

LEXINGTON-FAYETTE URBAN COUNTY COUNCIL

WORK SESSION AGENDA

March 4, 2008

- I. Public Comment – Issues on Agenda**
- II. Requested Rezoning / Docket Approval – Yes**
- III. Approval of Summary-Yes, February 26, 2008, pp.4-6**
- IV. Budget Amendments – Yes, pp.7-13**
- V. New Business, pp.15-22**
- VI. Continuing Business / Presentations**
 - A. Budget & Finance Committee, pp.23-35**
 - B. Bluegrass Business Development Partnership
Quarterly Update - Commerce Lexington – Bob Quick
& Pamela Trautner**
 - C. Downtown Development – Harold Tate**
- VII. Council Report**
- VIII. Mayor's Report – Yes**
- IX. Public Comment – Issues Not on Agenda**

ADMINISTRATIVE SYNOPSIS

New Business Items

- A. Authorization to Amend Resolution No. 13-2008 to Correct a Clerical Error Regarding the Wireless Phone Service Price Contract for the Division of Parks and Recreation. (123-08) (Askew)
 This request will authorize an amendment to Resolution No. 13-2008, Section 1, to correct the name of the vendor for the wireless phone service price contract for the Division of Parks and Recreation from "Wireless Communications" to "Cricket Communications." No change is being made in the substance of the resolution.**pp.15-16**
- B. Authorization to Amend Resolution 33-2008 to Correct the Name of the Vendor Regarding the Price Contract for Hydraulic Oil for the Division of Fleet Services. (126-08) (Askew)
 This request will authorize an amendment to Resolution No. 33-2008, Section 1, to correct the name of the vendor to read "Elite Petroleum, Inc." regarding the price contract for hydraulic oil for the Division of Fleet Services. Section 1 inadvertently listed all vendors who responded to the request for bids rather than the vendor to whom the contract was awarded. No change is being made in the substance of the resolution.**pp.17-18**
- C. Authorization of an Engineering Services Agreement with Camp Dress & McKee, Inc. (CDM) Engineers on Behalf of the Department of Environmental Quality, Division of Water and Air Quality. (127-08) (Martin/Taylor)
 This request will authorize an Engineering Services Agreement with CDM Engineers on behalf of the Division of Water and Air Quality to proceed with the Sanitary Sewer Assessment Work Plan, Capacity Assessment, and Hydraulic Model project at a cost of \$2,827,319. A lump sum fee is associated with the contract is \$2,326,152. An additional \$501,167 is provided as contingency for additional flow monitoring in the event the initial 4-month flow monitoring periods do not include rainfall sufficient to acquire the required data. The primary outcome of the sewer system capacity assessment work and hydraulic modeling will have a significant impact on future remedial measures necessary for compliance with the Consent Decree. Funds are not budgeted but are reflected in the 2008 Sanitary Sewer Financial Model, which was the basis for the 2008 Sewer User Fee increase.**p.19**
- D. Authorization to Submit Application to the Kentucky Environmental and Public Protection Cabinet (EPPC) for a Household Hazardous Waste and Mercury Management Grant on Behalf of the Department of Environmental Quality, Division of Waste Management. (124-08) (King/Taylor)

This request will authorize the submission of an application for state funds of \$203,250 from the Kentucky EPPC for a Household Waste and Mercury Management grant. Funds will be used to purchase a glass cleaning system that will enable the Division of Waste Management to offer customers a new one-sort recycling system. The current recycling system is a one-sort plus glass that requires customers to separate glass from other recyclables. A 25% (\$67,750) grant match is required and will be funded from the Full Urban Services District Fund. Total project cost is \$271,000.**p.20**

E. Authorization of a Claims Payment Agreement with Humana Insurance Company for Health Insurance Plan Platinum PPO, Gold PPO and Silver HDHP. (125-08) (Allen/Koch)

This request will authorize a Claims Payment Agreement with Humana Insurance Company for health insurance plans Platinum PPO, Gold PPO and Silver HDHP from January 1, 2008 through December 31, 2008. Funds are budgeted.**p.21**

F. Authorization to Amend Resolution No. 386-2007 Regarding Contract with Metaformer™ for the Implementation Services for PeopleSoft – Phase 2. (128-08) (Koch)

This request will authorize an amendment to Resolution No. 286-2007 regarding Metaformer™ to extend the contract to November 30, 2008 for the continued implementation of PeopleSoft modules of the Financials phase of the STARS Project. This amendment will include a Statement of Work for the implementation of PeopleSoft Treasury, Projects, Grants, and Contracts. The estimated cost for the fees associated with the Statement of Work is \$641,161. Funds are budgeted.**p.22**

URBAN COUNTY COUNCIL
WORK SESSION SUMMARY
& TABLE OF MOTIONS

February 26, 2008

Mayor Newberry chaired the meeting, calling it to order at 3:00 pm. All Council Members were present, except CM Crosbie.

- I. Public Comment – Issues on Agenda-None
- II. Requested Rezoning / Docket Approval-None
- III. Approval of Summary – Yes

A motion by CM Lane to approve the summary of 2/19/08, seconded by CM Blevins passed without dissent.

