. Scott stated their research shows it is split 50%-50% and noted a cap of around 10% is common. Farmer also inquired why FY 2010 data was used. Scott stated it was the year in which the funds were considered for use. Farmer inquired about the “reasonable adjustment of the budget” requirement. Scott stated it is a provision to identify areas of the budget to be adjusted before using the Contingency Fund.

F. Brown inquired about the $4.6M and if this is a recommendation from Administration. Scott stated it is and that the number would bring the fund to its 10% goal within the current fiscal year. O’Mara informed that their research shows that the current terms were too restrictive and stated they would like for Council to revisit the ordinance. F. Brown stated he disagrees with the recommendation and believes a new ordinance is needed.

Stinnett inquired about the difference in interest rates for AAA and an AA1 rating. O’Mara stated the difference between AA and AA+ it is about a half of a percentage difference.

Bledsoe inquired what it takes to move from an AA to an AAA rating. O’Mara replied that those discussions are not public, but noted that several factors are considered including pension obligations.

Farmer stated he would like to see additional language added to the ordinance that would provide a rolling General Fund balance as a 10% minimum and to change the methodology for calculating the contribution based on a 10% minimum.

F. Brown stated he feels the intention of the motion is good, but it is a “piecemeal” approach. He stated the discussion should be placed into Committee and there needs to be conversation about other areas of need, such as paving and infrastructure, that do not have dedicated funding.

Kay stated he would like to see the cap at 10% as a maximum and does not support the motion.

Hensley stated he would support a motion to cap at a 10% minimum, noting he feels the amount is not proportionate compared to the state’s contingency fund.

Mossotti stated she would like to see consistency in the yearly contribution and feels this will need to be discussed at some point going forward.

Scutchfield asked for clarification about the 10% number in the motion. Farmer stated they can decide at a later point to add to the fund.

In response to a question from Bledsoe, O’Mara stated the bonding agencies look at a City’s goal, and if there is movement towards that goal, in addition to total liquidity and the overall growth of cash flow.

Kay reiterated that the General Funds are much larger than the Contingency Fund and that bond rating agencies look at all funds as a whole, noting the size of the Contingency Fund is not as significant, in that case.

A motion was made by Farmer to add additional language to the ordinance that would provide a rolling General Fund balance of a 10% minimum and to change the methodology for figuring the contribution based on the 10%, seconded by F. Brown. The motion failed by a 8-1 vote. (Nay: Bledsoe, F. Brown, Kay, Mossotti, Stinnett, Scutchfield, Lamb, and Hensley Yay: Farmer)

A motion was made by Farmer to have language drafted that would change the access requirement from a calculation test to Council approval, seconded by Hensley. The motion passed without dissent.

V. FY 15 Fund Balance

Bill O'Mara, Commissioner of Finance, gave a presentation of the FY 15 Fund Balance.

In response to a question about the CAFR from Stinnett, O'Mara replied they would like to proceed by Council's wishes.

F. Brown inquired about the Qualified Energy Bond and O'Mara informed it is a required reserve. There was discussion about the line for the 27th Payroll and O'Mara informed that it occurs every 7 years. In addition, F. Brown stated he is not supportive of the Additional 2015 Calculation for the Contingency Fund. At F. Brown's inquiry, O'Mara stated the Health Insurance total was recommended by advisors for unexpected expenses. There was further discussion about the Unassigned Fund Balance.

Bledsoe inquired if there is a target for the Litigation Fund. O'Mara stated it is a discussion each year and is dependent on the number of current suits.

Stinnett requested clarification of the intention for the Unassigned Fund Balance amount. O'Mara stated he has recommended the Unassigned Fund Balance be sufficient to cover whatever the budgeted Fund Balance is, noting $2.5M rolled purchase orders and $500,000 for unanticipated expenses, noting it is very similar to last year.

Lamb inquired if the $4.6 M is approved if they still intend to have monthly increases to the Contingency Fund. O'Mara stated the current ordinance requires them to add $50,000 per month and they will continue to do that unless Council amends the ordinance.

