Budget and Finance Committee
Dr. Stevens
Jim Gray
Linda Gorton
Chuck Ellinger
Jay McCord
Ed Lane
Kevin Stinnett
George Myers
Andrea James
Don Blevins

AGENDA

BUDGET AND FINANCE COMMITTEE

October 28, 2008

1:00 P. M.

1. **General Fund Summary Report of Revenues & Expenditures September, 2008 – Koch**

2. **FY 2008 Budget Process Recommendations – CM Blevins**
   - **Budget Debriefing Document 7/10/07 (pg 1 – 3)**
   - **Comments from Commissioner Koch**

3. **Sale and Disposal of Obsolete Property – CM James**
   - **Chapter 7, Article I, Sec., 7-15 Code of Ordinances (pg 4)**

4. **Preliminary Report of Finance Task Force Progress – Stevens**
   - **Roster of Task Force Members (pg 5)**

FY 2008 BUDGET DEBRIEFING TOPICS
COW MEETING 7/10/07

Issue No.	Debriefing Topic	Issue	Council Action	Responsible	Action/Report Due
1.	Line Item Detail	The description of individual items in the budget are vague, making it difficult to analyze.	Council requested that Kyna Koch, Finance Commissioner report to the COW scheduled to meet on July 10th. The Committee is requesting recommendations that will improve detail of expenditures contained in the Mayor's Proposed Budget.	Commissioner Koch	Commissioner Koch stated that during the Council's summer break she would develop other recommendations and present in the next COW Meeting.
2.	Personnel Lapse	Council is requesting that the current method for projecting personnel lapse be revised. Costs for employee positions that will not be hired during the budget year should be addressed.	Council requested Commissioner Koch report to Council regarding the personnel lapse. CM Blevins suggested that the Council and Mayor deal with the net personnel costs and not gross personnel costs while identifying unspent or lapsed personnel costs.	Commissioner Koch	Commissioner Koch stated that she would bring further examples of how other states and agencies were dealing with the issue of personnel lapse.
3.	Contingency Fund	Council discussed using a contingency fund as a budgetary mechanism for revenue estimates.	Council agreed to work with the Finance Dept to develop a plan for addresing this question.	Commissioner Koch	Commissioner Koch stated that she would bring further examples of how other jurisdictions and develop some recommendations.
4.	Projection Data	Council observed that a multi-year revenue and expense model should be developed.	Council approved a motion to direct Finance to develop a 5-year projection of income/expense.	Commissioner Koch	Commissioner Koch stated that the timing for providing projection data would be changed and that Council would be provided with data prior to budget adoption. Dr. Stevens recommended that work session may be the more appropriate forum on an as needed basis.
5.	Spending Plan	Council observed the need to have a process by which programs can be prioritized for later funding should a surplus develop during the fiscal year. Likewise, programs could be eliminated should there be a shortfall. The goal is to have information provided to Council so that spending priorities can be determined during the budget cycle.	Council agreed to develop a surplus spending plan and to work with the administration on the specifics of such a plan.	Council/ Administration	Commissioner Koch committed to providing recommendations after the Council summer break.