- IV. Budget Amendments-None
- V. New Business

- A. Authorization to Submit Application to the Kentucky Office of Homeland Security from the Homeland Security Grant Program for the Department of Public Safety, Division of Fire and Emergency Services. (114-08) (P. King/Bennett)
- B. Authorization of an Amendment to Agreement with Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. for Use of HOME Investment Partnerships Program Funds. (115-08) (P. King/Koch)
- C. Authorization to Amend Resolution No. 39-2008 Regarding Contract with Zambelli Fireworks Manufacturing, Inc. (116-09) (Askew)
- D. Authorization of a Professional Services Agreement with EHI Consultants Regarding the Lexington East End Neighborhood Small Area Plan. (117-08) (C. King/D. Kelly)
- E. Authorization of Change Order No. 1 to Contract with Bluegrass Contracting Corporation Regarding the Meadow/Northland/Arlington Public Improvements Design Phase 2C – Final. (119-08) (P. King/D. Kelly)

- F. Authorization of Change Order No. 2 to Contract with CDP Engineers, Inc. Regarding the South Elkhorn Pump Station and Force Main Improvement Project. (121-08) (Martin/Taylor)
- G. Authorization of Change Order No. 1 to Contract with HDR / Quest Engineers, Inc. Regarding the Star Shoot Parkway Extension Project. (122-08) (Rayan/D. Kelly)

A motion by CM Stevens to approve new business items A-G seconded by CM DeCamp, passed without dissent.

VI. Continuing Business / Presentations

A. Corridors Committee Update

This update was given by Chair CM Stevens. CM Stevens stated that he was absent for the meeting. However, the committee heard updates on the 3 transportation grants. The Corridors Committee will meet again on March 18th.

B. Planning Committee Update

This update was given by Chair CM Gorton. 1 motion came forward.

A motion by CM Gorton to approve Mr. Jim Buckles to tell the committee how much a feasibility study on constructed wetlands would cost, seconded by CM Beard, passed without dissent.

C. American Red Cross Month Proclamation

Mayor Newberry gave proclamation to Terry Burkhart and others.

D. Management Partners Audit Report

This report was given by Jerry Newfarmer and Julia Novak

Mayor Newberry spoke briefly before the report was given. Several CMs asked questions but decided to wait for more specific answers on Friday at the Council Budget Retreat.

VII. Council Report

CM Gorton-Wanted to raise awareness to the public about there being 9 K9s partnered with police officers and each dog needs a doggie vest that costs \$8K; encouraged the public for donations or suggested play in the golf scramble on 4/29.

CM DeCamp-A motion by CM DeCamp to place into the Planning Committee the operational recommendations for Infill & Redevelopment, seconded by CM Stevens, passed without dissent.

CM McChord-Announced that next Tuesday at 7 pm there will be a Stonewall Association meeting at Stonewall Elementary School.

CM Blues-Announced 2 neighborhood association meetings on Monday March 3rd: at 6 pm Georgetown Street Area and at 7 pm Green Acres/Hollow Creek.

CM Stevens-Thanked Lori Kidwell for doing double duty as an aide, now and in the past and also congratulated her on her new position as the Executive Director of the Office of Communications for the Kentucky Education Department.

VIII. Mayor's Report-None

IX. Public Comment-Issues not on the agenda-None

A motion by CM Beard to adjourn, seconded by CM Blevins, passed without dissent.

Work Session was adjourned 4:23 pm.

BUDGET AMENDMENT REQUEST LIST

7

JOURNAL	19872	DIVISION	Community Development	Fund Name	Grants – State
				Fund Impact	8,880.00
					8,880.00CR
					.00

To provide for the purchase of computer equipment and software for the tracking, recording, and mapping of species in the Raven Run Acquisition Project.

JOURNAL	19709	DIVISION	Traffic Engineering	Fund Name	General Fund
				Fund Impact	450.00
					450.00CR
					.00

To provide for American Public Works Association (APWA) dues for Ron Herrington and for repair and power supply for color printer by decreasing funds for computers

JOURNAL	19962	DIVISION	County Clerk	Fund Name	General Fund
				Fund Impact	21,000.00
					21,000.00CR
					.00

To provide funds for operating supplies by decreasing funds for Other Salaries.

JOURNAL	19966-67	DIVISION	PDR	Fund Name	Grants – State
				Fund Impact	100,000.00
					100,000.00CR
					.00

To recognize a state grant award from the Kentucky Agricultural Development Board for FY 2008 Purchase of Development Rights Program conservation easement acquisition.

JOURNAL	19974-75	DIVISION	Community Development	Fund Name	Grants – State
				Fund Impact	150,000.00
					150,000.00CR
					.00

To delete funds for the Get Healthy Kentucky Wellington Project because the Kentucky Governor's Office of Local Development has cancelled this project.

JOURNAL	19964	DIVISION	Family Services	Fund Name	Family Care Fund
				Fund Impact	30,000.00
					30,000.00CR
					.00

To provide funds for professional services for temporary contract staffing while employee is out on extended leave by decreasing funds for civil service salaries.

JOURNAL	20003-4	DIVISION	Community Development	Fund Name	US Dept of Transp.
				Fund Impact	10,000.00
					10,000.00CR
					.00

To budget revenue and expense from Jessamine County Fiscal Court for Transportation Planning Activities for Fiscal Year 2008.

BUDGET AMENDMENT REQUEST SUMMARY

Fund	1101	General Services District – General Fund	.00
Fund	1102	Family Care Center Fund	.00
Fund	3160	US Department of Transportation	.00
Fund	3400	Grants – State	.00



Mayor Jim Newberry

FAYETTE URBAN COUNTY GOVERNMENT

Budget Journal Number 19872 **Budget Amendment Date** 2/11/2008
Requesting Division Community Development
Fund Name Grants – State
Fund Number 3400
Contact for Additional Information Irene Gooding

Description

To reduce the amount budgeted for professional services by \$8,880 to provide for the purchase of Trimble Nomad Handheld 800LC with TerraSync Professional Software to include GPS mapping technical support, 2 year hardware warranty, 2 year software maintenance, training, and purchase of one Adobe CS3 Premium Upgrade. The purpose of this purchase is to monitor the species inventory on the land partially purchased with funds from the Kentucky Heritage Land Conservation Fund.