Farmer inquired if Council were to remove the $4.6 M if it would become part of the Non-Recurring uses Assignments, which Stinnett affirmed.

Stinnett stated he is not in support of the amendment to the motion, and that he feels it is important to reach the 10% goal they have worked towards and have discussion about the ordinance.

Mossotti stated once the $4.6M is spent it is gone and noted concerns that it cannot be used as the Contingency Fund is currently set up. Stinnett noted the upcoming discussion to change the trigger for use of the fund in December.

F. Brown stated his agreement with Mossotti's comment.

Kay stated changing the use of the fund does not mean it will have to be spent.

F. Brown read some prepared remarks in favor of a plan to fund paving and his reasons for not supporting the Recommended Additional Contingency Fund.

Mossotti inquired about the $11.5M for Litigation Reserve and there was discussion. David Barberie, from Law, stated they could provide more information during a Closed Session.

Lamb inquired about the additional 2015 Calculation and if this is in the ordinance. O'Mara stated that by Ordinance they track the changes to the Fund Balance.

A motion was made by Kay to Approve As Amended accept all items as recommended by the administration for Fund Balance consideration as follows: 1) Additional 2015 Calculation to Economic Contingency fund $1,052,932, 2) Recommended additional contingency $2,300,000, 3) Litigation Reserve $11,500,000, 4) Health Insurance Reserve $3 million, 5) Unassigned fund balance $4,273,341 and 6) non-recurring uses and assignments $4,700,000., seconded by Bledsoe. The motion passed with a 8 - 1 vote. (Yay: Bledsoe, Kay, Mossotti, Stinnett, Scutchfield, Farmer, Lamb, Hensley Nay: F. Brown)

A motion was made by Kay to amend to delete the additional $4.6 Million addition to Economic Contingency fund, seconded by F. Brown. The motion failed with a 4 - 5 vote. (Yay: F. Brown, Kay, Mossotti, Farmer Nay: Bledsoe, Stinnett, Scutchfield, Lamb, Hensley)

A motion was made by Lamb to amend half of the $4.6 M ($2.3M), seconded by Farmer. The motion passed with a 5-4 vote. (Yay: Kay, Mossotti, Scutchfield, Farmer, Lamb Nay: Bledsoe, F. Brown, Stinnett, Hensley)

A motion was made by Farmer to approve report out the Fund Balance portion at Work Session today, seconded by Bledsoe. The motion passed with an 8 - 1 vote. (Yay: Bledsoe, Kay, Mossotti, Stinnett, Scutchfield, Farmer, Lamb, Hensley Nay: F. Brown)

VI. Items Referred

A motion was made by F. Brown to remove Solid Waste User Fee Structure from Committee, seconded by Farmer. The motion passed without dissent.

A motion was made by F. Brown to remove the Quarterly Development Reports from Committee, seconded by Lamb. The motion passed without dissent.

A motion was made by Bledsoe to remove World Trade Center: Data on Business Assisted/Others from Committee, seconded by Farmer. The motion passed without dissent.

A motion was made by F. Brown to adjourn, seconded by Bledsoe. The motion passed without dissent.

The meeting was adjourned at 2:35 p.m.

