

2011-2012

Lexington-Fayette Urban County Government

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# Budget In Brief



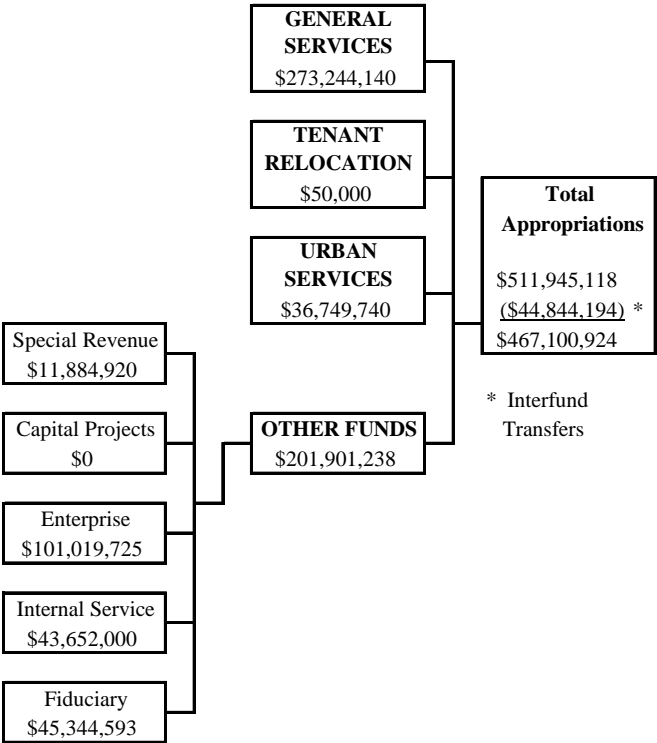
## **Budget In Brief**

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**Organization of the Total Budget by Fund**



### Introduction to the Budget

As shown on the prior page, the total budget for all funds combined, net of interfund transfers, is \$467,100,924. This is \$1,238,382 less than the FY 2011 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, Mineral Severance Fund, Coal Severance Fund, Miscellaneous Special Revenue, Police Confiscated Treasury, 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 2012 Budget Highlights**

The Lexington-Fayette Urban County Council voted to adopt the Mayor's Proposed Budget for fiscal year 2011-2012, as amended, on June 14, 2011. The approved expenditure budget for the General Services Fund is \$273,244,140, 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 14, 2011. Late Item Changes are requested by the Administration and reflect clerical corrects to the Mayor's Budget or change the budget based on new information. Council Changes are changes to the budget brought forward during the Council's budget review process.

### **Late Item Changes**

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

Increase Employee Withholding Revenue Projection	\$1,530,000
Increase Net Profit Revenue Projection	2,160,000
CIO - Professional Services not needed in FY 2012	442,424
Commonwealth Attorney - decrease Professional Services for software (previously funded)	11,250

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Environmental Quality - Recognizing the transfer from the Landfill Fund per contract with Republic	200,000
Law/Human Resources - Reduce funds due to Law Restructuring	71,270
Parks and Recreation - Remove funds for Avon Golf Course	61,547
Risk Management - Restore personnel recovery omitted from the Mayor's Proposed Budget	13,500
Special Projects - Arts Program funding reduced	50,000
Streets and Roads - Reclassification of: (1) Equipment Operator Senior, (1) Public Service Worker Sr.	149,780
Various - Rounding of Personnel Model	1,242
<hr/>	
<b><i>Total increases to fund balance</i></b>	<b><i>\$4,691,013</i></b>

### Decreases to Fund Balance

Decrease Insurance Revenue Projection	\$(1,212,000)
Carnegie Literacy Center - To provide funds for utility expenses required by lease	(36,000)
Computer Services - Reallocation of CIO budgets due to government restructuring	(50,000)
Council Office - Increase salary for two Council Aides	(13,930)
Downtown Arts Center - Restore funding omitted from the Mayor's Proposed Budget	(91,310)
Enterprise Solutions - Reallocation of CIO budgets due to government restructuring	(35,000)
Environmental Quality and Public Works - Restore Valley View Ferry	(41,620)
Explorium - Provide additional funding to Explorium	(747)
Facilities and Fleet Maintenance - Provide fund for repair of Parking Facilities	(500,000)
Fire and Emergency Services - Increase in Fire Hydrant Rental	(900,000)



