

URBAN COUNTY COUNCIL
BUDGET & FINANCE COMMITTEE SUMMARY

AUGUST 26, 2008

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

I. Revenue Report for the month of June & July 2008

Commissioner Koch gave an update of the revenue report for the months of June and July 2008. She stated the numbers have not been audited but have been turned over to the auditors. She stated they hope by the end of September the auditors will have finished their work. Commissioner Koch stated they have budgeted a carry forward in the General Fund \$1.4M and the unaudited carry forward is \$4.1M.

CM Lane asked if we have a carry forward that ends up being over \$4M does that mean it will not be necessary to drawn funds out of the rainy day fund.

Commissioner Koch stated when they get the final audit number it will be up to the council to make the decision. She stated they will be bringing options back to council when they get the final audit number. Commissioner Koch stated they were only budgeted to go into the rainy day fund for retirement payouts so if they don't get the retirements then they will not need that money.

Commissioner Koch stated July was their first attempt at monthly budgeting (see attached). She stated it looks like revenue is holding through at least the first month.

CM Beard asked about numbers for June.

Commissioner Koch stated she can give them a month of June report similar to July's report.

CM James asked for a brief explanation of the \$1.8M difference in Operating Expenses.

Commissioner Koch stated most of that would be they are doing a better job of encumbering money up front. She stated as far as reporting they treat it as already expended but if you were to look in the system it would show it being encumbered.

II. Next Steps for the Facility Master Plan

Commissioner Cole gave an overview of "Why a new Government Center" (See attached).

Dr. Stevens asked who the company would be to prepare the RFP.

Commissioner Cole stated it would be FM Solutions.

CM Gorton asked under scenario 5 it states "Keep a Police sector located in new Government Center" would this be a full police sector.

Commissioner Cole stated it would be an actual police sector.

CM Gorton asked what the square footage for the police sector part of this is.

Commissioner Cole stated she doesn't know but knows that what ever is required was included in the estimated space requirement for the government center.

CM Stinnett asked the cost differential for parking if they go above the 50% employee parking.

Commissioner Cole stated based upon FM Solutions estimates the difference between those two items is \$6.5M more.

CM Stinnett asked how much parking do they now provide for employees.

Commissioner Cole stated 100% parking for employees.

CM Stinnett asked about other satellite parking areas if they go only 50%.

Commissioner Cole stated they have only explored that by sitting down and talking about it. She stated there was a thought of using some parks that need more parking during evenings and weekends when employees will not be using them. She stated the cost for more parking at the parks is included in scenario 5.

CM Stinnett asked if the RFP would be trying to find the architect to design the building.

Commissioner Cole stated yes the first step would be to confirm this is the pieces and components of the government center that is wanted. The second step would be putting together all the details that the architect would come back with their visions.

CM Stinnett asked if they have looked at TIF for this project as well.

Commissioner Cole stated they have and it does not appear that with the current projects being proposed that this fits with it because what they build will not go on the tax roll because it will be government.

CM Beard asked if the Phoenix parking garage is knocked down how saleable will that make the Phoenix building without parking.

Commissioner Cole stated there are a lot of buildings downtown that do not have parking garages that go with them.

CM Beard asked her to define the administration other than the Mayor's office and Council's office what other offices will be placed at the new government center.

Commissioner Cole stated scenario 5 has everyone that is here now would still be in the new government center.

Dr. Stevens stated occupants of the Phoenix building would be in the new center as well.

CM James asked if the general goal is to decrease operating and maintenance on our buildings collectively. She asked based on scenario 5 how do we know they will have a positive impact on the general fund.

Commissioner Cole stated they have to rely on the studies that are done. She stated in scoping scenario 5 out would include energy efficient alternatives that would drive that number down.

CM James asked if that is in the data they have been given.

Commissioner Cole stated it should be in the appendix.

CM McChord asked what the estimated time frame is.

Commissioner Cole stated just to get the RFP ready to go is 2 months, then once it goes out the selection is a couple of more months and then probably in design for a year.

CM Ellinger asked if they go along with the RFP does that mean they have to go along with the new building and how much does the RFP cost.

Commissioner Cole stated to prepare the RFP is about \$25K. She stated there are many points along the way that the project can be stopped.

Vice Mayor Gray stated this piece of the process is not committing us at all it is creating a document that can then be distributed to architectural/planning firms that may be interested in the project.

CM Blevins stated he thinks it is well established we need to leave this building. He stated what is not well established is where we go. He stated since the FM Solution study the downtown landscape has changed drastically. CM Blevins stated there have been other locations thrown out there as to where the government center could be located. He stated they have a resolution in front of them that is for discussion purposes only.