D.S. 10.27.2015

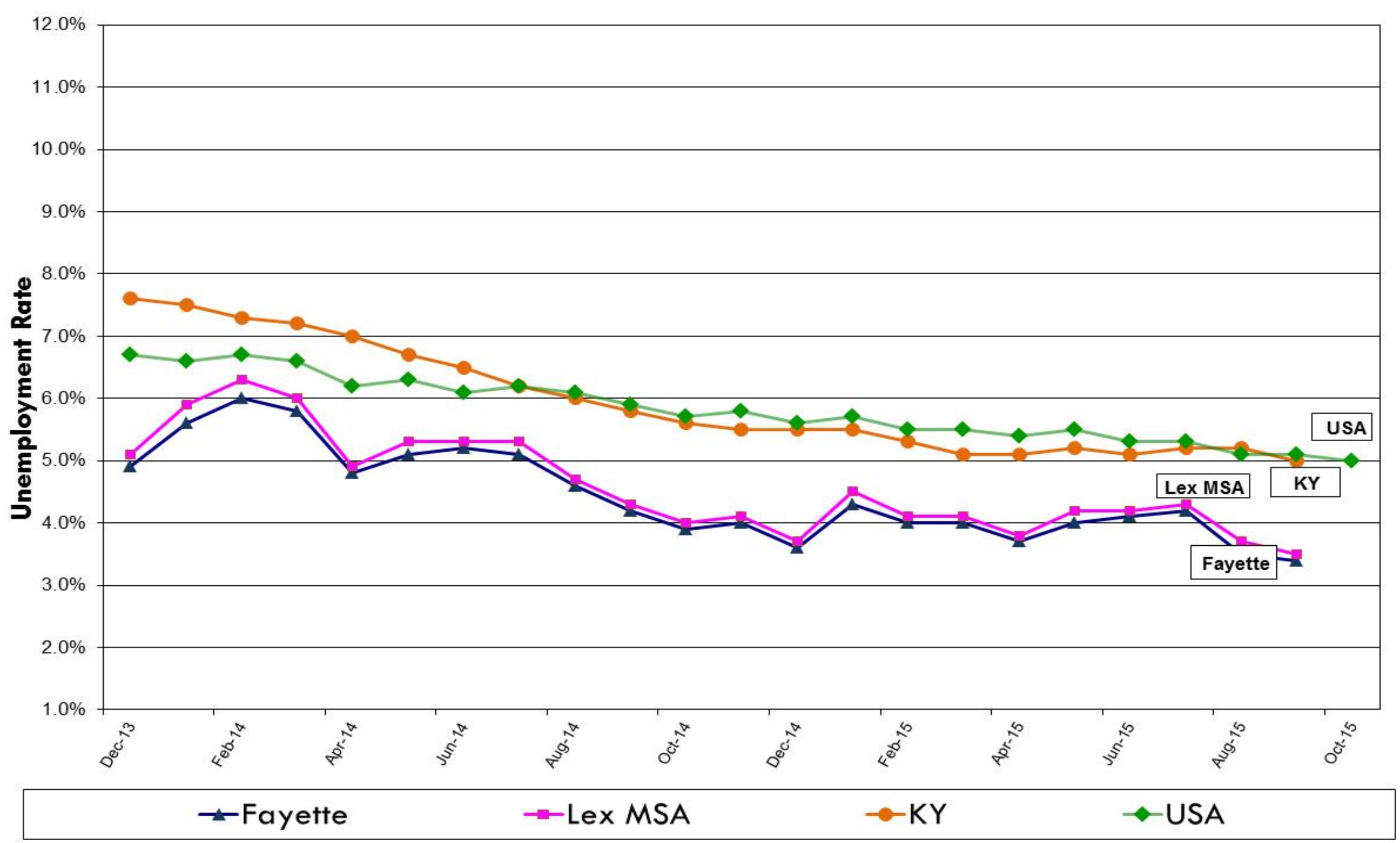
Budget, Finance & Economic Development Committee