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General Services - Increase transfer to PFC to offset reduction in rental income due the sale of a building on Red Mile Road	(199,200)
Human Resources - Restore funds for Immunizations program	(44,000)
Law - Restore funding for current part time position	(22,000)
Mayor's Office - 50% of Mayor's salary to Partner Agencies	(80,870)
Mayor's Office - Temporary Personnel for two individuals on extended medical leave	(20,000)
Parks and Recreation - Provide necessary funds for Utilities	(1,040)
Police - Reclassing of accounts to fund Overtime expenses and Capital Projects.	(5,070)
Public Works - Funding for Project Manager	(46,308)
Traffic Engineering - Restore funding for traffic sign installation	(57,165)
Various - Revised Personnel costs estimates associated with proposed lay-offs	(8,460)
Youth Services - Restore funds for Summer Youth program to FY 2011 level	(45,000)

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***Total decreases to fund balance***

***\$(3,409,720)***

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### Items with No Change to Fund Balance

General Services - Reallocate utility charges between Police and Streets and Roads

Social Services - Transfer funds from Professional Services to Required Certification/Training

Street and Roads/Environmental Policy - Reallocate Reforest the Bluegrass

Parks and Recreation - Reallocate budget for Park Patrol Officers

Downtown Development Authority - Reclassing department number

Commerce Lexington - Reclassing department number

Downtown Lexington Corporation - Reclassing department number

Risk Management/General Services - Reallocate funding for Risk

**Lexington-Fayette Urban County Government**

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Management Analyst from General Services

Reclassification of: (1) Urban Forester and (1) Arborist Technician

### Council Changes

#### Increases to Fund Balance

Decrease debt service by adjusting Pension Bonds timing	1,400,000
Remove partial funding for Affordable Housing Trust	116,500
Planning - Abolish Strategic Planning Manager	105,290
Parks and Recreation - Raise fees at Golf Course by \$1 /Round to generate revenue	103,790
Facilities and Fleet Maintenance - Remove funds for Security Contract	100,950
Council Office - Eliminate funding for Budget Analyst	76,040
Parks and Recreation - Provide revenue for sale of beer at Tates Creek Golf Course	22,500
Grants and Special Programs - Reduce Grant Match	20,000
Parks and Recreation - Reduce mailing cost of Parks Fun Guide	20,000
Citizens Advocate - Decrease funds for Appointed Officials	11,880
Council Office - Decrease funds for Operating Supplies and Expense	11,760

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***Total increases to fund balance******\$1,988,710***

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#### Decreases to Fund Balance

Internal Audit - Provide funds for Tip Line for Employees	(3,600)
Parks and Recreation - Resurface Ecton Park Tennis Courts	(4,000)

## Budget In Brief

LexCall - Provide funds for overtime	(4,700)
Council Office - Add funds for Lexis research database licenses (5)	(5,000)
Neighborhood Match - Provide funds to repair Neighborhood Wall	(6,000)
Computer Services Funding for Human Resources - Personnel Study related to Computer Services supplemental pay	(10,000)
Parks and Recreation - Open Pools on Monday	(10,000)
Facilities and Fleet Management - Provide funds for Annex Parking Garage Equipment	(15,000)
Streets and Roads - Replace Guard Rails on Zandale Drive	(18,500)
Citizens Advocate - Increase funds for Civil Service Salaries	(26,000)
PVA - Restore Budget to FY 2011 level	(26,640)
Fire and Emergency Services - Add funds for for Late Run Overtime	(30,000)
Parks and Recreation - Increase funds for Coolavin Rail Trail Project	(30,000)
Council Office - Increase Professional Services for contract employees	(40,000)
Parks and Recreation - Keep Meadowbrook Golf Course Open	(41,757)
Parks and Recreation - Senior Citizens' Satellite Program at Charles Young Center	(50,000)
Parks and Recreation - Restore funds to maintain Distribution Stores Clerk	(52,130)
Parks and Recreation - Provide funds to keep Constitution and Berry Hill Pools Open	(66,255)
Adult Services - Fund Administrative Specialist Sr.	(66,500)
Provide \$400,000 for debt service on 5-Year Bond Issue	(90,000)
Planning - Fund Commissioner of Planning position	(105,290)