Mayor Jim Newberry

[Faint, illegible handwritten notes]

Budget Journal Number 19709 **Budget Amendment Date** 2/12/2008

Requesting Division Division of Traffic Engineering

Fund Name	General Fund
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Fund Number 1101

Contact for Additional Information Kimberly Ammeter, Division of Traffic Engineering
Ron Herrington, Division of Traffic Engineering

Description

To provide for APWA (American Public Works Association) dues for Ron Herrington and for the repair and replacement power supply for color printer.



Mayor Jim Newberry

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Budget Journal Number 19974-75 **Budget Amendment Date** 2/20/2008
Requesting Division Community Development
Fund Name Grants - State
Fund Number 3400
Contact for Additional Information Irene Gooding-3079

Description

The Governor's Office of Local Development has announced that funding for this project has been cancelled. The budget amendment deletes \$150,000 in capital funds for trail development in Wellington Park and deletes \$150,000 in state revenue for support of the trail.



Mayor Jim Newberry

FAYETTE URBAN COUNTY GOVERNMENT

Budget Journal Number 19964 **Budget Amendment Date** Feb. 22, 2008
Requesting Division Family Services
Fund Name Family Care Center
Fund Number 1102
Contact for Additional Information Sarah Hendrix - 4033

Description

Monies are being requested to cover temporary functions necessary within the Medical Clinic. Personnel will be utilized for:

- 1) Supporting medical records – All medical records (approximately 5,000) must be scanned into the new electronic program to be available to medical providers.
- 2) Providing coverage for two (2) medical staff currently on extended leave.



Mayor Jim Newberry

LEXINGTON - FAYETTE URBAN COUNTY GOVERNMENT

Budget Journal Number 20003-4 **Budget Amendment Date** 2/11/2008
Requesting Division Community Development
Fund Name US Department of Transportation
Fund Number 3160
Contact for Additional Information Irene Gooding--3079

Description

To budget revenue in the amount of \$10,000 from Jessamine County Fiscal Court for provision of MPO transportation planning activities. \$3,000 are budgeted for the printing of bike and pedestrian master plan maps and \$7,000 for the purchase of five computers for the transportation planning staff.

Budget Information For New Business Items
March 4, 2008 Work Session

Item	Number	Amount	Fund	Name / Description
A	123-08	NA		
B	126-08	NA		
C	127-08	2,326,152	4003	Sanitary Sewer Construction Fund
D	124-08	203,250		Grant Funds Requested
E	125-08	Budgeted	6002	Medical Insurance Fund
F	128-08	641,161	2514	2005 Bond Projects Fund



123-08

Mayor Jim Newberry
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Department of Law

TO: Jim Newberry, Mayor
Members, Urban County Council

FROM: Department of Law

DATE: February 11, 2008

RE: Resolution Amending Resolution No. 13-2008
To Correct a Clerical Error in the Vendor's Name

In Section 1 of Resolution No. 13-2008 an error was made in the name of the vendor to whom a price contract for wireless phone service was being awarded. This resolution will effect that correction. No change is being made in the substance of the resolution.

The purpose of this memorandum is to request approval of that correcting resolution.


Rochelle E. Boland
Attorney Senior

REB/PARKS/08-LE0041/00153394

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RESOLUTION NO. 13-2008

123-08

A RESOLUTION ACCEPTING THE BID OF CRICKET COMMUNICATIONS, ESTABLISHING A PRICE CONTRACT FOR WIRELESS PHONE SERVICE, FOR THE DIVISION OF PARKS AND RECREATION.

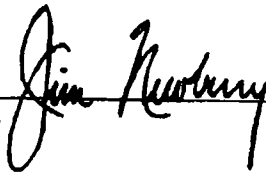
BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the bid of Wireless Communications, establishing a price contract for wireless phone service, for the Division of Parks and Recreation, be and hereby is accepted and approved as to the specifications and amounts set forth in the terms of the bid, which is attached hereto and incorporated herein by reference.

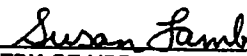
Section 2 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: January 24, 2008

MAYOR



ATTEST:


CLERK OF URBAN COUNTY COUNCIL

PUBLISHED: January 30, 2008-1t

REB/PARKS/08-LE0041/00149248



126-08

Mayor Jim Newberry

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Department of Law

TO: Jim Newberry, Mayor
Members, Urban County Council

FROM: Department of Law

DATE: February 20, 2008

RE: Resolution Amending Resolution No. 33-2008
To Correct a Clerical Error in the Vendor's Name

In Section 1 of Resolution No. 33-2008 an error was made in the name of the vendor to whom a price contract for hydraulic oil was being awarded. The resolution inadvertently listed every vendor who responded to the request for bids rather than the one vendor to whom the contract was awarded. The successful bidder was Elite Petroleum Inc. This resolution will effect that correction to accurately reflect the vendor to whom that contract was awarded.

The purpose of this memorandum is to request approval of that correcting resolution.


Rochelle E. Boland
Attorney Senior

REB/FLEET/08-LE0025/00154367

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**Please note new mailing address

RESOLUTION NO. 33-2008

126-08

A RESOLUTION ACCEPTING THE BIDS OF ELITE PETROLEUM INC., KPS SALES (KENTUCKY PETROLEUM SUPPLY), AND KENTUCKY MOTOR SERVICE OF LEXINGTON, INC., ESTABLISHING PRICE CONTRACTS FOR HYDRAULIC OIL, FOR THE DIVISION OF FLEET SERVICES.

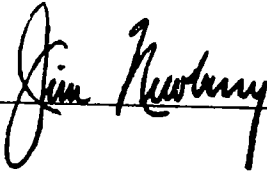
BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the bids of Elite Petroleum Inc., KPS Sales (Kentucky Petroleum Supply), and Kentucky Motor Service of Lexington, Inc., establishing price contracts for hydraulic oil, for the Division of Fleet Services, be and hereby are accepted and approved as to the specifications and amounts set forth in the terms of the bids, which are attached hereto and incorporated herein by reference.