Financial Update

December 1, 2015

Comparative Unemployment Rates

Fayette County, Lexington MSA, Kentucky, USA



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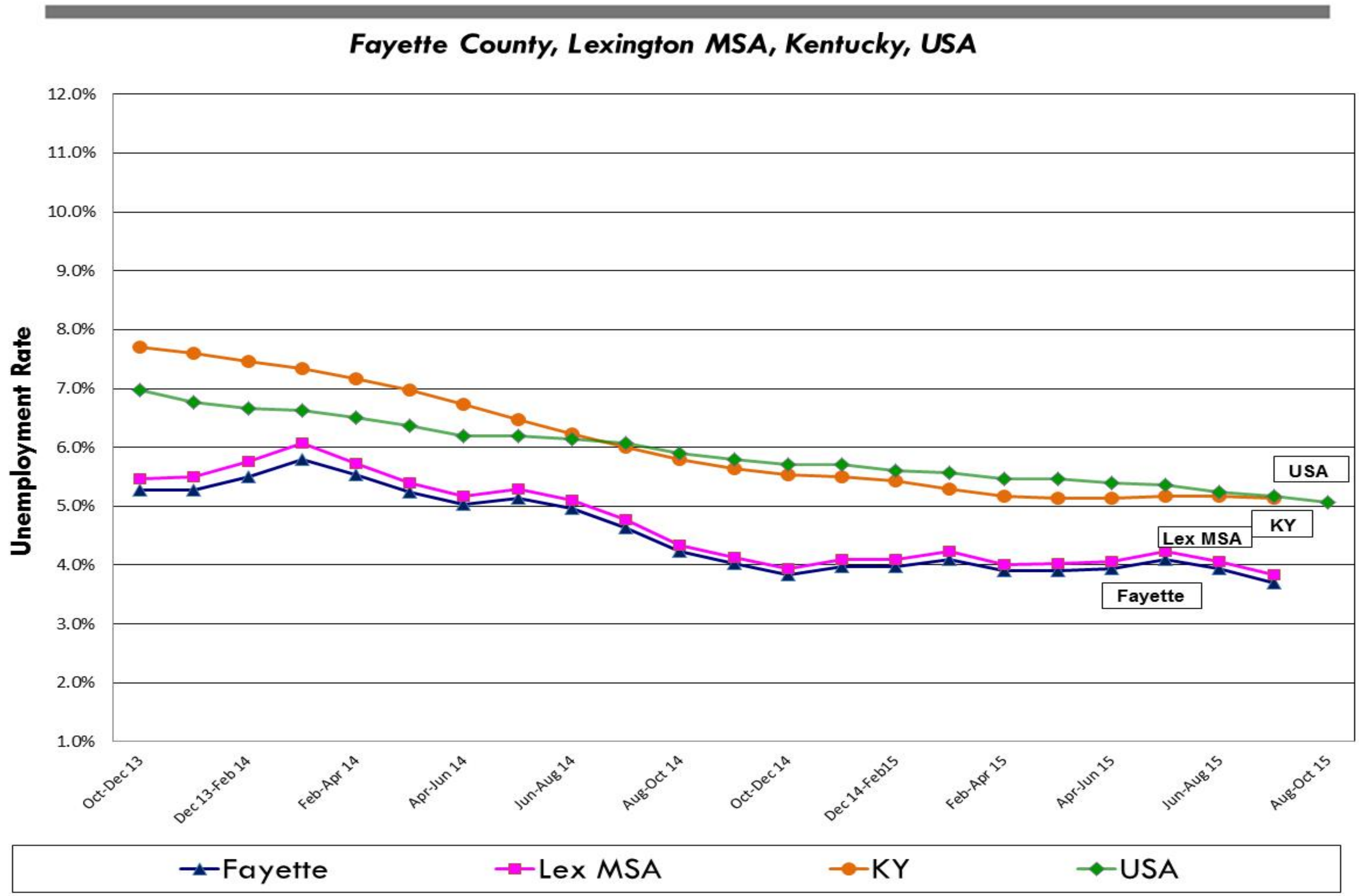
Comparative Unemployment Rates
Three Month Moving Average