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6.	Capital Planning	Council has identified the need for a long-term capital project planning system. Council would like to see projections of capital expenses coupled with current and projected debt service costs.	Council agreed to merge items 6 & 7 and requested the administration (Commissioners Koch, D. Kelly & J. Kelly) develop an outline of the long range capital plan. Council also recommended that periodic updates on capital projects be included in the outline.	Commissioners Koch/D. Kelly/J. Kelly	Commissioner Koch stated that research was being conducted as to how capital planning was being conducted at the state, the City of Louisville and other locations and she would be sharing this data with Council after the break.
7	Deferred Projects	Council needs an effective project status reporting system which will continuously update the council on implementation and funding of budgeted projects.	Council agreed to merge items 6 & 7 and requested the administration (Commissioners Koch, D. Kelly & J. Kelly) develop an outline of the long range capital plan. Council also recommended that periodic updates on capital projects be included in the outline.	Commissioners Koch/D. Kelly/J. Kelly	Commissioner Koch informed the Committee that she was working on a monitoring system for the projects that Council recently approved in FY 2008's budget. She indicated that her staff was also working on a status update for prior projects like Man-O-War for $250K that was approved and no update has been provided. No target date was provided as to when these items would be presented.
8.	CAFR Alignment	The budget and CAFR Report do not always align making it difficult to use the CAFR as a budgeting tool for financial data.	Council is recommending that the Finance Dept. examine ways to make the CAFR Report and Budget align more consistently.	Commissioner Koch	Commissioner Koch informed the Committee that the CAFR Report was not a budget document but a financial document that was governed by the Governmental Standards Board. Ms. Koch indicated that perhaps some budget reporting data could be incorporated into this report. It was agreed at the recommendation of CM's Lane and Stevens that wherever the STARS System could be used for reducing cost and improving the document preparation time these areas should be explored. No target date was established for this
9.	Monthly Review	Can the STARS system allow the Council to adjust the budget during the fiscal year (on a monthly basis perhaps?) to react to changes in revenue and expense, rather than waiting until year-end adjustments?	Requested Finance Dept to develop and utilize monthly revenue and expenditure data and provide results to Council.	Commissioner Koch	Commissioner Koch informed the Committee that the goal for monthly reporting was to close by the 10th of each month and report financial dataa by the 2nd work session of the month.
10.	Outside Agency: Operations	Council needs to identify methods to handle Outside Agencies which make operational changes in order to reduce their budget request. (e.g., Salvation Army, per CM McChord)	Council agreed to merge items 10, 11, & 12 and asked the Outside Agency Oversight Committee to review final recommendations to the full Council.	Outside Agency Oversight Committee	No Discussion During this COW Meeting
11.	Outside Agency: Unspent Funds	Council wishes to identify methods to better manage budgeted but unspent LFUCG funds for outside agencies. Discussion may require assistance from the Law Dept.	Council agreed to merge items 10, 11, & 12 and directed the Outside Agency Oversight Committee to review with final recommendations to the full Council.	Outside Agency Oversight Committee	No Discussion During this COW Meeting

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12.	Partner Agency Increases	The administration is requested to provide an indicator when a partner agency receives a funding level higher than the amount requested in the MPB. (e.g., Urban League, per CM James)	Council agreed to merge items 10, 11, & 12 and directed the Outside Agency Oversight Committee to review with final recommendations to the full Council.	Outside Agency Oversight Committee	No Discussion During this COW Meeting
13.	County Attorney Funding	Council has requested that a review of the budget allocation to the County Attorney's Office be conducted	Directed the Council Inter-Governmental Committee to examine the relationship between LFUCG and the County Attorney's Office	Inter-Governmental Standing Committee	No Discussion During this COW Meeting
14.	Infill/Redevelopment, Land Bank	Council is requesting that these two programs be reviewed and determine specifically how the programs would be administered, decisions would be made and any oversight, etc.	Council agreed that the Infill/Redevelopment issue was to be moved into the Infill/Redevelopment Committee and the Land Bank budget amendment was to be placed in the Planning Committee.	Infill/ Redevelopment Committee and Planning Committee	No Discussion During this COW Meeting
15.	FY 07 Fund Balance	Administration has projected a surplus for FY 2007 and council believes that a spending plan should be developed (realted to item #5).	Council will work with the administration to initiate a plan.	Council/ Administration	This item relates to Item 5 and Item 18 and the Vice Mayor recommended that this item be covered in the September, 2007 meeting as mentioned below.
16.	Retirement Impact	This item arose in the 6/27/07 COW Meeting. The concern is with anticipated retirement levels rising, how best to effectively deal with the budget impacts.		Council/ Administration	The Committee reuested that Ms. Koch be prepared to provide the Retirement Impact in the same meeting as the actuarial presentation
17	Department and Projects Reporting and Performance	Council observed during budget and committee meetings that consistent reporting systems and performance metrics are needed.		Council/ Administration	Melissa Hagan, Council Intern made a presentation on Performance Measurements that was well received by the Committee.
18	Police and Firefighters Pension Planning	Council requests an actuarial presentation.		Council/ Administration	Commissioner Koch agreed to schedule an actuarial presentation for the first meeting in September, 2007

CHAPTER 7 – FINANCE AND TAXIATION

ARTICLE I. IN GENERAL

Sec. 7-15. Sale or disposition of obsolete property.
There is delegated to the mayor the power, and he is authorized on behalf of the urban county government and in its name, to sell for cash, or to exchange for other equipment to replace any equipment in the urban county government whenever in his judgment, because of obsolescence, wear and tear or cost of the repair and maintenance of the same, it is for the best interests of the urban county government that the same be sold and exchanged. All money received from the sale of any such equipment shall be paid into the general fund of the urban county government.

FINANCE TASK FORCE CONTACT LIST

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