Section 2 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: February 7, 2008

MAYOR

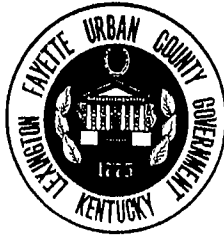


ATTEST:


CLERK OF URBAN COUNTY COUNCIL

PUBLISHED: February 13, 2008-1t

FEB/FLEET/08-LE0025/00160215

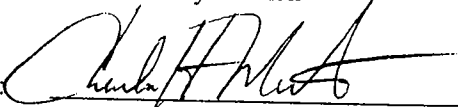


127-08

Mayor Jim Newberry
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Water & Air Quality

Memorandum

To: Mayor Jim Newberry
Urban County Council

From: 
Charles H. Martin, P.E., Director
Division of Water and Air Quality

Date: February 25, 2008

Re: Award of Engineering Services Contract
Sanitary Sewer Assessment Work Plan
Capacity Assessment Work Plan & Implementation
Hydraulic Model Report and Implementation

The purpose of this memorandum is to request a resolution authorizing the award of an engineering services contract to CDM Engineers. The total value of the recommended engineering design services contract is \$2,827,319, which is allocated as follows:

- Lump sum fee associated with the contract is \$2,326,152.
- Additional \$501,167 is provided as contingency for additional flow monitoring, in the event that the initial 4-month flow monitoring periods do not include rainfall sufficient to acquire the required data.

Funds for this contract are not budgeted but are reflected in the 2008 Sanitary Sewer Financial Model, which was the basis for the 2008 Sewer User Fee increase.

The purpose of this engineering design services contract is to complete near-term deliverables associated with LFUCG's Federal Consent Decree. The primary outcome of this work is the sewer system capacity assessment work and hydraulic modeling, which will have a significant impact on future remedial measures necessary for compliance with the consent decree.

Questions regarding this agreement should be directed to Charles Martin at 425-2455.

pc: Cheryl Taylor, Commissioner, Department of Environmental Quality
Brian Marcum, Director, Central Purchasing
Rod Chervus, P.E., Division of Water and Air Quality



124-08

Mayor Jim Newberry

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Community Development

TO: JIM NEWBERRY, MAYOR
URBAN COUNTY COUNCIL

FROM: PAULA KING, DIRECTOR
DIVISION OF COMMUNITY DEVELOPMENT

DATE: FEBRUARY 22, 2008

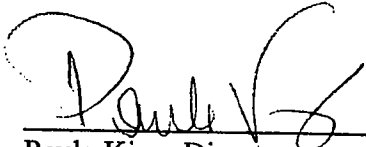
SUBJECT REQUEST COUNCIL AUTHORIZATION TO SUBMIT APPLICATION
TO THE KENTUCKY ENVIRONMENTAL AND PUBLIC PROTECTION
CABINET REQUESTING A HOUSEHOLD HAZARDOUS WASTE &
MERCURY MANAGEMENT GRANT

The Department of Environmental Quality has prepared an application requesting state funds from the Kentucky Environmental and Public Protection Cabinet's Kentucky Recycling, Household Hazardous Waste & Mercury Management Grant Program.

Funds are being requested to support the purchase of a glass cleaning system, enabling the Division of Waste Management to offer customers a new one sort recycling system. The current recycling system is one sort plus glass, requiring customers to sort glass into a separate container. The new system will enable customers to co-mingle all recyclables (including glass) in one container.

The cost of the glass cleaning system is \$271,000 and a 25% grant match is required. The Department of Environmental Quality is asking for 75% of the purchase price, \$203,250, and will provide a 25% match in the amount of \$67,750 from the Full Urban Services District (1115).

Council authorization to submit application is hereby requested.



Paula King, Director

Xc: Cheryl Taylor, Commissioner of the Department of Environmental Quality

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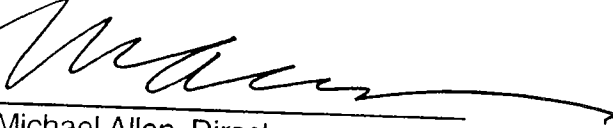


125-08

Jim Newberry, Mayor

Division of Human Resources

TO: Mayor Jim Newberry
Senior Advisor Joe Kelly
Councilmember's

FROM: 
Michael Allen, Director
Division of Human Resources

DATE: February 21, 2008

RE: **Health Insurance Agreement—Humana Insurance**

The attached action authorizes the Mayor to execute a Claims Payment Agreement with Humana Insurance Company for health insurance plans—Platinum PPO, Gold PPO and Silver HDHP health insurance plans—for the period beginning January 1, 2008 through December 31, 2008.

If you have questions or need additional information, please contact Daniel H. Fischer at 258-3030.

Attachment
DF/

cc: Darrylyn Combs, Human Resources Manager, Division of Human Resources
Jim Dodson, Human Resources Analyst, Division of Human Resources

08-0081



128-08

Mayor Jim Newberry

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Division of Central Purchasing

FOR: Jim Newberry, Mayor

FROM: Kyna Koch, Commissioner *KKoch*
Department of Finance & Administration

DATE: February 26, 2008

SUBJECT: Amendment to Resolution #386-2007

RFP #37-2007 was issued requesting Implementation Services for PeopleSoft – Phase 2. Metaformers was chosen by the selection group to continue implementation of PeopleSoft modules.

The attached Amendment #1 to LFUCG-Metaformers Contract provides for the following:

- an extension of the contract period to November 30, 2008
- a Statement of Work for the implementation of PeopleSoft Treasury, Projects, Grants, and Contracts
- a Cost Estimate for the fees associated with the Statement of Work in the amount of \$641,161

Metaformers was retained to assist the LFUCG with data cleanup and implementation issues for the Financials phase of the STARS Project. I feel it is in the best interest for the LFUCG and the project to retain Metaformers for implementation of these modules due to the integration of these components with the financials' modules implemented to date and their knowledge and experience with Peoplesoft and the LFUCG.