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Internal Audit - Provide funds for external audit of Financial & Enterprise Software Systems	(150,000)
Various - Keep Pay Supplement for Computer Personnel	(306,090)
Partner Agencies - Restore partner agencies budget to FY 2011 level	(314,612)
Government Communications - Restore funding for positions targeted for lay offs	(504,668)
Facilities and Fleet Management - Restore funds for Security Guards	(513,750)
Police - Provide funds for Police Class of 25 Starting In January	(700,000)
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<b><i>Total decreases to fund balance</i></b>	<b><i>\$(3,190,512)</i></b>

### Items with No Change to Fund Balance

Streets and Roads – Transfer \$30,000 to Parks and Recreation for Greenway Maintenance

## Changes to Other Funds

Various other changes to other funds were approved by the Council on June 14, 2011. The impact to fund balance by fund is as follows.

### Decreases

Spay and Neuter	\$5,000
Municipal Aid Program	4,000,000
Sanitary Sewer	247,263
Sanitary Sewer Construction	100,000
Water Quality Management	789,667
Landfill Fund	20,170
Extended School Program Fund	161
Enhanced 911 Fund	1,009,562
Police and Fire Pension Fund	189

### Increases

Urban Services Districts	\$34,540
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## Budget In Brief

Police Confiscated - Federal	350,000
Right of Way Program Fund	74,714
Medical Insurance Fund	1

### Mayor's Budget Veto

On July 1, 2011 Mayor Gray announced vetoes to the Council Approved Budget which decreased the budget by \$889,612. Mayor Gray made the following reductions:

- Decrease debt by \$400,000 to fund construction of Frisbee golf courses, Lacrosse fields and other capital projects. Annual cost to the budget would have been \$90,000 a year for 5 years for debt service payments.
- Decrease most partner agencies funding by a total of \$314,612, restoring the allocations to those in the Mayor's Proposed Budget.
- Eliminate funding for seven employees in Government Communications, for a savings of \$485,000.

### Summary of General Services District Changes after Veto

	Mayor's Proposed	Adopted	Difference
Funds Available	\$271,989,062	\$274,934,852	\$2,945,790
Expenditures	271,466,479	273,244,140	1,777,661
<b>Budgeted Fund Balance</b>	<b>\$522,583</b>	<b>\$1,690,712</b>	<b>\$1,168,129</b>

## 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 2012 appropriations in the General Services District Fund are \$273.2 million.