Comparison of Economic Indicators 2014 / 2015

Comparison of Economic Indicators

Economic Indicators		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fayette County	2013	6.3%	6.3%	6.1%	5.5%	5.9%	6.5%	6.0%	5.8%	5.7%	5.6%	5.3%	4.9%
Unemployment Rate	2014	5.6%	6.0%	5.8%	4.8%	5.1%	5.2%	5.1%	4.6%	4.2%	3.9%	4.0%	3.6%
	2015	4.3%	4.0%	4.0%	3.7%	4.0%	4.1%	4.2%	3.5%	3.4%	N/A		
Quarterly Fayette County	2013	-	-	178,300	-	-	180,245	-	-	182,935	-	-	189,560
Employment	2014	-	-	180,078	-	-	184,553	-	-	184,658	-	-	191,287
	2015	-	-	184,932	-	-	N/A	-	-	N/A	-	-	N/A
Fayette County Permits Issued	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
	2015	1,134	1,858	1,019	1,108	1,431	1,551	1,319	1,523	1,595	1,394	-	-
Fayette County New Business	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
	2015	197	224	330	749	362	198	198	283	260	282	-	-
Home Sales (MSA)	2013	511	541	758	809	984	956	1,075	1,009	829	790	725	618
	2014	524	517	693	787	997	1,069	1,006	1,021	854	860	681	794
	2015	571	651	884	963	1,140	1,346	1,334	1,165	1,072	1,054	-	
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
	2015	33	20	36	24	18	43	18	41	12	43	-	-

N/A indicates information not available.

BLS Releases Date for Fayette Co. Quarterly Employment - 6 months after quarter end

October 2015 MTD
Actual Compared to Adopted Budget

October 2015 Monthly Actual Compared to Adopted Budget

Revenue Category	Actual MTD	Budget MTD	Variance	% Var
OLT- Employee Withholding	9,011,482	6,777,877	2,233,605	33.0%
OLT - Net Profit	1,250,323	1,179,480	70,843	6.0%
Insurance	3,139,546	2,897,796	241,750	8.3%
Franchise Fees	2,195,705	1,894,931	300,774	15.9%
TOTALS	15,597,056	12,750,084	2,846,972	22.3%

October 2015 YTD
Actual Compared to Adopted Budget

October YTD Actual Compared to Adopted YTD Budget

Revenue Category	Actual YTD	Budget YTD	Variance	% Var
OLT- Employee Withholding	54,580,142	50,876,301	3,703,841	7.3%
OLT - Net Profit	7,165,450	6,330,310	835,140	13.2%
Insurance	10,270,610	9,762,489	508,121	5.2%
Franchise Fees	7,822,232	8,085,537	(263,305)	-3.3%
TOTALS	79,838,434	75,054,637	4,783,797	6.4%

October 2015 YTD/October 2014 YTD Current Year Compared to Prior Year

Actual YTD Compared to Actual Prior YTD

Revenue Category	Oct 2015 YTD	Oct 2014 YTD	Variance	% Var
OLT- Employee Withholding	54,580,142	48,924,827	5,655,315	11.6%
OLT - Net Profit	7,165,450	6,429,343	736,107	11.4%
Insurance	10,270,610	9,276,082	994,528	10.7%
Franchise Fees	7,822,232	7,124,351	697,880	9.8%
TOTALS	79,838,434	71,754,603	8,083,831	11.3%

FY 2016 Code Enforcement
Nuisance Abatement/Lien Collections

Code Enforcement Lien Collections

Month	Administrative Collection Fees		Miscellaneous		Penalty & Interest		Total Collections	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
July	476	1,601	546	1,690	18,043	29,846	19,065	33,137
August	600	877	308	1,432	14,984	48,014	15,892	50,323
September	969	1,275	2,072	993	52,780	29,689	55,821	31,957
October	1,125	1,275	2,015	1,040	45,592	22,962	48,732	25,277
Totals	3,170	5,028	4,941	5,155	131,399	130,511	139,511	140,694

2016 Fiscal Year - Cash Flow Variance Revenue (Actual to Budget)

For the four months ended Oct 31, 2015	ACTUAL	BUDGET	Variance
Revenue			
Payroll Withholding	$54,580,142	$50,876,301	$3,703,841
Net Profit	7,165,450	6,330,311	835,139
Insurance	10,270,610	9,762,489	508,122
Franchise Fees	7,822,232	8,085,537	(263,305)
Other Licenses & Permits	1,116,019	1,002,174	113,846
Ad Valorem	652,598	536,406	116,193
Services	8,614,097	7,776,297	837,800
Fines and Forfeitures	52,245	82,461	(30,216)
Property Sale	74,343	20,000	54,343
Intergovernmental	119,080	137,424	(18,344)
Investment Income	281,804	156,837	124,966
Other Income	1,308,805	1,014,677	294,127
Total Revenue	**$92,057,425**	**$85,780,912**	**$6,276,513**