Cc: Rebecca Langston, Council Administrator

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URBAN COUNTY COUNCIL
BUDGET & FINANCE COMMITTEE SUMMARY

FEBRUARY 26, 2008

Dr. Stevens chaired the committee meeting, calling it to order at 1:00 pm. All committee members were present.

I. General Fund Revenue Update FY 2008, Update on FY07 Closing and Update on FY07 Fund Balance

Commissioner Koch stated she combined the three topics on today's agenda into one presentation. She stated things are moving rapidly towards the FY 07 close and they are completely finished with the cash end of the general fund so what she will be talking about is a done deal on the general fund with the exception of having it audited. Commissioner Koch did a PowerPoint presentation Financial Update. (Presentation attached).

CM Ellinger asked about the \$5M expenditure savings.

Commissioner Koch stated there was a debt service that was budgeted for this year that we are not going to need because we haven't sold bonds yet. She stated there were some pots of money that was set aside in the budget for reclassifications. She stated they have asked the commissioners to only approve expenditures that are absolutely necessary. She stated they do believe they can come up with \$5M on the expenditure side. Commissioner Koch stated if you look at operating expenses with exception of professional services and outside agencies we are running behind last year. We currently are \$4M behind at this time. She stated they believe if they aggressively manage this they will finish the year with about \$5M savings. She stated they feel like they can pick up \$2M in personnel because we have not been filling positions unless they were absolutely necessary.

CM Gorton asked how the issue with purchase orders fit into the expenditure savings.

Commissioner Koch stated the purchase orders allowed them to get to the \$13,484,000. She stated had they not cleared out the purchase orders they would have been \$3M short in the carry forward.

CM Gorton asked about the FY 08-09 projections. CM Gorton asked if we can presume that the FY08-09 budget will not have any new programs in it that will require funding.

Commissioner Koch stated she really can't answer that.

CM Gorton stated there was a program mentioned in the State of the Merged Government Address which hasn't been discussed among council that would require new money. She stated she is curious about new programs.

Commissioner Koch stated clearly it is the Mayor's decision. She stated if we did everything that was in the management audit then there would be some new things we would have to do. She stated if we want to do things better, faster and cheaper which was one of the goals of the management audit then there are some things that we aren't doing that we need to be doing for an effective government. She stated they will be weighing all the recommendations of the management audit as well as any other items they may want to look at in packaging it to bring forward to council in April.

CM Gorton stated she merely meant new programs.

CM Blevins thanked the Commissioner for the charts. He asked if we are complete with the clean up of FY07 and STARS should be as good as it is going to get for FY07.

Commissioner Koch stated for FY07 they are finished with general fund, cash reconciliation and any entries that would affect the general fund. She stated they are still sorting through some of the other funds. She stated the auditors are working though.

CM Blevins asked if the entries for this year are up to date and we are working off good data.

Commissioner Koch stated the January report still says draft because she asked her staff to concentrate on FY07 before closing January. She stated in the closing process the numbers generally don't change very much.

CM Blevins requested on the monthly reports to have year to date actuals from the prior year. He stated this is exactly what STARS was built for.

CM Beard asked if the 53.6% of revenue collection is a gross aggregate amount as to what was budgeted.

Commissioner Koch stated yes.

CM Beard asked if there was been an attempt to go month to month to see if they are trending differently.

Commissioner Koch stated they do the month by month analysis on the big three. She stated they do month to month over the last ten years.

Vice Mayor Gray asked about the FY08-09 projection. He asked if this means \$25M-\$30M down from \$280M or from \$267M this year.

Commissioner Koch stated it is down from the current year.

Vice Mayor Gray asked is it down from expected revenue of \$267M or the expected expenditures of \$280M.

Commissioner Koch stated we are expecting revenue of \$267M and expenditures that would be anywhere from \$25M-\$30M more than that. She stated this is based on where we are right now. She stated they had to make a lot of assumptions.

Vice Mayor Gray asked if they expected revenue to be flat.

Commissioner Koch stated yes.

CM Ellinger asked what our fund balance is.

Commissioner Koch stated \$277K is what is budgeted right now.

CM Ellinger asked what the fund balance was for FY07.

Commissioner Koch stated the fund balance for FY07 was \$13,484M is the unrestricted fund balance that is carried into FY08.

CM Ellinger asked when the books are closed what we have.

Commissioner Koch stated they have budgeted a \$277K fund balance.

Commissioner Koch stated we have to look at what revenue reductions and expenditure reductions will be. She stated the unrestricted fund balance will actually be a reflection of actual revenue and actual expenditures.

CM Ellinger asked what we are looking at since we have to have a balanced budget.

Commissioner Koch stated they think we will barely get out of FY08. She stated they have budgeted \$277K to end FY08 with. She stated we will end FY07 very close to \$13,484M and every penny has been carried forward to use in FY08. She stated there may be some very minor audit adjustments.

Dr. Stevens asked if there are net profits under licenses and permits.

Commissioner Koch stated yes.

Dr. Stevens stated the Occupational License fee is a pretty steady source of income month to month. He stated the net profit looks like it varies month to month. He asked if this was factored into the \$5M whole.

Commissioner Koch stated the payroll end of the Occupational License fee we are pretty dependent on some big government entities in Lexington. She stated with the state budget looking the way it is looking it will directly affect the payroll Occupational License fee.

Dr. Stevens asked about the net profits. He asked if net profits were included under license and permits.

Commissioner Koch stated yes. She stated they factored in that April is usually a strong month.

Dr. Stevens asked if the minus number will hold for net profits through the year.

Commissioner Koch stated what she gave the committee is what they think it will do to the end of the year. She stated they will have the committee the reports before each Budget and Finance meeting.