#### Summary of Budgeted Revenue and Appropriations

	FY 2011 Adopted	FY 2012 Adopted	Change
<b>Revenue</b>			
Ad Valorem Taxes	\$ 20,244,000	\$ 20,362,000	\$ 118,000
Licenses and Permits	219,874,280	229,108,500	9,234,220
Services	20,830,074	20,937,340	107,266
Fines and Forfeitures	203,000	191,000	(12,000)
Intergovernmental	1,654,689	1,738,012	83,323
Premiums	-	-	-
Property Sales	4,236,300	-	(4,236,300)
Investments	27,000	30,000	3,000
Investment Income	-	-	-
Casualty Loss Recoveries	-	-	-
Other Financing Sources	440,390	200,000	(240,390)
Pension Revenue	-	-	-
Other Income	2,237,976	1,868,000	(369,976)
Total Revenue	\$ 269,747,709	\$ 274,434,852	\$ 4,687,143
Fund Balance, July 1	4,775,400	500,000	(4,275,400)
Total Funds Available	\$ 274,523,109	\$ 274,934,852	\$ 411,743
<b>Appropriations</b>			
<b>Operating Expenditures</b>			
Personnel	\$ 188,730,890	\$ 178,601,274	\$ (10,129,616)
Partner Agencies	17,786,810	17,568,835	(217,975)
Debt Service	34,438,984	32,727,796	(1,711,188)
Insurance	4,874,000	5,964,508	1,090,508
Operating	35,962,512	37,293,380	1,330,868
Transfers To\From	(8,148,501)	346,347	8,494,848
Total Operating	\$ 273,644,695	\$ 272,502,140	\$ (1,142,555)
<b>Capital Expenditures</b>			
CIP Capital	\$ 800,000	\$ 534,000	\$ (266,000)
Operating Capital	36,675	208,000	171,325
Total Capital	\$ 836,675	\$ 742,000	\$ (94,675)
Total Appropriations	\$ 274,481,370	\$ 273,244,140	\$ (1,237,230)
Fund Balance, June 30	\$ 41,739	\$ 1,690,712	\$ 1,648,973

### 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 (\$178,601,274)** 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:

- Abolishment of 215 unfilled or vacant positions, 18 layoffs, projected implementation of cost-of-service employee medical premiums on January 1st and furlough of Commissioners, Mayor's Senior Staff and suspension of the Mayor's salary for six months of the fiscal year.
- For collective bargaining (i.e. Community Corrections, Fire & Emergency Services, and Police) assumes savings of \$5.6 million to be worked out collaboratively through negotiations with each bargaining unit.

**Partner Agencies (\$17,568,835)** 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 page 21 for a complete list of partner agencies.) The total amount of funding to partner agencies is decreased by \$217,975, due mainly to a 10% reduction to most agencies for FY 2012. This savings is offset by an increase to the Lexington Public Library based on estimated Ad Valorem taxes.

**Debt Service (\$32,727,796)** is for payment on long-term and short-term debt incurred to finance public projects and portions of the unfunded liability in the Police and Fire Pension Fund.

## Budget In Brief

**Insurance (\$5,964,508)** 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 increased by \$1,090,508 from FY 2011 due to an increase in the projected reserves needed to fund claims which have occurred but have not yet been reported.

**Operating (\$37,293,380)** 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 (\$346,347)** represent the transfer of resources from one fund to another. The FY 2011 budget included a credit of \$5,870,000 for a possible draw from the Economic Contingency reserve that is not included in FY 2012. For FY 2012, \$50,000 will be transferred each month to the Economic Contingency Fund (per Ordinance 78-2006). Traffic Engineering has allocated \$636,720 less personnel expenditure to the MAP fund to more accurately reflect their anticipated expenditures in the fiscal year.

Transfers To or (From)	Adopted FY 2011	Adopted FY 2012	Difference
CEP - Insurance and Administrative	\$ 80,800	\$ -	\$ (80,800)
Economic Contingency	(5,870,000)	600,000	6,470,000
Fleet Services Recoveries	(3,083,961)	(3,125,123)	(41,162)
Indirect Cost	(175,170)	-	175,170
LexCall Recovery	(30,840)	-	30,840
Police and Fire Pension	2,700,000	3,688,790	988,790
PFC - General Fund	-	575,290	575,290
Park Impact Fees and Golf Improvements	395,000	235,000	(160,000)
Tenant Relocation	50,000	50,000	-
Public Safety Fund Transfer	-	(100,000)	(100,000)
Road Projects	(1,401,720)	(765,000)	636,720
Streets and Roads Salaries	(812,610)	(812,610)	-
Total Transfers	(\$8,148,501)	\$346,347	\$8,494,848

**Capital (\$742,000)** includes payments for capital improvement projects such as parks construction, safety equipment, and copier leases.