2016 Fiscal Year - Cash Flow Variance Expense (Actual to Budget)

For the four months ended Oct 31, 2015	ACTUAL	BUDGET	Variance
Expenses			
Personnel	($59,142,257)	($59,380,641)	$238,383
Operating	(13,094,275)	(13,089,175)	(5,100)
Debt Service	(12,891,486)	(12,915,935)	24,450
Partner Agencies	(5,796,481)	(6,619,736)	823,255
Insurance - Expense	(994,644)	(994,644)	0
Operating Capital Expenditures	(524,963)	(258,230)	(266,733)
Total Expenses	**(92,444,106)**	**(93,258,360)**	**814,254**
Interfund Transfers			
Transfers	(338,971)	(342,820)	3,850
Change in Net Position	**(725,651)**	**(7,820,268)**	**7,094,617**

2016 Fiscal Year - Cash Flow Variance Revenue (CY to PY)

	Oct 2015	Oct 2014	Variance
Revenue			
Payroll Withholding	$54,580,142	$48,924,827	$5,655,315
Net Profit	7,165,450	6,429,343	736,107
Insurance	10,270,610	9,276,082	994,528
Franchise Fees	7,822,232	7,124,351	697,880
Other Licenses & Permits	1,116,019	1,066,463	49,556
Ad Valorem	652,598	476,635	175,963
Services	8,614,097	7,791,902	822,195
Fines and Forfeitures	52,245	87,550	(35,305)
Property Sale	74,343	49,561	24,782
Intergovernmental	119,080	120,281	(1,201)
Investment Income	281,804	305,508	(23,705)
Other Financing Sources		50,000	(50,000)
Other Income	1,308,805	1,201,238	107,567
Total Revenue	**$92,057,425**	**$82,903,742**	**$9,153,683**

2016 Fiscal Year - Cash Flow Variance Expense (CY to PY)

	Oct 2015	Oct 2014	Variance
Expenses			
Personnel	($59,142,257)	($55,846,367)	($3,295,891)
Operating	(13,094,275)	(12,142,697)	(951,578)
Debt Service	(12,891,486)	(11,853,727)	(1,037,758)
Partner Agencies	(5,796,481)	(5,619,040)	(177,441)
Insurance - Expense	(994,644)	(1,014,737)	20,094
Operating Capital Expenditures	(524,963)	(195,393)	(329,570)
Total Expenses	**(92,444,106)**	**(86,671,962)**	**(5,772,144)**
Interfund Transfers			
Transfers	(338,971)	(700,883)	361,912
Change in Net Position	**(725,651)**	**(4,469,103)**	**$3,743,452**

- Questions ?

Urban Services Fund

Budget and Finance

December 1, 2015

Commissioner of Finance

Overview

- Total Urban Services Fund
- Refuse Collection
- Street Lights
- Street Cleaning

Forecast Summary: Total Urban Services Fund

	Actual Fiscal Year 2014	*Actual* Fiscal Year 2015	*Estimated* Fiscal Year 2016	*Estimated* Fiscal Year 2020	*Estimated* Fiscal Year 2025
Revenue (Total Urban Services Fund)					
Total Revenue	$36,501,845	$37,853,604	$38,444,793	$40,909,847	$44,224,169
Expense (Total Urban Services Fund)					
Total Expense	$32,421,357	$34,944,694	$35,644,239	$40,069,251	$46,451,815
Total Capital	$5,385,137	$3,707,949	$4,291,808	$4,291,808	$4,291,808
Projected Net Income / (Loss)	($1,304,648)	($799,039)	($1,491,254)	($3,451,212)	($6,519,455)
Transfer from General Fund	$2,529,220	$2,329,120	$2,142,220	$3,455,750	$5,459,630
Additional Transfer to Repay Net Loss				$324,000	$324,000
Projected Net Income / (Loss) After Transfer	$1,224,572	$1,530,081	$650,966	$328,538	($735,825)
Fund Balance	$29,866,986	$31,397,067	$32,048,033	$34,383,372	$32,957,484