Dr. Stevens asked that when this months' report is done to go on and forward to the committee.

CM Beard stated he hoped STARS would be able to get data out in economic segments so we could see if we are having expansion or contraction in whatever segments and how to address those.

Bill O'Mara, Dept of Finance, stated they try to track SIC within the licensing system which isn't gravitated over to STARS yet. He stated they are limited as to what they can classify them. He stated they are working on this.

CM Beard stated the net result from the university might be a plus instead of a minus because the head count might change. He asked if we would know this.

Mr. O'Mara stated he wouldn't know this and because of confidentiality he doesn't know if he could share this information.

CM Beard stated they are subject to open records. He stated he is thinking of groups.

Mr. O'Mara stated hospitals as groups they can report on.

CM James asked for the list of FY08-09 personnel projections of \$16.9M.

Commissioner Koch stated it is \$3.8 sick payout, 2% increase in Police and Firefighters' Retirement Fund, \$1.1 million for new police officers scheduled to begin May-June 2008, \$4.9 million health insurance, \$6.6 million retirement payouts, Step increases for police and fire, costs associated with corrections contract, no raises for other employees and no new employees other than police

CM James asked if the \$6.6M retirement is something that has to automatically go in.

Commissioner Koch stated this is a one time deal because of the window.

Dr. Stevens asked Commissioner Koch to email the list of expenditures to the committee.

The meeting adjourned at 1:46 pm.

Financial Report

February 26, 2008

FY 2006-07 CARRY FORWARD FINALIZED!!

Carry Forward Budgeted	\$13,500,000
Carry Forward Actual	\$13,484,000
Shortfall	(\$16,000)

FY 2007-08 CHALLENGES

Revenue Slowing

- Withholding OLF
Budgeted +6.1% Actual +4.23%
- Net Profit OLF
Budgeted +5.4% Actual -0.67%
- Insurance
Budgeted +8.3% Actual +1.34%

REVENUES SLOWING

(\$5-7,000,000)

FY 2007-08 CHALLENGES CONT'

- Re-appropriations and other expenditure needs
 - Re-appropriations \$3M
 - Animal Control
 - County Attorney
 - Disaster Recovery
 - CHFS: Race Community and Child Welfare
 - SCORE
 - E-911 AS400s

FY 2007-08 CHALLENGES CONT'

- Retirement Window Impact

\$6.6 million
- Expenditure Savings

FY 2008-09 PROJECTIONS

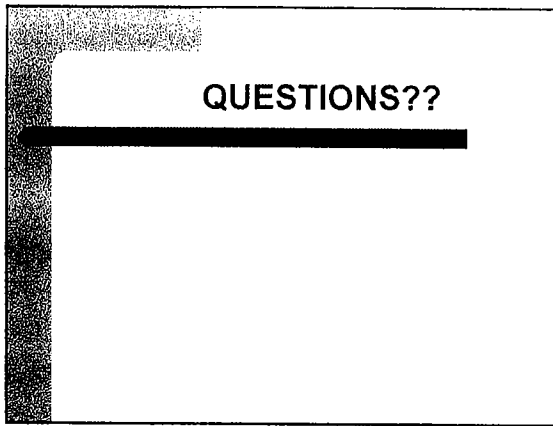
- Revenue Growth flat to 1%
- Structural Deficit \$13.5 million
- Personnel \$16.9 million

FY 2008-09 PROJECTIONS

(\$25 – 30 million)

