



# Lexington-Fayette Urban County Government



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## *Budget In Brief* FY 2010–2011





**Lexington-Fayette  
Urban County Government**

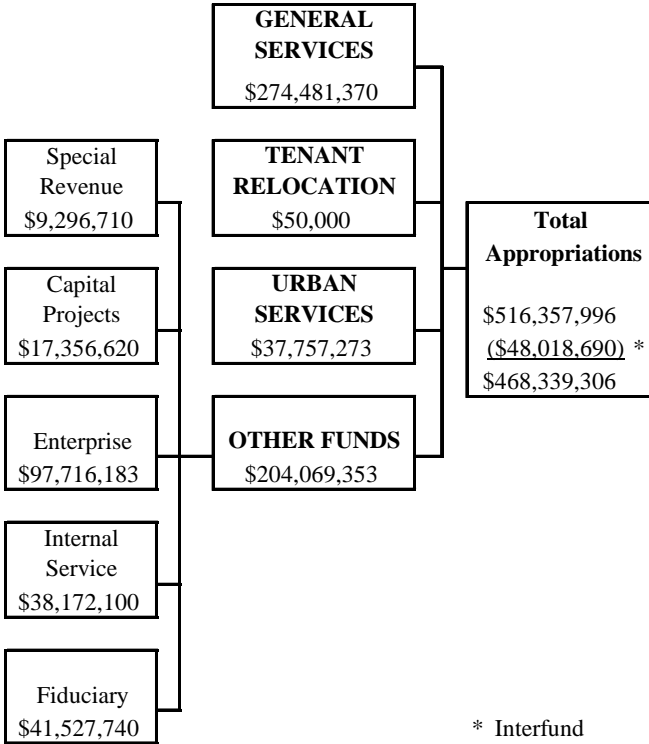
***Budget  
In Brief***  
**FY 2010–2011**

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## Budget In Brief

### Organization of the Total Budget by Fund



\* Interfund  
Transfers

### Introduction to the Budget

As shown on the prior page, the total budget for all funds combined, net of interfund transfers, is \$468,339,306. This is \$34,042,624 less than the FY 2010 adopted budget.

The finances of the government are segregated into funds in order to account for specific activities in accordance with special regulations or restrictions. The total budget is organized as follows:

- Fund 1101, the **General Services District Fund**, supports basic services such as police, fire, planning and zoning, parks and recreation, libraries, and other community services. This fund is financed primarily by employee withholdings/net profits license fees and property taxes.
- Fund 1104, the **Tenant Relocation Fund**, accounts for relocation assistance to eligible low-income tenants displaced by the rezoning, redevelopment, or change in use of property.
- Fund 1115, the **Urban Services Districts Fund**, accounts for refuse collection, street lights, and street cleaning services provided by the government. These services are funded by an additional property tax paid only by the property owners in the respective service districts.
- **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted for specified expenditures,

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such as *Police Confiscated-Federal, Police Confiscated-State, Public Safety, Spay and Neuter, Municipal Aid Program, County Aid Program, Miscellaneous Special Revenue, and state and federal grant* funds.

- **Capital Projects Funds** account for the receipt and disbursement of resources used in major capital and construction projects.
- **Enterprise Funds** are self-supporting through charges for services. LFUCG enterprise funds include *Sanitary Sewers, Water Quality Management, Landfill, Right of Way, Extended School Program, Prisoner's Activity, Enhanced 911, LexVan, and Public Corporations*.
- **Fiduciary Funds** account for assets held by the government in a trustee capacity. Included are the *Public Library Corporation Fund, the City Employees' Pension Fund, and the Police and Fire Retirement Fund*.
- **Internal Service Funds** account for the financing of services by one fund to another fund or funds of the government. Included here are the government's *self-insurance funds*.

## Budget In Brief

### FY 2011 Budget Highlights

The Lexington-Fayette Urban County Council voted to adopt the Mayor's Proposed Budget for fiscal year 2010-2011, as amended, on June 15, 2010. The approved expenditure budget for the General Services Fund is \$274,481,370, which includes late item changes made by the Council.

### **Changes to the Mayor's Proposed Budget**

After the Mayor's Proposed Budget is presented in April, the Council is required to hold a public hearing on the contents of the proposed budget. The Council may amend the proposed annual budget submitted by the Mayor, except that the budget, as amended and adopted, shall provide for all expenditures required by law or by other provisions of the Charter, and for all debt service requirements for the next fiscal year. The following changes to the Mayor's Proposed Budget were made or accepted by the Council for the General Services District Fund on June 15, 2010.

### **Late Item Changes**

#### **Increases to Fund Balance**

Adjust the pay of the County Judge Executive based on the change in the 2009 Consumer Price Index	\$420
Correct an error by deleting funds for salary and benefits for three County Commissioners	17,840
Update the incumbent and pay for the position of Staff Assistant in Social Services	6,210
Adjust debt service for anticipated bonds as only one interest payment will be required during FY 2011	573,429
Increase EMS revenue in anticipation of delinquent account collections	50,000
<b><i>Total increases to fund balance</i></b>	<b><i>\$647,899</i></b>

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### Decreases to Fund Balance

Match for the DR1818 Hazard Mitigation grant	(20,280)
Fund the Director of Community Development position for all 26 pay periods of FY 2011 rather than 3.3 pay periods	(99,500)
Correct the debt service principal and interest amounts for the GO 2003A refunding bonds	(122,140)
Provide funds for a new position of Enterprise Systems Developer Sr. in Enterprise Solutions by deleting funds for one position of Computer Analyst in Computer Services	(12,170)
Update incumbents, pay, and correct titles for various positions in the fleet services area	(11,880)
Fund one additional position of Staff Assistant (existing position) in Youth Services	(43,140)
Reallocate one position of Risk Management Analyst from Risk Management to General Services	(11,160)
Add the Kentucky League of Cities dues of \$26,000 to the Mayor's Office and reallocate \$7,200 from the Council Office for one half of the National League of Cities dues	(11,600)
Add legal fees for Council's Special Investigative Committee	(25,000)
Correct an error by increasing PFC General Fund lease payments for Kentucky Theater operations	(397,430)
Municipal Service Bureau collection fees	(50,000)
Create two new positions of Enterprise Systems Developer in Enterprise Solutions	(15,160)
Fund one position of Administrative Specialist (existing position) in Risk Management	(44,580)
<b><i>Total decreases to fund balance</i></b>	<b><i>\$(864,040)</i></b>



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### Items with No Change to Fund Balance

Reallocate the operating budget for Council District 4 for the second six months of the fiscal year

Reallocate various Engineering positions between Engineering Sections.

Adjust the revenue and appropriation for the Lexington Convention and Visitors Bureau to the board-approved budget amount

Reallocate custodial positions to Facilities and Fleet Management from various Department of Social Services divisions

Reallocate two GIS positions from Computer Services to Emergency Management/911

Provide funds and recovery for one position of Eligibility Counselor in lieu of one position of Social Worker (grant funded) in Community Development

Reallocate manhole repair funds from Engineering to Streets, Roads, and Forestry

Correct an error by reallocating funds for two positions from Engineering to Water Quality

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*Net decrease to fund balance*

*\$(216,141)*

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### Council Changes

#### Increases to Fund Balance

Council Office – decrease Conferences and Training in the Administration	\$2,000
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Council Office – reduce cost centers by \$3,500 and this reduction will be in addition to the \$1,515 reduction in the MPB	52,500
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Contract Debt – General Fund debt service reimbursement for solid waste bonded expenditures. Bonds will not be issued in the beginning of FY 2011 so this reimbursement represents one semi-annual interest payment.	167,664
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EMS Fees – do not decrease by 4.6%, and assume flat revenue projection for FY 2011	272,864
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## Budget In Brief

Revenue – increase penalties and interest in anticipation of delinquent account collections	54,776
Facilities and Fleet – reduce the maintenance expense budget for buildings	400,000
Street, Roads, and Forestry – reduce the amount budgeted for purchase of salt	200,000
Partner Agency – eliminate funding for the Bluegrass Community Foundation 20/40 project	90,000
Parks and Recreation – open all pools on schedule and close August 1, 2010 except the 4 aquatic centers, which will remain open entire season	5,000
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<b><i>Total increases to fund balance</i></b>	<b><i>\$1,244,804</i></b>

### Decreases to Fund Balance

Council Office – restore funding of the Council Administration Expense Reduction	\$(199,325)
Enterprise Solutions – \$200,000 reduction that is generated by bonding the Real Estate Management Module will be used to pay for the Oracle licensing fees projected to be \$218,000	(18,000)
Parks and Recreation - remove pool rate increase; continue to use existing rates	(200,000)
Contract Debt – purchase a new fire engine truck at a cost of \$500,000; only one interest payment will be required during FY 2011	(18,000)
Contract Debt – bond the Real Estate Management Module instead of expensing at approximately \$200,000; only one interest payment will be required during FY 2011	(4,200)
Contract Debt – bond the Legislative Blue Sheet project; only one interest payment will be required during FY 2011	(1,680)
CIO Administration – implementation fees for the Legislative Blue Sheet Process	(20,000)
General Services Administration – provide funding for a part-time programmer at the Gainesway Community Center	(19,000)

## Budget In Brief

Risk Management – restore the division as funded in FY 2010, with the exception of a vacant position	(235,392)
Animal Care and Control - establish operating costs at the FY 2010 level, which allows the same level of services to continue	(143,000)
Human Resources and Parks – retain for 6 months the 6 positions that were to be eliminated. The policy issues related to the elimination of these positions were placed into the Intergovernmental Committee	(170,047)
<hr/>	
<b><i>Total decreases to fund balance</i></b>	<b><i>\$(1,028,644)</i></b>

### Items with No Change to Fund Balance

Council Office – Transfer \$5,550 to General Services Commissioner’s Office for ICMA dues

Social Services – Reallocate funds of \$147,900 that were designated to pay Fayette County Public Schools for transportation services for the Day Treatment Center. Fleet Services will be providing the transportation services

Animal Care and Control - establish fleet costs provided by government at the FY 2010 level, which allows the same level of services to continue.