Vice Mayor Gray stated his since would be they could do the examination process with a good firm leading it. He stated FM Solutions is a financially driven firm so they are very technical as it relates to examining the cost of operations.

CM Blevins stated that scenario 5 assumes a location but if a location is still on the table to be discussed he is willing to move forward.

Dr. Stevens asked if they can include in the RFP a location.

Vice Mayor Gray he agrees they do not need to determine a location today but they need to get the best of the best to the table to examine a 100 year decision.

CM Beard stated to create a RFP they have to have some vision in mind. He asked if there is any place they need to visit that has done a good job with government centers.

Commissioner Cole stated that would be part of the architect's job in their design process. She stated what CM Blevins and Vice Mayor Gray are talking about is taking a step back from what the administration wants. Commissioner Cole stated council needs to set some parameters on this.

CM Lane made a checklist of things that are being done in the downtown area at this time. He stated he is concerned that there needs to be some coordination with all these projects. He stated there are a lot of costs with these projects.

CM McChord mentioned some more projects to add to the list. He stated there needs to be some kind of overall coordination. CM McChord asked if there is opportunity to expand what Clete Benken and some of the folks are doing and include all this in the package.

Vice Mayor Gray stated that is exactly what he was thinking.

CM McChord stated he would like to see what this would cost to roll this into a more aggressive plan recognizing the Downtown Master Plan is more of a recommendation list.

Vice Mayor Gray stated Mr. Benken does have those sorts of skills that are needed for a project like this. He stated this would be a stepping back in order to confidently step forward.

CM Blevins stated he favors what the Vice Mayor is talking about. He stated he disagrees with Commissioner Cole because they have never had public input. He asked what is the way forward.

Vice Mayor Gray stated they need to ask Mr. Benken if they have the skill sets to examine this issue and confirm this will a project that will be good for this city the next 100 years.

Joe Kelly stated Mr. Benken has been aware of the FM Solutions study and recommendations.

Vice Mayor Gray stated they all are coming at this from different experiences. He stated he would like to see and hear someone like Mr. Benken confirming this is the best direction they can take today. He asked to have a meeting with Mr. Benken regarding this.

Mr. Kelly stated they can arrange a meeting with Mr. Benken at the next work session.

CM Beard asked if it is not wise to have a disinterested third party to validate what he has done.

Mr. Kelly stated if Mr. Benken uncovers something in the process he would be candid with council.

CM Blevins stated it would be wise to table the resolution until they hear from Mr. Benken.

A motion by CM Blevins to request the administration to arrange a presentation by Clete Benken at the next work session on September 9th to discuss the downtown possibilities, seconded by CM McChord, passed without dissent.

III. Mayor's AHTF Commission, Summary Report

David Christiansen, Executive Director, Central Ky Housing and Homeless Initiative, did a presentation regarding the Affordable Housing Trust Fund.

CM Stinnett asked how does funding from other sources come into play.

Mr. Christiansen stated the proposals coming in would be to develop a 10 or 20 unit building so matching fund would be coming from other potential funding sources such as HOME or CDBG. He stated this is gap financing.

CM Stinnett asked if this is for new housing.

Paula King, Community Development, stated it can be for existing but only if it was for a gap to keep a project going.

CM Stinnett asked if they have identified any projects yet.

Ms. King stated not yet. She stated the funding committee looked at projects that were denied.

CM Stinnett asked if she had a list of those projects.

Ms. King stated yes.

CM James asked what councils' role will be as they are listening.

Mr. Christiansen stated the formal report will go to the Mayor and from that point it needs to be accepted and translated into an ordinance. He stated ultimately it has to be passed to create the AHTF.

CM James stated it is clear there is an issue with affordable housing. She stated they need everyone's input.

CM Blevins asked if they did an analysis to what it would cost if someone put up the capital to build those units.

Mr. Christiansen stated it would be a pretty significant number. He stated rent assistance is allowed.

Dr. Stevens stated it looks like the initial funding would be tax dollars. He asked if there are other communities that have examples.

Mr. Christiansen stated about 40 states have affordable housing trust funds.

CM Myers asked how the rest of programs are funded across the country.

Mr. Christiansen stated most typical is a real estate transfer tax. He stated there is an annual report that is put out. He stated he can forward that to the committee.

CM Myers asked if the report speaks to outcomes.

Mr. Christiansen stated a lot of the affordable housing trust funds have been successful.

CM Myers asked what is the governing board's vision.

Mr. Christiansen stated that will come from the ordinance. He stated the recommendation is to do a needs assessment every 3 years to guide the governing board.

CM Myers asked what will be the initial recommendation from the board.

Mr. Christiansen stated they do not have it broken down except that permanent housing is the major focus of the fund.

The meeting adjourned at 3:02 pm.