Refuse Collection

	Actual Fiscal Year 2014	*Actual* Fiscal Year 2015	*Estimated* Fiscal Year 2016	*Estimated* Fiscal Year 2020	*Estimated* Fiscal Year 2025
Revenue (Refuse Collection)					
Total Revenue	$30,519,805	$31,673,373	$32,171,532	$34,249,603	$37,045,994
Expense (Refuse Collection)					
Total Expense	$24,986,747	$27,391,332	$27,770,245	$30,433,102	$34,194,580
Total Capital	$5,172,711	$2,818,359	$3,402,229	$3,402,229	$3,402,229
Projected Net Income / (Loss)	$360,346	$1,463,683	$999,058	$414,271	($550,815)
Transfer from General Fund					
Projected Net Income / (Loss) After Transfer	$360,346	$1,463,683	$999,058	$414,271	($550,815)
Allocated Fund Balance	$29,389,823	$30,853,506	$31,852,563	$34,433,883	$33,723,704
Property Tax (Current Rate)	0.1431	0.1431	0.1431	0.1431	0.1431
Property Tax (Cost of Service Rate)	0.1459	0.1401	0.1419	0.1446	0.1485

Street Lights

	Actual Fiscal Year 2014	*Actual* Fiscal Year 2015	*Estimated* Fiscal Year 2016	*Estimated* Fiscal Year 2020	*Estimated* Fiscal Year 2025
Revenue (Street Lights)					
Total Revenue	$4,224,569	$4,364,532	$4,430,230	$4,703,522	$5,069,289
Expense (Street Lights)					
Total Expense	$5,858,619	$5,980,070	$6,272,455	$7,859,274	$10,228,920
Total Capital	$212,425	$380,464	$300,000	$300,000	$300,000
Projected Net Income / (Loss)	($1,846,475)	($1,996,003)	($2,142,224)	($3,455,752)	($5,459,631)
Transfer from General Fund	$2,529,220	$2,329,120	$2,142,220	$3,455,750	$5,459,630
Additional Transfer to Repay Net Loss				$324,000	$324,000
Projected Net Income / (Loss) After Transfer	$682,745	$333,117	($4)	$323,998	$323,999
Allocated Fund Balance	($3,570,554)	($3,237,437)	($3,237,441)	($1,941,435)	($321,439)
Property Tax (Current Rate)	0.0210	0.0210	0.0210	0.0210	0.0210
Property Tax (Cost of Service Rate)	0.0308	0.0315	0.0321	0.0380	0.0461

Street Cleaning

	Actual Fiscal Year 2014	*Actual* Fiscal Year 2015	*Estimated* Fiscal Year 2016	*Estimated* Fiscal Year 2020	*Estimated* Fiscal Year 2025
Revenue (Street Cleaning)					
Total Revenue	$1,757,472	$1,815,699	$1,843,030	$1,956,723	$2,108,886
Expense (Street Cleaning)					
Total Expense	$1,575,992	$1,573,292	$1,601,539	$1,776,875	$2,028,315
Total Capital	$0	$509,126	$589,579	$589,579	$589,579
Projected Net Income / (Loss)	$181,481	($266,719)	($348,088)	($409,731)	($509,008)
Transfer from General Fund					
Projected Net Income / (Loss) After Transfer	$181,481	($266,719)	($348,088)	($409,731)	($509,008)
Allocated Fund Balance	$4,047,717	$3,780,998	$3,432,911	$1,890,924	($444,780)
Property Tax (Current Rate)	0.0097	0.0097	0.0097	0.0097	0.0097
Property Tax (Cost of Service Rate)	0.0089	0.0114	0.0119	0.0121	0.0126

Questions?