Parks and Recreation – approved golf course fees

Citizen’s Advocate – provide salary and benefits and operating expenses for the Citizens’ Advocate position by reducing \$13,000 from Internal Audit’s Professional Services - Finance and \$12,000 from their Professional Services – Other, and by also reducing Enterprise Solutions Rent/Lease Buildings by \$25,000 as result of the planned move of the Enterprise staff into the Government Center.

County Clerk – reduce funding in Internal Audit Professional Services – Finance by \$1,050 to restore funding to FY 2010 level for landline expenditures for the County Clerk.

<b><i>Net increase to fund balance</i></b>	<b><i>\$216,160</i></b>
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## Budget In Brief

### Summary of General Services District Changes

	Mayor's Proposed	Adopted	Difference
Funds Available	\$274,307,309	\$274,523,109	\$215,800
Expenditures	274,265,589	274,481,370	215,781
<b>Budgeted Fund Balance</b>	<b>\$41,720</b>	<b>\$41,739</b>	<b>\$19</b>

### Changes to Other Funds

Various late item changes to other funds were approved by the Council on June 15, 2010. The impact to fund balance by fund is as follows.

#### Decreases

Urban Services Districts	\$1,574,258
Municipal Aid Program	3,000,000
PFC – General Fund	362,570
Water Quality Management	25,980

#### Increases

Sanitary Sewer Revenue & Operating	\$1,948,890
Landfill	503,000

#### No Impact

County Aid Program  
Sanitary Sewer Construction  
Capital Projects

## Budget In Brief

### General Services District Fund

The **General Services District** covers the entire county and includes most of the basic services provided to residents (police, fire, parks, housing, etc.). FY 2011 appropriations in the General Services District Fund are \$274.5 million.

#### Summary of Budgeted Revenue and Appropriations

	Adopted FY 2010	Adopted FY 2011	Change
<b>Revenue</b>			
Ad Valorem Taxes	\$ 20,871,110	\$ 20,244,000	\$ (627,110)
Licenses and Permits	231,693,500	219,874,280	(11,819,220)
Services	19,577,270	20,830,074	1,252,804
Fines and Forfeitures	192,000	203,000	11,000
Intergovernmental	457,000	1,654,689	1,197,689
Property Sales	179,550	4,236,300	4,056,750
Investments	300,000	27,000	(273,000)
Other Financing Sources	4,989,000	440,390	(4,548,610)
Other Income	1,362,000	2,237,976	875,976
Total Revenue	\$ 279,621,430	\$ 269,747,709	\$ (9,873,721)
Fund Balance, July 1	560,000	4,775,400	4,215,400
Total Funds Available	\$ 280,181,430	\$ 274,523,109	\$ (5,658,321)
<b>Appropriations</b>			
<b>Operating Expenditures</b>			
Personnel	\$ 191,047,160	\$ 188,730,890	\$ (2,316,270)
Partner Agencies	18,398,110	17,786,810	(611,300)
Debt Service	29,848,170	34,438,984	4,590,814
Insurance	6,071,580	4,874,000	(1,197,580)
Operating	34,316,490	35,962,512	1,646,022
Transfers	185,790	(8,148,501)	(8,334,291)
Total Operating	\$ 279,867,300	\$ 273,644,695	\$ (6,222,605)
<b>Capital Expenditures</b>			
CIP Capital	\$ 166,200	\$ 800,000	\$ 633,800
Operating Capital	26,050	36,675	10,625
Total Capital	\$ 192,250	\$ 836,675	\$ 644,425
Total Appropriations	\$ 280,059,550	\$ 274,481,370	\$ (5,578,180)
Fund Balance, June 30	\$ 121,880	\$ 41,739	\$ (80,141)

### General Services District Fund Expenditures

There are several ways in which one can look at how the LFUCG will spend its budget this year. In the following pages, the budget is explained by category of spending and by department or service area.

**Personnel (\$188,730,890)** accounts well over half of the total General Services District Fund budget. This category includes *wages, overtime, and fringe benefits*. The change in this category over last year is due mainly to the following:

- Continuation of the bargained pay system for sworn personnel in Police and Fire raised step pay levels in Police by 3%, between 3% to 8.50% for Fire, however, no adjustments occurred for Chief or Battalion Chiefs. No provision was made for increased step pay levels for Community Corrections since the contract expired June 30, 2010 and it was anticipated those contract rates would remain in force. Additional increases were realized from other items negotiated by the collective bargaining groups.
- The net reduction of 82 full-time and part-time positions.

**Partner Agencies (\$17,786,810) are non-governmental** programs such as the Library and various economic, legal, and social service organizations that receive full or partial funding from LFUCG. (See pages 20- 21 for a complete list of partner agencies.) The total amount of funding to partner agencies is decreased by \$611,300, due mainly to the decrease in funding to the Library. This decline is a direct result in the decrease in the budgeted Ad Valorem taxes. Also, most agencies received a 7.5% reduction for FY 2011.

**Debt Service (\$34,438,984)** is for payment on long-term and short-term debt incurred to finance public projects. For the purposes of the *Budget in Brief* the debt service for Purchase of

## Budget In Brief

Development Rights easement acquisition is removed from the Department of Public Works and instead shown with other debt service expenses.

**Insurance (\$4,874,000)** is the General Services Fund's payment to the government's self-insurance fund for claims related to workers' compensation, general liability, property, and automobile liability and physical damage. Insurance funding decreased by \$1,197,580 from FY 2010 due to a change in the projected reserves needed to fund claims which have occurred but have not yet been reported.

**Operating (\$35,962,512)** includes the day-to-day expenditures needed to run the various departments, such as office supplies, telephone, fuel, and utilities. Also included are professional services for medical, legal, engineering, etc.

**Transfers To/From Other Funds (-\$8,148,501)** represent the transfer of resources from one fund to another. The FY 2011 budget includes a credit of \$5,870,000 for a possible draw from the Economic Contingency reserve.

Transfers To or (From)	Adopted FY 2010	Adopted FY 2011	Difference
CEP - Insurance and Administrative	\$ 80,800	\$ 80,800	\$ -
Computer Services	(108,490)	-	108,490
Economic Contingency	-	(5,870,000)	(5,870,000)
ERP - Synergy	394,840	-	(394,840)
Fleet Services Recoveries	(1,000,000)	(3,083,961)	(2,083,961)
Indirect Cost	(175,170)	(175,170)	-
LexCall Recovery	(26,540)	(30,840)	(4,300)
P & F Pension	2,832,040	2,700,000	(132,040)
Park Impact Fees/Golf Improvements	501,600	395,000	(106,600)
Relocation	50,000	50,000	-
Public Safety Fund Transfer	(363,290)	-	363,290
Road Projects	(1,207,720)	(1,401,720)	(194,000)
Streets, Roads, and Forestry Salaries	(792,280)	(812,610)	(20,330)
Total Transfers	\$ 185,790	\$ (8,148,501)	\$ (8,334,291)

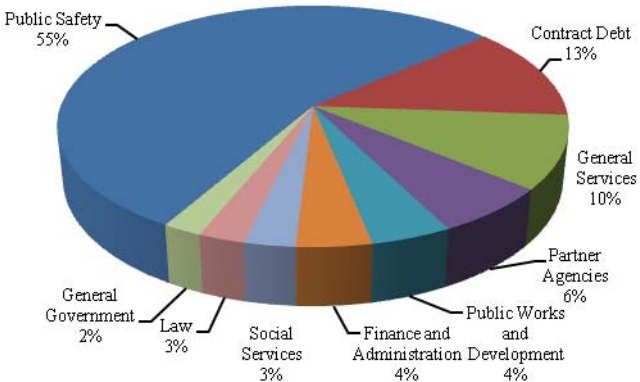
**Capital (\$836,675)** includes payments for capital improvement projects such as building repair, traffic control equipment, copier leases, and computer equipment.

## Budget In Brief

### Expenditures by Department or Service Area \$274,481,370

Governmental departments are unique units with specific responsibilities, generally defined in the LFUCG Charter. The budget is explained along departmental lines in the following section.

### General Services District Expenditures by Department \$274,481,370



Department	Adopted FY 2010	Adopted FY 2011	Difference
Public Safety	\$ 147,859,890	\$ 151,736,563	\$ 3,876,673
Contract Debt	29,848,170	34,438,984	4,590,814
General Services	31,227,590	26,924,182	(4,303,408)
Partner Agencies	18,398,110	17,786,810	(611,300)
Public Works and Development	12,925,570	12,045,295	(880,275)
Finance and Administration	11,574,190	11,168,592	(405,598)
Social Services	8,098,940	7,612,782	(486,158)
Law	8,382,120	6,929,450	(1,452,670)
General Government	11,744,970	5,838,712	(5,906,258)
<b>Total</b>	<b>\$ 280,059,550</b>	<b>\$ 274,481,370</b>	<b>\$ (5,578,180)</b>



## Budget In Brief

### Public Safety

**\$151,736,563    1,687.6 FTE**

The largest department in the General Services Fund is Public Safety, accounting for 56 percent of the FY 2011 budget. Code Enforcement, Community Corrections, Emergency Management/Enhanced 911, Fire and Emergency Services, and Police are included in this department.

Budget By Division	Adopted FY 2010	Adopted FY 2011	Change
Commissioner	\$ 518,350	\$ 499,110	\$ (19,240)
Emergency Mmgt\911	3,895,650	3,541,330	(354,320)
Community Corrections	30,786,380	31,496,918	710,538
Police	56,530,560	59,566,470	3,035,910
Fire	54,379,270	54,961,985	582,715
Code Enforcement	1,749,680	1,670,750	(78,930)
Total	\$ 147,859,890	\$ 151,736,563	\$ 3,876,673

### *Commissioner of Public Safety*

- The personnel budgets for Community Corrections, Police, and Fire and Emergency Services includes funds required by the collective bargaining agreements.
- The budget for Police and Fire Pension was moved from Public Safety to Finance Administration for FY 2010. The FY 2010 budget has been similarly adjusted to provide easier comparisons.