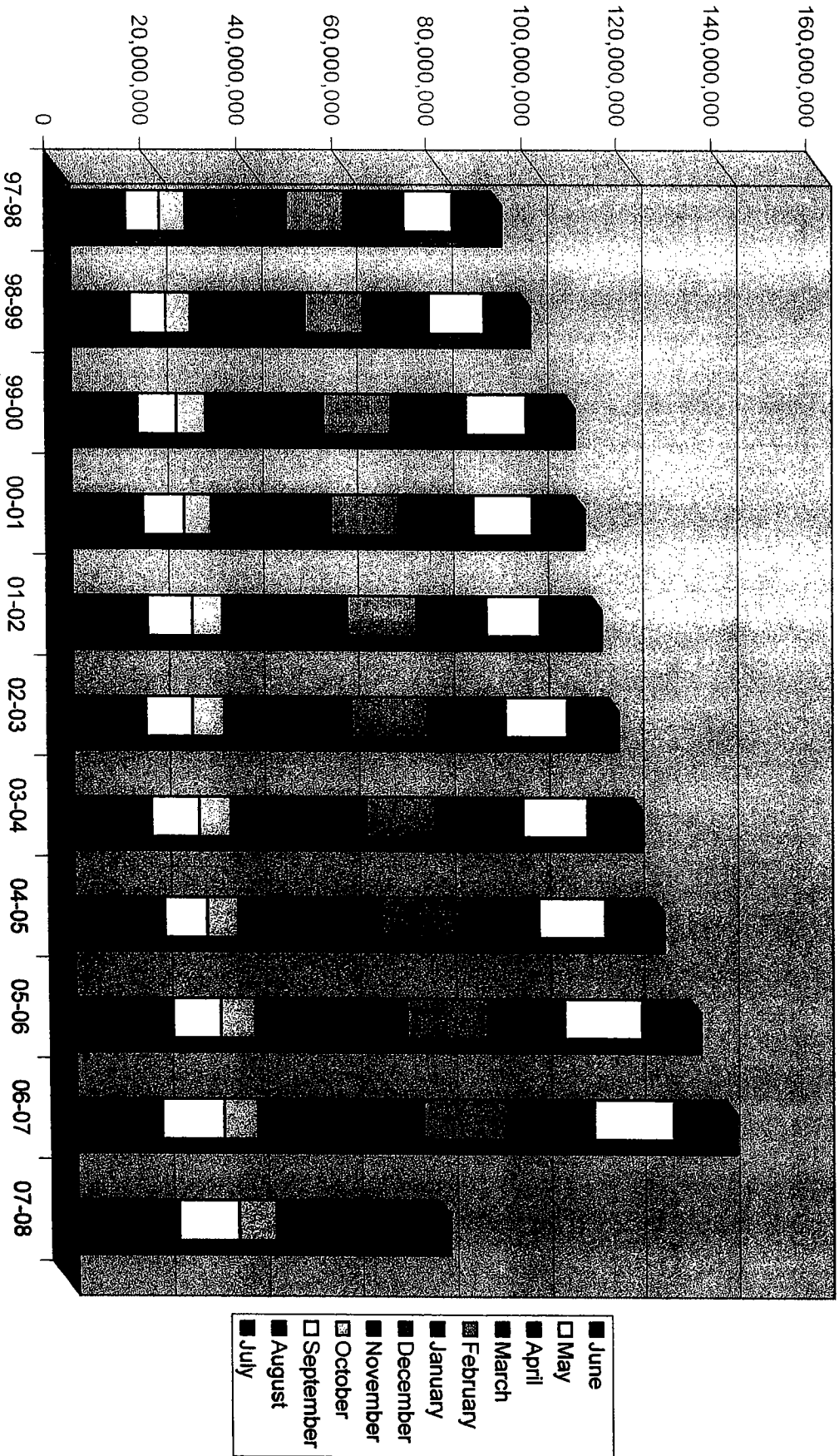
Economic Contingency Fund

- Balance as of June 30, 2007
\$11,894,100
- Adding \$50,000 monthly per ordinance
- No flat contribution for FY 2007-08 due to shortage in carry forward.

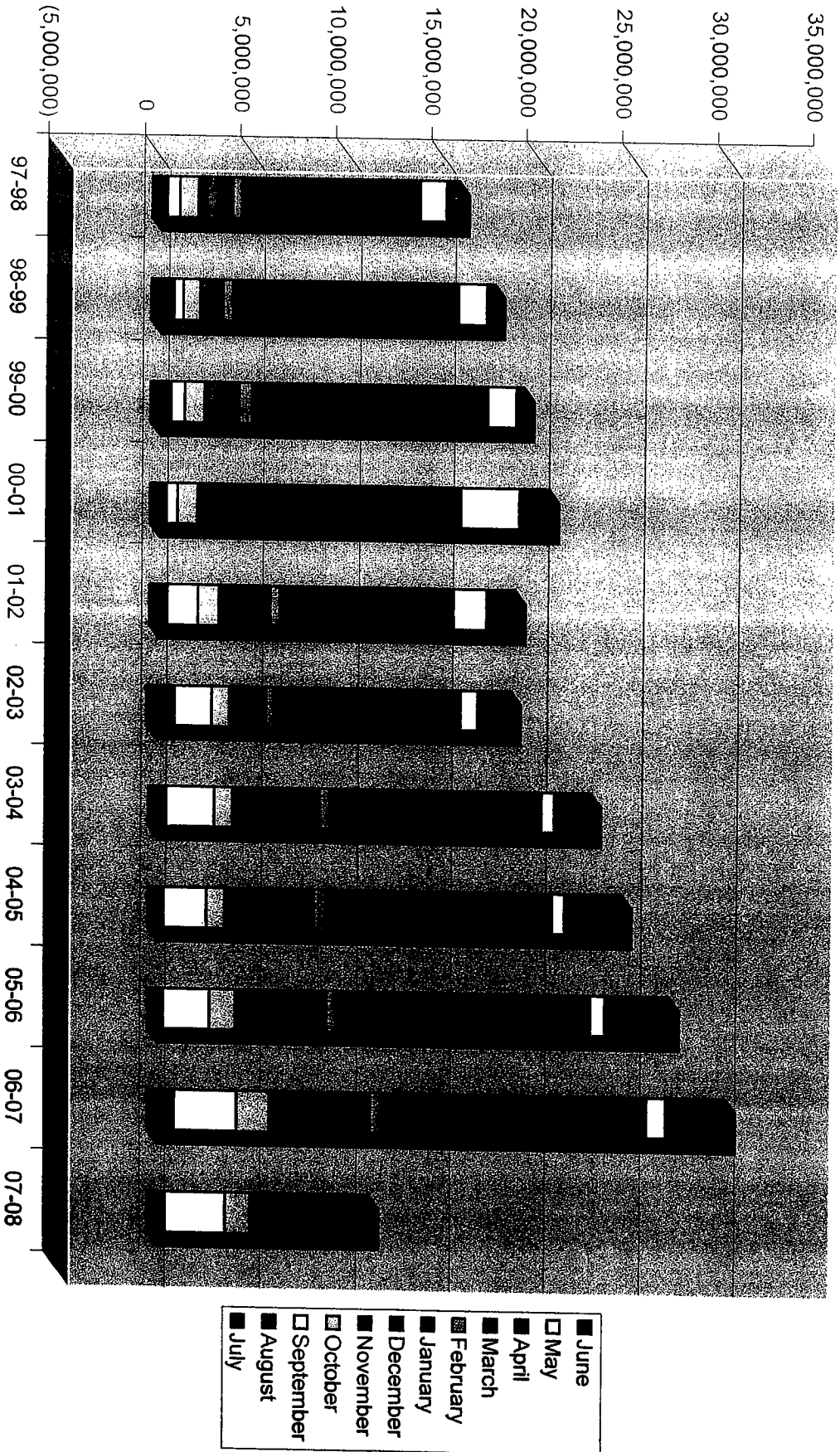


QUESTIONS??