Forecast Assumptions

- 10 Year Forecast
- Revenue and Expense at various growth rates
- Capital
  - Refuse Collection – Average 5 Year expense
  - Streetlights - $300,000 per year
  - Street Cleaning – Average CIP request from FY 2016 Budget submission
- Streetlights
  - Utility increase following capital addition
  - General Fund Transfer to cover program deficit and payback of used fund balance

Contingency Fund Ordinance Changes

Budget and Finance

December 1, 2015

Commissioner of Finance

Council Request for Contingency Fund Review

- Original Ordinance established when no contingency fund balance existed
- Current contingency fund is approaching goal of 10% of revenue
- Ordinance too restrictive
  - Trigger calculation too complex and unrealistic

Presentation Outline

- Name Change
- Goal
- Deposit Process
- Eligible Uses
- Triggers
- Request for Withdrawals Process

Name Change

- *Current*: Economic Contingency Designation
- *Proposed*: Contingency Designation
- *Rationale*: Eligible uses are proposed to allow access to the fund for more than economic emergency

Explicitly State the Funding Goal

- *Current:* 10% goal was *implied* and written on other documents but was not in the ordinance
- *Proposed:* "The Contingency Designation shall maintain a ***goal*** of ten percent (10%) of the previous year's total General Fund Revenues."
- *Rationale:* Memorialize goal, but allow flexibility

Deposits

- *Current:* $50,000 deposit a month, and 25% of Unassigned General Fund requirement
- *Proposed:*
  - Maintain $50,000 deposit a month to keep up with revenue growth
  - Department of Finance will report annually for consideration to the Budget, Finance, & Economic Development Committee the dollar amount that would enable the fund to be at10% of General Fund Revenues
- *Rationale:* Maintain deposits to show commitment but allow flexibility for current economics

Eligible Uses

- *Current*: Extraordinary needs of an emergency nature, ie: natural disaster
- *Current*: Revenue stabilization in the event of unanticipated revenue shortfall (eliminate 3 year calculation)
- *Proposed addition*: Unanticipated situations of an unusual nature have presented a need for a non-recurring expenditure (based on Columbus, OH AAA bond rating)

Triggers

- *Current:* Complicated equation process involving change in top three revenue sources
- *Proposed:* Equation is removed. Majority Council Vote required on eligible uses proposals
- *Rationale:* The equation did not allow access to the fund when the money was needed

Request Process

- *Current*: Request submitted to the CAO showing that the complicated trigger requirements were met
- *Proposed*: Request submitted to the CAO by administration or Council with information about use and costs
- *Rationale*: Full disclosure of any proposed use of funds with justification

Contingency Fund Discussion

Questions?

Budget, Finance & Economic Development Committee Referrals

	Referral Item:	Referred By:	Date Referred:	Status:	File ID:
1	Right to Work Discussion	Bledsoe	February 10, 2015	pending litigation	
2	Economic Contingency Fund - language for requirements & guidelines	Farmer	March 17, 2015	December 1, 2015 meeting	
3	Urban Services Fund - Street Light Funding	Stinnett	April 21, 2015	December 1, 2015 meeting	
4	SCORE - Potential of Partnering with Commerce Lexington and/or Kentucky Small Business Development Center	Bledsoe	September 1, 2015	January 26, 2016 meeting	
5	Lyric Theatre - Maintenance costs and increased revenues	Scutchfield	September 1, 2015	Winter 2016	
6	LexArts - external funding	Scutchfield	September 1, 2015	Winter 2016	
7	Downtown Development Authority and its projects	Akers	September 1, 2015	Winter 2016	
8	Combining all Economic Development Partners	Bledsoe	September 1, 2015	Summer 2016	
9	Explore possible cost savings of a city-owned structure at Bluegrass Airport to house aviation assets	Hensley	October 8, 2015	unknown	
10	Creating an Office of Workforce Training & Development - consideration and exploration	Stinnett	October 27, 2015	Spring 2016	
11	Review/discuss amending Section 13.6 of the Code of Ordinances exempting individuals earning the established hourly minimum wage from occupational license fee on earned wages	Hensley/Kay	November 20, 2015	January26, 2016 meeting	