### *Police and Fire*

- Funds are included for one recruit class for Police and two recruit classes for Fire.
- New grant funded positions were added for FY 2011: one Public Information Officer, Police Analyst, and Microcomputer Support Specialist and two Evidence Technicians.

## Budget In Brief

### Contract Debt

**\$34,438,984**

Contract Debt comprises 13 percent of the FY 2011 General Fund budget.

### **General Services Fund Debt Service Schedule**

	Adopted FY 2010	Adopted FY 2011	Difference
PFC Lease	\$ 506,000	\$ 903,430	\$ 397,430
PPC Lease	-	-	-
GO 2003B-Fire Notes	226,600	-	(226,600)
GO 2004B-Fire Equipment Notes	384,000	384,800	800
GO 2005A-Equip/Fiber Installat	-	-	-
GO 2005B-Fire Truck Notes	456,790	458,825	2,035
Vine Center Parking Garage	-	-	-
GO KLC 2000-Webasto	50,210	53,456	3,246
GO Anticipated Debt Issues	7,862,900	3,088,546	(4,774,354)
GO 1999A-Detention Facility	-	-	-
GO 2000A-Picadome Golf Course	706,910	-	(706,910)
GO 2000D-Stormwater	1,341,380	1,337,625	(3,755)
GO 2000E-Phnx&Pool	736,520	-	(736,520)
GO 2002B-Gov't Center HVAC	280,890	281,200	310
GO 2002C -EAMP & Stormwater	425,450	424,562	(888)
GO 2003A-Refunding Bonds	1,050,490	1,203,406	152,916
GO 2004C-Day Treatment, Blvd.	718,810	714,850	(3,960)
GO 2005C-Garage, Phoenix, PDR	173,680	174,125	445
GO 2006A-Equip, STARS, Park Im	1,941,600	1,944,800	3,200
GO 2006B-Station,BG Asp, Storm	949,350	949,547	197
GO2006D-Det Ctr & PFC Refund	5,231,880	5,228,475	(3,405)
GO2008A (07 & 08 3&5 yr proj.)	3,619,720	3,620,050	330
GO2009A (07 & 08 10&20 yr proj.)	2,249,360	2,245,838	(3,522)
GO2009B-Pension Obligation	-	5,847,662	5,847,662
GO 2010A	-	3,258,911	3,258,911
GO 2010B-Refinance 1999B&2000A	-	706,435	706,435
GO 2010C-Refinance 2000E	-	675,839	675,839
<b>Total Contract Dept</b>	<b>\$ 28,912,540</b>	<b>\$ 33,502,382</b>	<b>\$ 4,589,842</b>
GO 2001B-PDR	\$ 566,540	\$ 564,128	\$ (2,412)
GO 2005C-PDR	222,060	223,159	1,099
GO 2006C - PDR	147,030	149,315	2,285
<b>Total PDR Debt</b>	<b>\$ 935,630</b>	<b>\$ 936,602</b>	<b>\$ 972</b>
<b>Total General Services Debt</b>	<b>\$ 29,848,170</b>	<b>\$ 34,438,984</b>	<b>\$ 4,590,814</b>

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### General Services **\$26,924,182    337.3 FTE**

This is the third largest department, comprising 10 percent of the FY 2011 General Fund budget.

Budget By Division	Adopted FY 2010	Adopted FY 2011	Change
Commissioner	\$ 1,870,490	\$ 1,841,361	\$ (29,129)
Parks and Recreation	18,841,310	17,348,766	(1,492,544)
Facilities & Fleet Mgt.	10,515,790	7,734,055	(2,781,735)
Total	\$ 31,227,590	\$ 26,924,182	\$ (4,303,408)

#### *Commissioner of General Services*

- Budgets for utilities are adjusted based on projections for FY 2011.

#### *Facilities and Fleet Management*

- General maintenance of government facilities budgeted at \$750,000.
- Fleet Management has allocated the entire cost of their operation using a full loaded labor rate. This results in the actual cost of fleet operations to be reflected in the budgets of the divisions using the service, resulting in more management oversight of the fleet program.

#### *Parks and Recreation*

- Funds were budgeted to operate Avon Golf Course until Labor Day. At the four larger golf courses the weekend rate and cart rentals were increased, however, the senior, junior and ladies rates were unchanged.
- A dedicated building permit fee was passed in 1983, and in 1995 its use was restricted to park land acquisition. The transfer to the PFC Parks Projects Fund is detailed on the next page:

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	FY 2010	FY 2011
Park maintenance and development (building permit fees)	\$400,000	\$300,000
Golf course improvements	101,600	95,000
Total	<b>\$501,600</b>	<b>\$395,000</b>

### Partner Agencies

**\$17,786,810**

Partner Agencies are the fourth largest sector of the General Services District budget.

### Partner Agencies

Organization	Adopted FY 2010	Adopted FY 2011	Change
Animal Control	\$ 1,035,000	\$ 1,047,000	\$ 12,000
Baby Health Service	18,000	16,650	(1,350)
Big Brothers Big Sisters	10,290	9,520	(770)
Blue Grass Community Foundation	-	5,000	5,000
Bluegrass Area Dev District	83,680	83,460	(220)
Bluegrass Community Action Agency	30,000	27,750	(2,250)
Bluegrass Domestic Violence	75,000	75,000	-
Bluegrass Technology Center	3,000	2,780	(220)
Carnegie Literacy Center	36,000	33,300	(2,700)
Chrysalis House	40,000	37,000	(3,000)
Cntr for Women Children & Families	50,000	46,250	(3,750)
Commerce Lexington	522,170	508,010	(14,160)
Community Action Council	180,000	166,500	(13,500)
Comprehensive Care Center	314,750	291,140	(23,610)
Downtown Arts Center	109,680	101,450	(8,230)
Downtown Development Authority	244,280	234,700	(9,580)
Downtown Lexington Corporation	51,300	47,450	(3,850)
Environmental Commission	2,290	2,120	(170)
Explorium of Lexington	203,060	187,830	(15,230)
Hope Center for Men	740,000	740,000	-
Human Rights Commission	180,500	166,960	(13,540)
Kentucky World Trade Center	109,250	101,050	(8,200)
Lexington Public Library	13,706,650	13,074,810	(631,840)
Lyric Theatre	-	150,000	150,000
Metro Group Homes	158,000	158,000	-
Moveable Feast Lexington, Inc.	40,000	37,000	(3,000)

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Organization	Adopted FY 2010	Adopted FY 2011	Change
Nursing Home Ombudsman Program	50,000	46,250	(3,750)
Rape Crisis Center	75,000	69,380	(5,620)
Road to Homeownership, Inc.	32,060	29,660	(2,400)
Salvation Army	200,000	200,000	-
SCORE	6,650	6,150	(500)
Urban League	66,500	61,510	(4,990)
Total Agencies	\$18,398,110	\$17,786,810	\$ (611,300)

Funding for Partner Agencies has decreased by \$611,300 due to reductions to all agencies with the exception of Hope Center, Salvation Army, Metro Group Home, and Bluegrass Domestic Violence Prevention. Funding for Animal Control is increased for FY 2011 compared to FY 2010 because a portion of the funding for this service was inadvertently omitted from the FY 2010 original budget. Funding for Lyric Theatre and Blue Grass Foundation are new for FY 2011.

The ***Lexington Public Library*** receives \$13.1 million due to a legal requirement that mandates the government provide a funding level of 5 cents per \$100 assessed valuation of taxable property in the County. The initial budget is based on estimates of 2010 (FY 2011) property value certifications.

### **Public Works and Development**

**\$12,045,295    187.2 FTE**

Public Works and Development is comprised of eight General Fund divisions that provide public services in the areas of Engineering, Traffic Engineering, Streets, Roads, and Forestry, Building Inspection, Historic Preservation, Planning, Purchase of Development Rights, and the Commissioner's Office.

## Budget In Brief

Budget By Division	Adopted FY 2010	Adopted FY 2011	Change
Commissioner	\$ 425,220	\$ 305,175	\$ (120,045)
Traffic Engineering	3,778,410	3,102,895	(675,515)
Streets, Roads, Forestry	3,198,410	3,483,060	284,650
Engineering	426,020	416,300	(9,720)
Building Inspection	2,650,170	2,545,100	(105,070)
Historic Preservation	359,290	362,790	3,500
Planning	1,917,330	1,690,910	(226,420)
Purchase of Dev. Rights	170,720	139,065	(31,655)
Total	\$ 12,925,570	\$ 12,045,295	\$ (880,275)

### *Commissioner of Public Works and Development*

- A major component of the operating budget for the Commissioner of Public Works and Development is for seminars training and business travel. These funds are used by all Public Works and Development divisions and have been reduced by 46 percent.
- Funds for dead animal removal are not included for FY 2011.

### *Engineering*

- For FY 2011, in addition to the General Fund, Engineering personnel budgets are allocated to the Sanitary Sewer Revenue and Operating Fund, Municipal Aid Fund, and Right of Way Fund based on the projected time spent on each function.

### *Streets, Roads, and Forestry*

- Storm Sewer Maintenance and Construction costs within Streets, Roads, and Forestry have been moved to the Water Quality Management Fund for FY 2011.
- The FY 2011 budget includes \$800,000 for de-icing salt.

### *Traffic Engineering*

- An update of the allocation of street lights on arterials verses street light district streets has resulted in a reduction in street light rental for FY 2011.

## Budget In Brief

### *Planning*

- The budget includes funding for the required Board of Architectural Review training.

### *Purchase of Development Rights*

- The reduction in PDR was possible for FY 2011 without impacting the program due to the size of the tracts of land applying for the program. Fewer appraisals and closings are required allowing for a large reduction in the Professional Services activities.
- The debt service budgeted in PDR for easement acquisition, \$936,602, is shown in the Contract Debt section of the *Budget in Brief* on page 18. These funds are budgeted within PDR but are included with Contract Debt for this document to provide a full examination of our debt expenses.