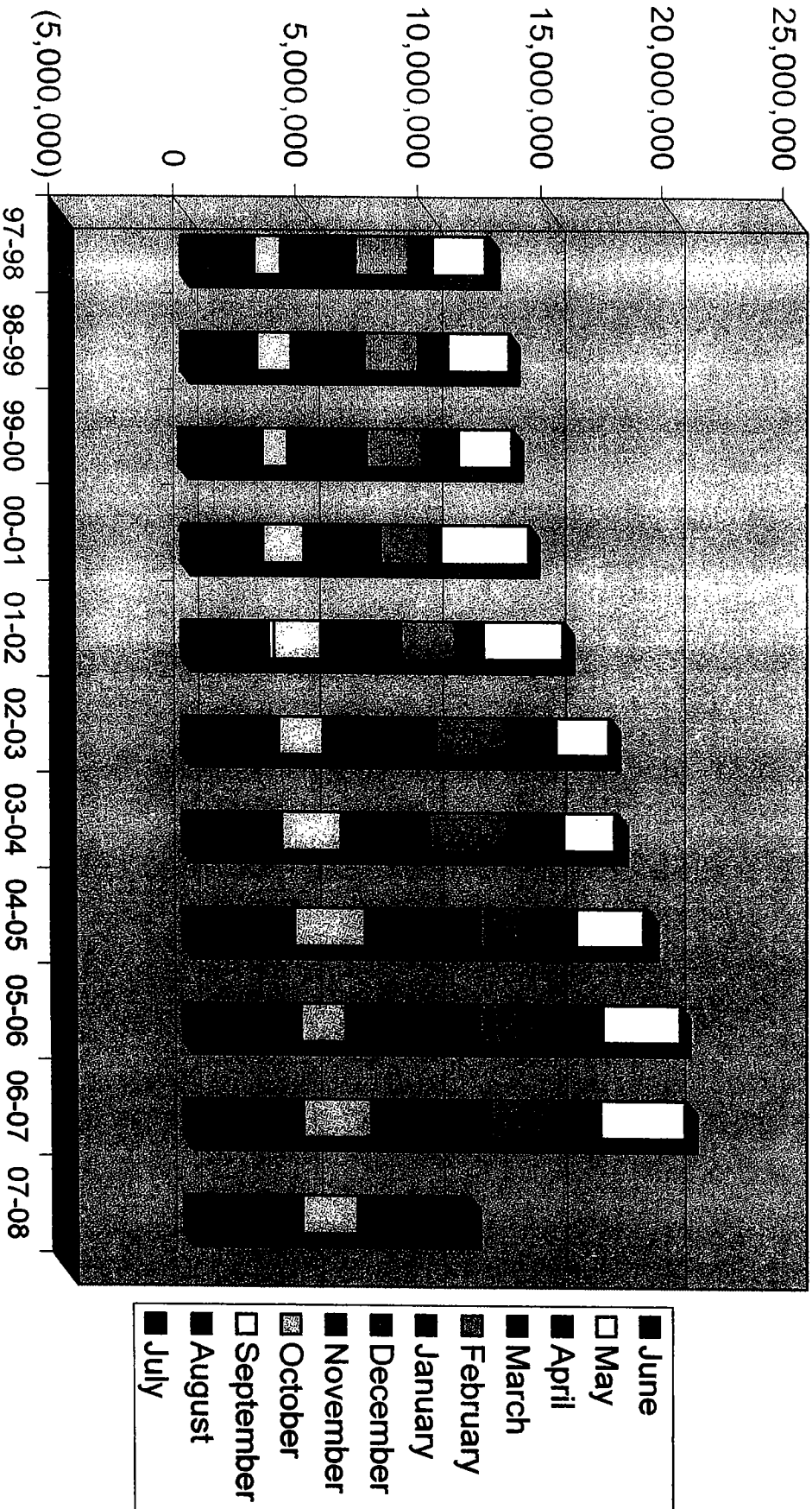
Payroll Revenue



Net Profit Revenue



Insurance Premium





Statement of Revenues and Expenditures
For Period Ending: January 31, 2008
Fund: 1101 - General Services District
DRAFT

USER_56B
 Run Date: 02/26/2008

<u>Title</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Month of January</u>	<u>YTD Through 01/31/08</u>	<u>Remaining Budget</u>	<u>Percent Collected/Used</u>
Carry Forward	13,500,000	13,500,000			13,500,000	
Revenues:						
Licenses and Permits	224,319,970	224,319,970	12,426,097	113,692,153	110,627,817	50.7%
Property Tax Accounts	18,795,000	18,795,000	1,774,891	16,416,768	2,378,232	87.3%
Charges for Services	18,908,000	18,935,370	1,386,024	10,688,032	8,247,338	56.4%
Fines and Forfeitures	82,000	82,000	(157,279)	84,470	(2,470)	103.0%
Intergovernmental Revenue	875,000	887,429	162,544	605,815	281,614	68.3%
Health Insurance Premiums	0	0	0	50	50	0.0%
Property Sales	420,000	420,000	25,434	262,813	157,187	62.6%
Investment Income	2,023,000	2,023,000	0	203,991	1,819,009	10.1%
Other Financing Sources	727,330	736,230	585	2,336	733,894	0.3%
Pension Fund Revenue	0	0	0	219	219	0.0%
Other Income	1,116,200	1,728,510	119,975	1,528,529	199,981	88.4%
Total Revenue	267,266,500	267,927,509	15,738,270	143,485,175	124,442,334	53.6%
Expenses:						
Personnel	188,465,820	188,093,932	18,148,884	103,862,705	84,231,226	55.2%
Operating Expenses	75,067,990	76,314,526	2,184,778	32,552,374	43,762,152	42.7%
Transfers	16,422,010	15,268,733	745,426	13,876,876	1,391,858	90.9%
Capital	579,400	1,472,411	106,872	1,113,806	358,605	75.6%
Total Expenditures	280,535,220	281,149,602	21,185,960	151,405,761	129,743,841	53.9%
	231,280	277,907			8,198,493	