### **Finance and Administration**

**\$11,168,592    105.6 FTE**

The *Finance and Administration Department* includes the budgets for Revenue, Accounting, Purchasing, Human Resources, Community Development, Finance Administration, and Risk Management. Finance and Administration comprises about four percent of the General Fund budget.

Budget By Division	Adopted FY 2010	Adopted FY 2011	Change
Commissioner	\$ 3,227,180	\$ 3,144,840	\$ (82,340)
Accounting	1,350,300	1,284,230	(66,070)
Revenue	2,608,300	2,561,702	(46,598)
Purchasing	551,300	578,540	27,240
Community Development	778,840	735,290	(43,550)
Human Resources	2,598,640	2,535,180	(63,460)
Risk Management	459,630	328,810	(130,820)
Total	\$ 11,574,190	\$ 11,168,592	\$ (405,598)

### *Commissioner of Finance and Administration*

- The Commissioner's office budget includes funding for the General Fund's portion of the annual financial and property tax audits and administration of the Police and Fire and City pension funds.
- The Commissioner's Office will return to full staffing in FY 2011.

### *Accounting*

- One position was transferred to Human Resources to assist with payroll. All other positions in the division will be funded in FY 2011.

### *Revenue*

- 3.5 FTE positions will be unfunded in FY 2011.
- Funds are included to operate the amnesty program at the start of FY 2011 (\$50,000).

### *Purchasing*

- A new position of minority coordinator was filled in the end of FY 2010 to manage outreach, tracking, and compliance to meet our 10 percent participation goal.

### *Community Development*

- One vacant position was not funded for FY 2011.
- Personnel recovery from grants is increased by \$224,960 over FY 2010. This was primarily the result of the Division of Engineering grant matches for West Loudon Avenue, Liberty Road, and Euclid/Fontaine/High Street.
- Anticipated payroll recoveries for all divisions are estimated to increase by \$396,370 primarily due to recoveries from Redeployment and Justice Assistance grants.



## **Budget In Brief**

### ***Human Resources***

- Due to the installation of the new payroll software system, Human Capital Management (HCM), positions in Human Resources were reorganized for better efficiencies:
  - One Administrative Officer position was abolished to create a Human Resources Generalist.
  - One vacant Human Resources Manager, one Administrative Specialist, and one Staff Assistance Sr. were not funded.
  - One Payroll Analyst was transferred from Accounting for payroll assistance.
  - Two filled Staff Assistant, one Total Rewards Assistant, and one Human Resources Analyst were funded for only 13 pay periods.
  - One Financial Coordinator – PT was not funded for FY 2011.

### ***Risk Management***

- The Risk Management budget is included in the General Fund. The portion of the budget allocated to the Urban Services Districts Fund (10 percent) and Sanitary Sewer Fund (18 percent) is based on their respective exposure to risk, as determined by the Division of Accounting. The portion of the operating budget allocated to the Urban Services and Sanitary Sewer Funds is budgeted as revenues to the General Fund/transfers from those funds to the General Fund. The portion of the personnel budget allocated to those funds is budgeted as personnel recovery in the General Fund
- Two positions were not budgeted for FY 2011 in Risk Management, and one position of Risk Management Analyst transferred to General Services Administration.
- An Administrative Specialist position was funded as a late item for 11 pay periods.

## Budget In Brief

### Social Services

**\$7,612,782    131.3 FTE**

The Department of Social Services consists of the Commissioner's Office, Divisions of Adult and Tenant Services, Family Services, and Youth Services, as well as the Office of Independent Living and Aging Services, the Domestic Violence Prevention Board, Multicultural Affairs, LexLinc, and Partners for Youth. Social Services comprise three percent of the General Fund budget.

Budget By Division	Adopted FY 2010	Adopted FY 2011	Change
Commissioner	\$ 1,126,590	\$ 1,239,080	\$ 112,490
Family Services	3,133,240	2,786,000	(347,240)
Youth Services	2,639,130	2,455,722	(183,408)
Adult and Tenant Services	1,199,980	1,131,980	(68,000)
Total	\$ 8,098,940	\$ 7,612,782	\$ (486,158)

### *Commissioner of Social Services*

- Funds were added by the Council to the Commissioner's budget which accounts for much of the increase compared to FY 2010. These were one-time projects including: database software, training, and start up costs for financial literacy programs.

### *Adult and Tenant Services*

- The emergency financial assistance budget is unchanged for FY 2011: \$75,000 for burials and cremations, \$30,000 for relocations, and \$120,000 for other assistance.

### *Family Services*

- The Fayette County Public Schools will assume responsibility to provide the required meal service for youth and children enrolled in the Day Treatment Center and the programs of the Division of Family Services at the Family Care Center as of July 1, 2010.

## Budget In Brief

- Custodial functions for Family Care Center, Family Care Center Annex, Senior Center, and Black & Williams are returned to General Services-Facilities Management.
- Revenue from grants and childcare services is projected to offset costs to the General Fund by \$1,311,380.

### *Youth Services*

- Includes funds to employ 150 youth for a four-week period during the summer.

**Law**  
**\$6,929,450    24.7 FTE**

The *Department of Law* prepares all legal instruments for the government, provides advice to its employees and agencies, represents LFUCG in civil cases filed in state and federal court and in all claims before administrative boards, processes all claims, and purchases excess insurance coverage. Law comprises three percent of the General Fund budget.

Budget By Division	Adopted FY 2010	Adopted FY 2011	Change
Law	\$ 8,382,120	\$ 6,929,450	\$ (1,452,670)
Total	\$ 8,382,120	\$ 6,929,450	\$ (1,452,670)

- Two vacant positions (Director of Corporate Counsel Attorney Senior) are not funded for FY 2011.

## Budget In Brief

### General Government

**\$5,838,712      173.7 FTE**

General Government programs include other divisions of government. These programs account for about 2 percent of the General Fund budget.

Budget By Division\Office	Adopted FY 2010	Adopted FY 2011	Change
Circuit Judges	\$ 323,050	\$ 324,800	\$ 1,750
County Clerk	261,630	338,690	77,060
Board of Elections	485,430	856,550	371,120
Commonwealth Attorney	81,960	72,610	(9,350)
County Judge Executive	19,100	18,090	(1,010)
County Attorney	774,400	789,622	15,222
Coroner	726,100	738,330	12,230
PVA	365,000	335,400	(29,600)
Council Office	2,380,230	2,323,125	(57,105)
Citizens' Advocate	182,150	132,730	(49,420)
Council Clerk's Office	768,190	646,205	(121,985)
Mayor's Office	1,546,340	1,409,974	(136,366)
Special Projects	945,120	831,033	(114,087)
Contingency\Indirect Cost	(6,570,970)	(12,864,260)	(6,293,290)
Budgeting	499,900	513,700	13,800
Internal Audit Office	820,640	712,743	(107,897)
CIO	867,080	590,014	(277,066)
Government Communications	1,517,600	1,443,300	(74,300)
Computer Services	5,522,420	5,353,960	(168,460)
Enterprise Solutions	-	983,510	983,510
Senior Advisor	153,650	154,016	366
Office of Economic Develop.	75,950	134,570	58,620
Total	\$ 11,744,970	\$ 5,838,712	\$ (5,906,258)

### *County Clerk*

- Funding is required for only two elections during FY 2011; FY 2010 included one.

### *Board of Elections*

- Funding is required for only two elections during FY 2011; FY 2010 included one.

## **Budget In Brief**

### ***Commonwealth Attorney***

- Funding for grant match and other operating accounts are decreased for FY 2011.

### ***County Judge Executive***

- The personnel budget includes pay for the County Judge Executive.
- The operating budget includes pay for the Fiscal Court Commissioners, and funds for telephone service and dues and subscriptions.

### ***County Attorney***

- FY 2011 funding increased by \$15,220 due to additional health insurance expenses.

### ***Coroner***

- All positions are funded for FY 2011.
- Operating accounts are increased slightly over FY 2010 levels.

### ***Property Valuation Administrator***

- A statutory contribution of \$200,000 is required for the PVA's office for FY 2011. Funding of \$135,400 is provided in addition to the statutory requirement.

### ***Council Office***

- The Council budget is reduced by \$57,105 from FY 2010 levels as a budget-balancing measure.

### ***Citizens' Advocate***

- The vacant Citizens' Advocate position is funded for half of FY 2011.

### ***Council Clerk***

- The operating budget decrease is based on planned reduction in the cost of advertising as a result of a change

## Budget In Brief

in Council requirements for Administrative Review items.

- One vacant Staff Assistant Sr. position was not funded for FY 2011.

### *Office of the Mayor*

- Two vacant positions are not funded for FY 2011.
- Funding for operating accounts is reduced by approximately \$29,000 for FY 2011.

### *Special Projects\Events*

The Special Projects program includes funding for the following for FY 2011:

Program	Adopted FY 2010	Adopted FY 2011	Change
Arts Program	\$ 450,000	\$ 450,000	\$ -
Bluegrass State Games	52,500	52,500	-
Corridor Program	90,000	50,000	(40,000)
Lexington Area Sports Auth.	13,500	-	(13,500)
Martin Luther King Events	9,000	9,000	-
Neighborhood Match	63,000	63,000	-
Comm. On Race Relations	18,000	10,000	(8,000)
Roots & Heritage Festival	39,350	39,350	-
Sister Cities	44,000	44,000	-
Summerfest	-	10,000	10,000
Special Projects - Other	10,000	-	(10,000)
<b>Total Special Projects</b>	<b>\$ 789,350</b>	<b>\$ 727,850</b>	<b>\$ (61,500)</b>

Special Events Administration	\$ 8,070	\$ 12,390	\$ 4,320
Uniformed Services Events	8,100	2,000	(6,100)
Community Tree Lighting	5,550	4,500	(1,050)
Kentucky Christmas Chorus	30,550	-	(30,550)
Downtown Improvements	61,800	55,100	(6,700)
Sweet 16 Hospitality	16,200	17,200	1,000
Diversity Festival	3,000	2,000	(1,000)
4th of July	22,500	9,993	(12,507)
<b>Total Special Events</b>	<b>\$ 155,770</b>	<b>\$ 103,183</b>	<b>\$ (52,587)</b>

## Budget In Brief

### *Contingency\Indirect Cost*

- Lump sum termination and sick pay service credit of \$2,479,800 is budgeted for FY 2011.
- The 27<sup>th</sup> pay period allocation is \$807,000.
- A transfer from the Economic Contingency Reserve of \$5,870,000 is included in the FY 2011 budget.
- A planned personnel vacancy credit of (\$3,200,000) is budgeted for FY 2011. This represents the projected savings to be realized from employee turnover.
- The indirect cost recovery is computed by applying the appropriate indirect cost rate for each fund to the total personnel budget of that fund (discounted for anticipated personnel vacancies). In addition to indirect costs, certain direct costs of administrative personnel (\$175,170) are recovered here.

The following table shows the indirect cost budget for FY 2011 and the relative rates:

<b>Fund</b>	<b>FY 2011 Indirect Cost</b>	<b>FY 2011 Indirect Cost Rate</b>
Urban Services Districts	\$ 3,930,000	25.00%
Sanitary Sewers	1,937,870	16.65%
Water Quality Management	566,780	16.65%
Landfill	207,670	25.00%
Extended School Program	263,570	15.78%
<b>Total</b>	<b>\$ 6,905,890</b>	

### *Budgeting*

- The non-civil service position of Senior Advisor for Policy and Budget is not funded for FY 2011. All other positions are funded for FY 2011, which accounts for the increase over FY 2010.

## **Budget In Brief**

### ***Internal Audit***

- Professional services funding was included for an audit of the PeopleSoft financial system in FY 2010. These funds are not included in FY 2011.

### ***Office of the Chief Information Officer***

- A comprehensive reorganization of Computer Services will take place after the completion of the Strategic plan.

### ***Government Communications***

- Program costs for LexCall are allocated among four funds based on actual calls received. For FY 2011, 76 percent is allocated to the Urban Services Fund, 17 percent to the General Services Fund, 5 percent to the Sanitary Sewers Fund, and 2 percent to the Water Quality Management Fund.

### ***Computer Services***

- Reductions in this division are partially attributed to the transfer of positions to the new Division of Enterprise Solutions.

### ***Enterprise Solutions***

- The Division of Enterprise Solutions is responsible for creating and managing the strategic direction and day-to-day tactical operations of the PeopleSoft solution. This includes all the back office support for Financials, Human Capital Management (HCM) as well as Enterprise Performance Management (EPM).

### ***Senior Advisor***

- This office oversees the supervision, direction, and management of the Urban County Government. No major changes are budgeted for FY 2011.



## Budget In Brief

### *Office of Economic Development*

- FY 2010 included a transfer of \$108,490 from the Industrial Revenue Bond Fund to support the office. This is not included in FY 2011.

### *General Services District Fund Expenditure Budget by Department*

Departments/Divisions	Adopted FY 2011	FTE
<b>Constitutional &amp; Judicial Officers</b>	<b>\$ 3,474,092</b>	<b>21.0</b>
Circuit Judges	324,800	5.0
County Clerk	338,690	-
Board of Elections	856,550	2.0
Commonwealth Attorney	72,610	-
County Judge Executive	18,090	4.0
County Attorney	789,622	-
Coroner	738,330	10.0
Property Valuation Administrator	335,400	-
<b>Council Office</b>	<b>2,323,125</b>	<b>35.0</b>
<b>Citizens' Advocate</b>	<b>132,730</b>	<b>1.6</b>
<b>Council Clerk</b>	<b>646,205</b>	<b>6.0</b>
<b>Office of the Mayor</b>	<b>1,409,974</b>	<b>15.0</b>
<b>Special Events</b>	<b>103,183</b>	<b>-</b>
<b>Special Projects</b>	<b>727,850</b>	<b>-</b>
<b>Contract Debt</b>	<b>34,438,984</b>	<b>-</b>
<b>Contingency/Indirect Cost Allocation</b>	<b>(12,864,260)</b>	<b>-</b>
<b>Office of Policy and Budget</b>	<b>513,700</b>	<b>6.0</b>
<b>Internal Audit</b>	<b>712,743</b>	<b>7.0</b>
<b>Office of the Chief Information Officer</b>	<b>8,370,784</b>	<b>80.1</b>
Office of the Chief Information Officer	590,014	1.0
Government Communications	1,443,300	31.1
Computer Services	5,353,960	41.0
Enterprise Solutions	983,510	7.0
<b>Office of the Senior Advisor</b>	<b>288,586</b>	<b>2.0</b>
Office of the Senior Advisor	154,016	1.0
Office of Economic Development	134,570	1.0
<b>Law</b>	<b>6,929,450</b>	<b>24.7</b>

## Budget In Brief

### *General Services District Fund Expenditure Budget by Department*

Departments/Divisions	Adopted FY 2011	FTE
<b>Finance and Administration</b>	<b>11,168,592</b>	<b>105.6</b>
Commissioner's Office	3,144,840	3.0
Accounting	1,284,230	17.9
Revenue	2,561,702	33.5
Purchasing	578,540	8.0
Community Development	735,290	15.0
Human Resources	2,535,180	24.8
Risk Management	328,810	3.4
<b>Public Works and Development</b>	<b>\$ 12,045,295</b>	<b>187.2</b>
Commissioner's Office	305,175	3
Engineering	416,300	29
Streets, Roads, and Forestry	3,483,060	50.2
Traffic Engineering	3,102,895	32
Historic Preservation	362,790	5
Planning	1,690,910	28
Purchase of Development Rights	139,065	1
Building Inspection	2,545,100	39
<b>Public Safety</b>	<b>151,736,563</b>	<b>1,687.6</b>
Commissioner's Office/Pension	499,110	3.5
DEM\Enhanced 911	3,541,330	82.7
Community Corrections	31,496,918	355.3
Police	59,566,470	664.5
Fire	54,961,985	557.6
Code Enforcement	1,670,750	24
<b>Social Services</b>	<b>7,612,782</b>	<b>131.3</b>
Commissioner's Office	1,239,080	13.1
Adult and Tenant Services	1,131,980	16
Family Services	2,786,000	64
Youth Services	2,455,722	39
<b>General Services</b>	<b>26,924,182</b>	<b>337.3</b>
Commissioner's Office	1,841,361	9.2
Facilities and Fleet Management	7,734,055	132.3
Parks and Recreation	17,348,766	195.8
<b>Partner Agencies</b>	<b>17,786,810</b>	<b>-</b>
Library	13,074,810	-
Other Agencies	4,712,000	-
<b>Total General Services District</b>	<b>\$ 274,481,370</b>	<b>2,647.4</b>

## Budget In Brief

### General Services District Revenue

General Services Fund revenues are estimated at \$269,747,709, or a 3.5 percent decrease over FY 2010 revenues.

Category	Adopted FY 2010	Adopted FY 2011	Change
Ad Valorem Taxes	\$ 20,871,110	\$ 20,244,000	\$ (627,110)
Licenses and Permits	231,693,500	219,874,280	(11,819,220)
Services	19,577,270	20,830,074	1,252,804
Fines and Forfeitures	192,000	203,000	11,000 *
Intergovernmental	457,000	1,654,689	1,197,689 *
Property Sales	179,550	4,236,300	4,056,750 *
Investments	300,000	27,000	(273,000) *
Other Financing Sources	4,989,000	440,390	(4,548,610) *
Other Income	1,362,000	2,237,976	875,976 *
Total Revenue	\$ 279,621,430	\$ 269,747,709	\$ (9,873,721)
Estimated Fund Balance,	560,000	4,775,400	4,215,400
Total Available Funds	\$ 280,181,430	\$ 274,523,109	\$ (5,658,321)

\* Compiled as "Other" on chart on page 37.

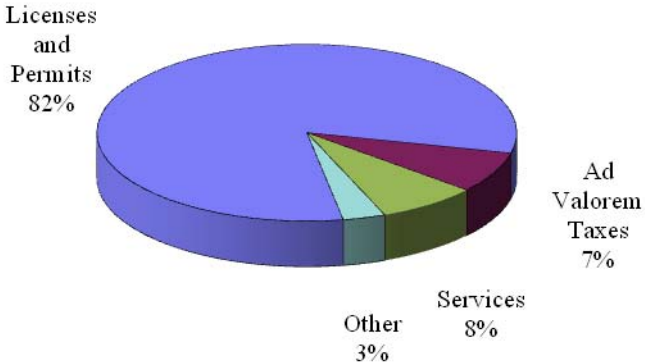
**Licenses and permits** revenue is the largest single category of revenue in the General Services District Fund, accounting for 82 percent of all revenues. This category includes revenue from employee withholdings, franchise permits, insurance premium tax, and net profits license fee on businesses.

**Services** revenue is the second largest revenue category for this fund (8 percent). These revenues are generated in exchange for government services. Golf course fees, EMS fees, building permits and detention center revenue are examples of this category.

The third largest category of revenue in this fund (7 percent) comes from **ad valorem** (property) taxes. The LFUCG levies two categories of property taxes: (1) a county-wide tax (General Services District) for the support of the general operations of the government; and (2) an Urban Services Districts tax paid by residents receiving government services of refuse collection, street lights, and street cleaning.

## Budget In Brief

### General Services District Revenue by Category \$269,747,709



The FY 2011 budget assumes maintaining the General Services property tax rate on real property at **8.0 cents per \$100 assessed value** (personal property rate 9.9; motor vehicle rate 8.8).

*NOTE: The LFUCG is required by law to provide funding for the Lexington Public Library at a level based on 5 cents per \$100 assessed value of property subject to taxation in Fayette County. The FY 2011 appropriation to the Library is \$13,074,810. Total ad valorem revenues are forecast to be \$20,244,000. Property tax, therefore, only provides \$7.17 million to the general operations of the government.*

Additional sources of revenue in the General Fund are ***fines***, ***intergovernmental***, and ***miscellaneous*** revenues.

## Budget In Brief

### Beginning Fund Balance

Revenues for a budget year are estimated 18 months in advance of total collections; therefore, conservative estimates are essential. Current year projections are revised during the budget process when better information is available. This may result in the recognition of additional funds that are carried over to the following budget year as a *beginning fund balance*.

The estimated beginning fund balance for FY 2011 of \$4,775,400 reflects a projection of unspent personnel and operating funds.

## Budget In Brief

### Other Funds

#### **Tenant Relocation Fund (#1104)**

**\$50,000**

Created in FY 2009, this fund provides relocation assistance to eligible low-income tenants displaced by the rezoning, redevelopment, or change in use of property.

#### **Summary of Budgeted Revenue and Appropriations**

	<b>Adopted FY 2010</b>	<b>Adopted FY 2011</b>	<b>Change</b>
Revenue			
Other Financing Sources	\$ 50,000	\$ 50,000	\$ -
Total Revenue	\$ 50,000	\$ 50,000	\$ -
Fund Balance, July 1	-	-	-
Total Funds Available	\$ 50,000	\$ 50,000	\$ -
Appropriations			
Operating Expenditures			
Operating	\$ 50,000	\$ 50,000	\$ -
Total Appropriations	\$ 50,000	\$ 50,000	\$ -
Fund Balance, June 30	\$ -	\$ -	\$ -

#### **Urban Services Districts Fund (#1115)**

**\$37,757,273      287.5 FTE**

In addition to the basic services provided to all residents of Fayette County, property owners in the urban services area have one or more of the following services available to them: *refuse collection, street lights, and street cleaning*. These services are funded by an additional ad valorem tax paid only by the property owners in the respective service districts.

## Budget In Brief

### Summary of Budgeted Revenue and Appropriations

	Adopted FY 2010	Adopted FY 2011	Change
<b>Revenue</b>			
Ad Valorem Taxes	\$ 34,430,000	\$ 30,597,000	\$ (3,833,000)
Licenses and Permits	1,270,000	1,200,000	(70,000)
Services	-	2,600,000	2,600,000
Fines and Forfeitures	-	25,000	25,000
Property Sales	1,334,000	1,087,400	(246,600)
Investments		27,000	27,000
Other Income	730,000	20,000	(710,000)
Total Revenue	\$ 37,764,000	\$ 35,556,400	\$ (2,207,600)
Fund Balance, July 1	19,448,270	9,621,100	(9,827,170)
Total Funds Available	\$ 57,212,270	\$ 45,177,500	\$ (12,034,770)
<b>Appropriations</b>			
Operating Expenditures			
Personnel	\$ 17,068,070	\$ 15,731,000	\$ (1,337,070)
Debt Service	117,830	335,328	217,498
Insurance	656,400	332,000	(324,400)
Operating	17,981,200	19,899,515	1,918,315
Transfers	229,200	282,930	53,730
Total Operating	\$ 36,052,700	\$ 36,580,773	\$ 528,073
Capital Expenditures			
CIP Capital	\$ 2,450,000	\$ 300,000	\$ (2,150,000)
Operating Capital	11,141,500	876,500	(10,265,000)
Total Capital	\$ 13,591,500	\$ 1,176,500	\$ (12,415,000)
Total Appropriations	\$ 49,644,200	\$ 37,757,273	\$ (11,886,927)
Fund Balance, June 30	\$ 7,568,070	\$ 7,420,227	\$ (147,843)

## Budget In Brief

### Urban Services Fund Budgeted Expenditures By Department or Function

Department/Function	Adopted FY 2010	Adopted FY 2011	Change
Law	\$ 692,410	\$ 483,200	\$ (209,210)
Risk Management	55,490	27,280	(28,210)
Contract Debt	117,830	335,328	217,498
Indirect Cost/Contingency	4,560,440	3,896,510	(663,930)
Gov't Communications	570,690	570,690	-
Personnel Programs	14,000	14,000	-
Annual Audit	9,000	9,000	-
Computer Services	90,750	83,440	(7,310)
CIO\PeopleSoft	51,580	-	(51,580)
<b>Public Works and Dev.</b>	<b>\$ 5,884,090</b>	<b>\$ 6,515,575</b>	<b>\$ 631,485</b>
Administration	23,500	72,100	48,600
Street Cleaning	1,197,940	1,412,830	214,890
Street Lights	4,662,650	5,030,645	367,995
<b>Environmental Quality</b>	<b>\$ 29,586,200</b>	<b>\$ 25,221,740</b>	<b>\$ (4,364,460)</b>
Administration	725,080	500,170	(224,910)
Compliance	1,345,260	767,040	(578,220)
Refuse Collection	27,515,860	23,954,530	(3,561,330)
<b>General Services</b>	<b>\$ 8,011,720</b>	<b>\$ 600,510</b>	<b>\$ (7,411,210)</b>
Facilities & Fleet Services	7,472,200	73,550	(7,398,650)
Vacuum Leaf Collection	539,520	526,960	(12,560)
<b>Total Urban Services</b>	<b>\$ 49,644,200</b>	<b>\$ 37,757,273</b>	<b>\$ (11,886,927)</b>

**Contract debt** provides debt payments for the sanitation building.

An **indirect cost** payment is made to the General Services Fund (\$4,082,700) for administrative costs not directly charged to this fund (such as accounting, budgeting, purchasing, payroll, etc.) and certain direct costs of administrative personnel.

**Contingency** includes the budgets for termination pay (\$63,780), unused sick and vacation hours (\$165,560), the 27<sup>th</sup> pay period contingency (\$27,000), and planned personnel vacancy credit (\$442,530).



## Budget In Brief

**Government Communications** includes the budgets for LexCall and Public Information. Program costs for LexCall are allocated among four funds based on actual calls received. Seventy-six percent of the total cost is allocated to the Urban Services Fund. Public Information provides public education services for the refuse collection, street light, and street cleaning programs.

The \$14,000 budget for **personnel programs** provides for the alcohol and drug testing program, commercial driver license costs, and occupational wellness programs.

**Computer Services** includes funds for employees providing geographic information support to the Urban Services Fund.

The **CIO/PeopleSoft** budget provides a transfer to the PeopleSoft program and Computer Services for ongoing costs for the financial software system. This was budgeted in the Finance department in prior years.

**The Division of Waste Management** offers refuse collection services once each week to approximately 85,000 households. Business, institutional, and other non-residential waste is collected through the dumpster program. The recyclables of over 59,000 households are collected once each week. Yard waste containers and bags are provided for once per week collection to residents receiving LFUCG trash collection services. There are over 49,000 yard waste containers currently in use.

The Division of Parks and Recreation administers the **vacuum leaf collection** program. This service is provided only to those properties within the Urban Services Districts that have LFUCG refuse collection service.

Approximately 650 - 700 additional **street lights** are installed in Fayette County annually. This budget includes \$300,000 for installation of these additional street lights. The utility cost is budgeted at \$4,568,275.

## Budget In Brief

The Division of Streets, Roads, and Forestry provides *street cleaning* in the urban services area.

### Urban Services Revenue Sources

Total resources available for FY 2011 expenditures in the Urban Services Fund include a projected beginning fund balance of \$9.6 million and revenues of \$35.5 million. The largest single category of revenue to the Urban Services Districts Fund is *ad valorem*, or property taxes. Property taxes account for 86 percent of the total revenues, and are estimated at \$30.6 million for the 2010 tax year (FY 2011).

### Ad Valorem Taxes

Urban Services property taxes are determined by a separate rate established for each service available. The tax rates will be adopted in August of 2010 after preparation of this budget. The current rates per \$100 of assessed value on real property are:

**NOTE:** Revenue raised from Urban Services Districts' property taxes cannot be used to fund the general operations of the government.

Service	Current Rate
Refuse Collection	14.31 cents
Street Lights	02.10 cents
Street Cleaning	00.94 cents
<b><i>Full Urban Rate</i></b>	<b>18.94 cents</b>

The Urban Services property tax on realty is paid only by those residents receiving one or more of the government services of refuse collection, street lights, and street cleaning. The taxes levied are determined by a separate rate established for each service. If all of the services are available, the property is located in the *Full Urban Services District*. The property is

## **Budget In Brief**

located in a *Partial Urban Services District* if less than the full complement of services is available.

The LFUCG's ability to generate revenues from property taxes is limited by state legislation (House Bill 44), which effectively limits revenue growth to four percent exclusive of revenue from new property. These same limits apply to the General Services District property taxes.

### **Special Revenue Funds**

Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted for specified expenditures. The budget includes ten special revenue funds. In addition, state and federal grants are considered special revenue funds.

#### **Police Confiscated – Federal (#1131)** **\$750,000**

Accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in federal cases.

#### **Police Confiscated – State (#1132)** **\$175,000**

Accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in state cases.

#### **Public Safety (#1133)** **\$86,900**

Kentucky House Bill 413 authorized the collection of a fee on each court case for the purposes of providing money for "public safety related items." This budget is the estimation of the

## Budget In Brief

accumulated money from this fee for FY 2011. The transfer is to the General Fund for use by police to purchase needed equipment for sworn positions.

### **Spay and Neuter (#1134)**

**\$25,000**

The Spay and Neuter Fund was established to account for revenue and expenditures per updated animal ordinances that require all Lexington-Fayette County dogs and cats to be licensed annually. Also, the fund accounts for grants that allow qualified no- or low-income Lexington-Fayette County residents to have access to pet spay and neuter services. This program is administered by the Lexington Humane Society.

### **Municipal Aid Program (MAP) (#1136)**

**\$6,790,130**

Fayette County receives a share of the state gasoline tax revenue (allocation is based on population). Use of these funds is restricted to certain expenditures related to the construction, reconstruction, or maintenance of urban streets and roads.

The FY 2011 budget includes a transfer of \$812,610 of MAP funds to the General Fund for eligible personnel costs in the Division of Streets, Roads, and Forestry, an increase of \$20,330 from FY 2010. Also included for FY 2011 is a transfer of \$1,401,720 for eligible personnel costs in the Division of Engineering.

MAP projects for FY 2011 include \$3,000,000 for resurfacing and \$1,550,000 for the following road projects.

## Budget In Brief

### Municipal Aid Program Summary of Projects

Project	FY 2011 Local Funds	State and Federal Grant Funds	Total Local and Grant Funds
Bridge Repair/Reconstruction	\$ 100,000	\$ -	\$ 100,000
Capital Construction Project Testing	25,000		25,000
Clays Mill, New Circle to Keithshire	500,000	4,100,000	4,600,000
CMAQ and Grant Match	300,000	1,500,000	1,800,000
Fontaine Rd Turn Lane @ High St	125,000		125,000
Mt. Tabor Road Improvements	250,000		250,000
Sidewalk Ramp Program	100,000		100,000
Small Projects - Bike/Pedestrian	50,000		50,000
Small Projects - Roadway	100,000		100,000
<b>Total</b>	<b>\$ 1,550,000</b>	<b>\$ 5,600,000</b>	<b>\$ 7,150,000</b>

### County Aid Program (#1137)

**\$912,630**

Use of these state gasoline tax revenues is restricted to expenditures related to county roads. Projects may include resurfacing, crack sealing, culvert and bridge repairs, guardrail installation, and other road repairs. FY 2011 funding is for resurfacing, \$462,630, and pipe/headwall/ culvert/ditch repair, \$450,000.

### Miscellaneous Special Revenue (#1141)

**\$557,050**

**4.0 FTE**

A restricted special revenue fund established to account for revenues received for a specific purpose which are not considered a grant. Included here are:

- \$300,000 – Traffic Engineering State Signal Reimbursement Contract
- \$257,050 – Adult and Tenant Services Hope VI

## Budget In Brief

### Grant Funds

**\$17,629,450**

State and federal grant funds of \$14.9 million are anticipated for FY 2011. The LFUCG will provide \$1.8 million in matching funds for these grants and \$.9 million will be provided through miscellaneous funding. The following table lists information on some of the major grants that have been awarded to date. Additional grants will be budgeted throughout the year as they are awarded.

Grant Name	Federal & State Funds	Local & Other Funds	Total Revenue
HOME/ADDI	\$ 1,501,100	\$ 577,740	\$ 2,078,840
Training Incentive - Police	2,063,770		2,063,770
Training Incentive - Fire	1,976,720		1,976,720
Euclid/Fontaine/High Street	800,000	200,000	1,000,000
Meadow/Northland/Arlington	865,000		865,000
Housing Rehabilitation - Operations	418,560	200,000	618,560
ITS/CMS Traffic Improvements	400,000	100,000	500,000
Home Network	491,660		491,660
West Loudon Avenue	360,800	90,200	451,000
New Chance	448,040		448,040
Day Treatment/Intensive Probation	241,840	190,790	432,630
Fiber Optic Cable Installation - CMAQ	320,000	80,000	400,000
FHWA Transportation Planning	320,520	56,560	377,080
CSEPP	374,800		374,800
Street Sales Enforcement	270,000	90,000	360,000
Housing Rehabilitation - Loans	350,000		350,000
MMRS	311,590		311,590
Senior Citizens Center	90,550	173,150	263,700
Emergency Management Assistance	112,000	112,000	224,000
Child Care Food Program	62,000	155,470	217,470
M.A.S.H. Drop Inn	180,000	20,000	200,000
Arrest Policies	200,000		200,000
Redeployment	197,510		197,510
Traffic Safety	130,030	65,000	195,030
Summer Food Service	134,910	45,600	180,510
CDBG Administration	180,000		180,000
Liberty Road	142,400	35,600	178,000
National School Lunch	35,500	131,660	167,160
Assistance to Firefighters	132,000	33,000	165,000
Bulletproof Vest Partnerships	75,000	75,000	150,000
Other Grants	1,705,870	305,510	2,011,380
<b>Total</b>	<b>\$ 14,892,170</b>	<b>\$ 2,737,280</b>	<b>\$ 17,629,450</b>

## Budget In Brief

### Capital Projects Funds

#### Bond Projects (#2601)

**\$17,356,620**

General obligation bonds were approved for the following capital projects and equipment totaling \$17,356,620.

<b>Division</b>	<b>Item</b>	<b>Amount</b>
<i>Clerk of the Urban County Council</i>		
	Software	\$ 100,000
<i>Budgeting</i>		
	Software	357,000
<i>Purchase of Development Rights</i>		
	Easement	1,000,000
<i>Computer Services</i>		
	Software	874,020
	Desktops and Laptops	300,000
	Printers and Plotters	75,000
	Network Components	175,000
	Servers	350,000
<i>Enterprise Solutions</i>		
	Prof Svc - Other	200,000
<i>Public Works Administration</i>		
	Construction-Sidewalk/Driveway	4,000,000
<i>Waste Management</i>		
	Computer Equipment	50,000
	Software	80,000
	Remodeling	230,000
	Landfill Improvements	150,000
	Concrete Pad	350,000
	Construction-Storm Drainage	500,000
<i>Community Corrections</i>		
	Equipment	105,600
<i>Police</i>		
	Desktops and Laptops	200,000
	Personal Protective Equipment	250,000
<i>Fire</i>		
	Personal Protective Equipment	100,000
	Fire Truck	1,000,000
	Construction-Building Non-Res	600,000
	Remodeling	20,000
	Radio Equipment	100,000
<i>Facilities and Fleet Management</i>		
	Truck-Refuse Collection	5,750,000
<i>Parks and Recreation</i>		
	Golf Carts	440,000
<b>Total</b>		<b>\$ 17,356,620</b>

## Budget In Brief

### **Bond Projects (#2600)**

**\$1,420,000**

Three projects approved in FY 2010 Budget that were not bonded will be finance in FY 2011:

Fire Station #6 Repairs	\$ 80,000
Fire Training Tower	340,000
Local Conservation Easement Acquisition	1,000,000

## **Enterprise Funds**

### **Sanitary Sewer Operating and Construction Funds**

**(#4002 and #4003)**

**\$50,801,219      170.0 FTE**

The Sanitary Sewer Fund accounts for the expenses associated with collecting, transporting, and treating all sanitary sewage in Fayette County and the Industrial Pre-treatment Program. The fund is supported primarily by sewer user fees. Sewer user fees based on water consumption were initiated in July 1982 to replace property tax funding of the sanitary sewer system, as mandated by the Environmental Protection Agency (EPA). Since July 1, 1995, the Kentucky-American Water Company has billed and collected sewer user fees for the government.

Sanitary sewer user fees provide the funding for any non-bond funded sewer projects, pay for the staff, maintenance, and operation of the two wastewater treatment plants and other facilities and services required to support the sanitary sewer system, and pay for the debt service on bonds used to capitalize larger sanitary sewer construction projects.



## **Budget In Brief**

During FY 2008, LFUCG negotiated a consent decree (CD) with the EPA in response to a lawsuit filed in November 2006 by the EPA and the Kentucky Environmental and Public Protection Cabinet for multiple violations of the Clean Water Act from the sanitary and storm sewer systems in Lexington.

The CD obligates LFUCG to address certain immediate violations; requires development of a system-wide sanitary sewer assessment to identify other problems—including a self-assessment of all the operations, staff, and equipment; and development of a work plan to eliminate those problems. The CD also requires LFUCG to assess sewer capacity and develop a capacity assurance program to ensure adequate capacity exists before new connections are made to the system.

The EPA established deadlines during the first four years for requirements outlined in the CD. Failure to meet these deadlines could result in additional fines and in stipulated penalties. In August 2009, after the CD was lodged with the U.S. District Court, the judge rejected the LFUCG/EPA settlement, ordering the parties to renegotiate. The EPA is appealing that decision. LFUCG has proceeded to implement the CD and comply with all the deadlines.

Obligations under the CD will continue for several years. LFUCG will have 11 to 13 years to complete the necessary improvements to the sanitary sewer system. The 11 to 13 year time frame includes the four years to complete the assessment of the entire sewer system and make immediate repairs. LFUCG's success in correcting existing problems will be monitored by the reduction of overflows at manholes and pump stations in accordance with the standards set forth in the CD. LFUCG will also be obligated to thoroughly investigate problems identified by required monitoring. These investments in our community will improve our local environment and protect our streams and rivers.

Sanitary Sewer Fund revenues are restricted to current year operating and capital expenses. All funds remaining at year-end are placed into a restricted reserve for capital improvements.

## Budget In Brief

### **Water Quality Management (#4051)**

**\$11,960,290      33.0 FTE**

The Water Quality Management Fund (#4051) is an enterprise fund. Prior to FY 2010, storm water funds were budgeted in a restricted special revenue fund (#1140). The Urban County Council gave final approval to a water quality fee on May 14, 2009. Billing of the fee began in January 2010. The water quality management fee was mandated by a consent decree between Lexington-Fayette Urban County Government (LFUCG) and the Environmental Protection Agency.

Governmental Accounting and Financial Reporting Principles (GAAP) require an enterprise fund for any activity for which a fee is charged to external users. These funds are self-supporting through charges for services.

### **Landfill (#4121)**

**\$10,334,276      5.6 FTE**

The Landfill Fund was established in 1995 to account for the revenues and expenses associated with the capping and closure of the landfills in Fayette County and the on-going costs of refuse disposal. State and federal regulations have mandated significant changes in the requirements for designing, constructing, operating, managing, maintaining, and closing landfills. The revised requirements have imposed extraordinary expenses on the government. A solid waste disposal fee was established to fund the increased cost of capping and closing the government's landfill and for the expense of a solid waste disposal contract. FY 2011 total Landfill Fund revenues are projected at approximately \$6.6 million.

The landfill closure reserve consists of the fund balance as of June 30, 1997, and is increased annually based on excess

## Budget In Brief

revenues over expenses. The reserve was \$22.8 million at the end of FY 2009, and can only be used to pay the costs of landfill closure or extraordinary operating expenses that exceed available revenues.

### **Right of Way Program (#4201)**

**\$358,430    5.0 FTE**

The Right of Way Program Fund was established in FY 2004 to account for the revenues and expenses associated with the adoption of the Right of Way ordinance.

Fees are projected to generate approximately \$409,250 in FY 2011. The amount in excess of the \$358,480 budgeted for expenditures will be available for additional projects or in future years.

### **Extended School Program (#4202)**

**\$2,301,280    51.1 FTE**

The Extended School Program Fund was created in FY 1994 to account for the revenues and expenses of an after-school program administered by the Division of Parks and Recreation in various Fayette County Public Schools.

Fees are projected to provide approximately \$2.3 million in FY 2011 for the operation of the program.

Participating schools include: Athens Chilesburg Elementary, Bryan Station Middle School, Booker T. Washington Elementary, Breckinridge Elementary, Dixie Elementary, Edythe J. Hayes Middle, Jessie Clark Middle, Julius Marks Elementary, Liberty Elementary, Maxwell Elementary, Northern Elementary, Stonewall Elementary, William Wells Brown Elementary, and Yates Elementary.

## Budget In Brief

### **Prisoners Activity (#4203)**

**\$1,530,500**

The Prisoner Activity Fund is mandated by state statute to be used for the benefit of prisoners. The operations of the commissary, phone, and the Community Alternative Program (CAP) at the Fayette County Detention Center are accounted for in this fund.

### **Enhanced 911 (#4204)**

**\$3,797,250**

**6.0 FTE**

On January 1, 1996, a monthly fee of 95 cents per phone line was applied to Fayette County residents' phone bills in order to provide funding for an **Enhanced 911 (E-911) system**. The fee was increased for the first time during FY 2004 to \$1.31. An ordinance was passed in FY 2009 increasing the rate to \$2.10 and providing for automatic annual increases of 4.5 percent to cover the increasing costs of providing 911 services.

This E-911 system communicates information even when a caller cannot, providing a resident's name, telephone number, and address. A major improvement to the system was linking it to the GIS system so when an **E-911** call is received, the call taker automatically sees a map pinpointing the location of the caller.

This fund pays for 37 percent of the personnel costs for 911 emergency call takers and dispatchers. The balance of the personnel cost is paid by the General Services District Fund. Total fund resources are \$3,800,600 from #-911 fees and \$1,000 projected to come from **E-911** fees, \$1,000 miscellaneous sources, and \$299,600 from prior year fund balance.

## Budget In Brief

### **LexVan (#4205)**

**\$80,930**

The LexVan Fund accounts for revenues and expenses of the Lexington Bluegrass Mobility Office. This office manages a commuter vanpool program that aims to reduce air pollution, traffic congestion, and gasoline consumption. Vans are leased to groups of people who vanpool to work. All operating costs, such as fuel and insurance, are funded by the monthly fare paid by riders.

## **Public Corporations**

Due to prior state constitutional restrictions, the government could not issue general obligation bonds prior to July 15, 1996. Instead, mortgage revenue bonds were issued through various public corporations in order to finance public projects. “Lease payments” from the General Services District and Urban Services Districts Funds are combined with revenues generated by the operation of the projects in order to make debt service payments on these prior bond issues.

### **Public Facilities Corporation (#4022)**

**\$15,569,638**

The Public Facilities Corporation financed various projects through bank and mortgage notes and the issuance of revenue bonds. Projects included government buildings, parks, swimming pools, fire stations, and other public buildings. Additional funds are included in FY 2011 for Eastern State Hospital note payment. This is offset by revenue from the state.

## **Budget In Brief**

### **Parks Projects Fund (#4024)**

**\$395,000**

The Parks Projects Fund accounts for the use of dedicated fees for acquisition of park land and golf course improvements.

A dedicated building permit fee was passed in 1983, and in 1995 the ordinance imposing this fee was clarified to restrict its use to park land acquisition. For FY 2011 this revenue source is estimated to provide \$300,000 for this purpose.

Dedicated revenues from golf fees are estimated at \$95,000 for FY 2011. These revenues are restricted to golf course improvements.

### **Public Parking Corporation (#4161)**

**\$587,370**

The Public Parking Corporation issued bonds to finance the construction of a downtown transit center, parking garage, and the Martin Luther King Boulevard construction project, and for the construction of the Victorian Square parking structure. Obligations are paid from operations of the public parking facilities and from General Fund appropriations.

### **Fiduciary Funds**

Fiduciary funds account for assets held by a governmental unit in a trustee capacity. The LFUCG operates three fiduciary funds.

#### **City Employees' Pension (#5002)**

**\$1,973,700**

The City Employees' Pension Fund (CEPF) was the retirement system of the city of Lexington covering civil service employees prior to merger with Fayette County. The plan was organized in 1939 and closed to new members in 1973. Members of the CEPF completed the process for transferring to the County Employees Retirement System in November 1992. The fund is administered by a self-governing board of trustees and funded by government and employee contributions of 17.5 percent and 8.5 percent of salary, respectively. Only one current employee remains with the CEPF.

The FY 2011 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$72,200). The government also pays certain other administrative costs.

#### **Police and Fire Retirement Fund (#5003)**

**\$39,261,980    1.0 FTE**

The Police and Fire Retirement Fund is a defined benefit pension plan covering all sworn personnel of the Urban County Government's police and fire divisions. The fund is administered by a self-governing board of trustees and funded by government and employee contributions

The government's contribution rate for FY 2011 is 17 percent of salary

## Budget In Brief

During FY 2009, \$70 million in bonds were issued to begin addressing the unfunded liability of the pension system. The debt payments for these bonds are included in the General Fund. Another issue of \$35 million was bonded in FY 2010.

The FY 2011 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$2,700,000). The government also funds certain other administrative costs.

### **Public Library Corporation (#1181)** **\$292,060**

The Public Library Corporation was formed in 1985 to manage funds provided to the Lexington Public Library from the government as a result of an increased assessment (the government is required by law to provide a funding level of 5 cents per \$100 assessed valuation of taxable property). The Library Corporation's long-range financial plan includes retirement of bonds issued to finance construction of the Central Library, expansion of library materials, and construction of additional branches.

The FY 2011 budget provides for payment on the bonds issued to finance the construction of the Tates Creek Library.



### **Internal Service Funds**

Internal Service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis. The LFUCG operates two internal service funds.

#### **Medical Insurance (#6002)** **\$34,022,100**

The government offers health insurance options to LFUCG employees under self-insurance plans administered by Humana. The FY 2011 budget of \$34 million is funded through premiums paid by the government for all full-time employees; premiums paid by employees with family coverage; and premiums paid by certain non-employee groups that are allowed to participate in this plan. This includes City Employees' Pension Fund retirees, Police and Fire Retirement Fund retirees, and employees of other affiliated agencies.

The Human Resources budget in the General Fund includes funding for a position that is responsible for coordinating and designing LFUCG health care plans, managing major medical claims, providing information for the prevention and control of healthcare costs, and managing all wellness issues.

#### **Property and Casualty Claims (#6021)** **\$4,150,000**

The Department of Law administers the workers' compensation, property and casualty, and general liability insurance programs. The government reduces financial risks by purchasing reinsurance when feasible. Administration of these programs is combined with a risk management program designed to identify potential exposures to loss and reduce or eliminate risk and

## **Budget In Brief**

losses. The FY 2011 budget of \$4,150,000 is funded through premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund. The decrease in funding since FY 2009 is due to the actuary approved reduction for good recent claims history and the additional “Incurred But Not Reported” (IBNR) funding in FY 2008.

## Budget In Brief

### FY 2010 - 2011 Budget Formulation Calendar

December	January	February
<ul style="list-style-type: none"> <li>Budget Forms Prepared</li> <li>Budget Guidelines Developed for the Next Fiscal Year</li> <li>Forms Distributed to Partner Agencies</li> </ul>	<ul style="list-style-type: none"> <li>Forms Distributed to Departments</li> <li>Revenue Estimates Gathered</li> <li>Partner Agencies and Departments Submitted Budget Requests</li> </ul>	<ul style="list-style-type: none"> <li>Budgeting Reviewed Budget Submissions</li> <li>Budgeting Prepared Revenue Estimates</li> <li>Mayor's Team and Commissioners review begins</li> </ul>
March	April	May
<ul style="list-style-type: none"> <li>Mayor's Team and Commissioners review requests and prepare final recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Proposed Budget Finalized</li> <li>Mayor's Budget Address</li> <li>Council Budget Hearings Began</li> </ul>	<ul style="list-style-type: none"> <li>Public Hearings Held</li> <li>Council Budget Hearings Continued</li> </ul>
June	July	
<ul style="list-style-type: none"> <li>Council Budget Hearings Ended</li> <li>Budget Ratification</li> <li>1st and 2nd Readings of Budget Ordinance</li> </ul>	<ul style="list-style-type: none"> <li>Start of the New Fiscal Year</li> <li>New Budget Implemented</li> </ul>	

### **On The Cover:**

On July 15, 2010, the newly painted fiberglass horses of Horse Mania 2010 made their appearance on the streets of Lexington. The images on the cover represent a small sample of the horses on public display at various locations throughout the Lexington area. After public viewing ends in the fall of 2010, the horses will be auctioned December 11<sup>th</sup> at the Keeneland Sales Arena. Auction proceeds will benefit LexArts' public art programs and non-profit charities throughout the region.

LexArts, the organizer of Horse Mania 2010, is a non-profit community organization that believes a strong and vibrant arts community enhances the quality of life in central Kentucky.

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**Photo Credit:**

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