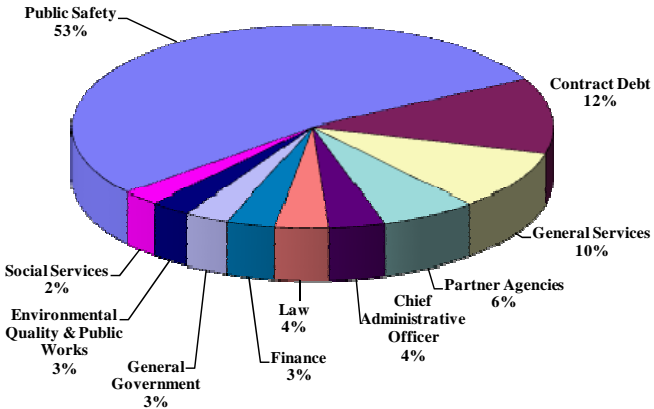


## Budget In Brief

### Expenditures by Department or Service Area \$273,244,140

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 \$273,244,140



Department	FY 2011	FY 2012	Difference
Public Safety	\$ 154,281,663	\$ 145,656,001	\$ (8,625,662)
Contract Debt	34,438,984	32,727,796	(1,711,188)
General Services	26,924,182	26,148,407	(775,775)
Partner Agencies	17,786,810	17,568,835	(217,975)
Chief Administrative Officer	11,627,649	10,243,997	(1,383,652)
Law	9,464,630	9,778,696	314,066
Finance	8,163,812	9,000,376	836,564
General Government	(3,126,572)	7,986,355	11,112,927
Environmental Quality & Public Works	7,307,430	7,353,030	45,600
Social Services	7,612,782	6,780,647	(832,135)
Total	\$ 274,481,370	\$ 273,244,140	\$ (1,237,230)

## Budget In Brief

### Public Safety

**\$145,656,001    1,647 FTE**

The largest department in the General Services Fund is Public Safety, accounting for 53 percent of the FY 2012 budget. Building Inspection, Code Enforcement, Community Corrections, Emergency Management/Enhanced 911, Fire and Emergency Services, and Police are included in this department.

Budget By Division	Adopted FY 2011	Adopted FY 2012	Change
Public Safety Admin.	\$ 483,300	\$ 441,010	\$ (42,290)
ABC Administration	15,810	15,792	(18)
DEM\Enhanced 911	3,541,330	3,353,287	(188,043)
Community Corrections	31,496,918	30,485,961	(1,010,957)
Police	59,566,470	55,442,203	(4,124,267)
Fire\Emergency	54,961,985	51,781,678	(3,180,307)
Code Enforcement	1,670,750	1,664,485	(6,265)
Building Inspection	2,545,100	2,471,585	(73,515)
Total	\$ 154,281,663	\$ 145,656,001	\$ (8,625,662)

### *Police, Fire, Community Corrections*

- The personnel budgets for these 3 divisions includes \$5.6 million in anticipated savings.
- Funds are included for one recruit class for Police to begin in January.
- 28 Sworn Corrections unfunded positions were budgeted to return the Division to minimum staffing levels and reduce mandatory overtime requirements.

## Budget In Brief

### Contract Debt

**\$32,727,796**

Contract Debt comprises 12 percent of the FY 2012 General Fund budget. This budget is for payment on long-term and short-term debt incurred to finance public projects and portions of the unfunded liability in the Police and Fire Pension Fund.

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

	FY 2011	FY 2012	Difference
PFC Lease	\$ 903,430	\$ 487,940	\$ (415,490)
GO 2004B-Fire Equipment Notes	384,800	-	(384,800)
GO 2005B-Fire Truck Notes	458,825	454,850	(3,975)
GO KLC 2000-Webasto	53,456	51,960	(1,496)
GO Anticipated Debt Issues	3,088,546	1,400,000	(1,688,546)
GO 2000D-Stormwater	1,337,625	-	(1,337,625)
GO 2002B-Gov't Center HVAC	281,200	280,800	(400)
GO 2002C -EAMP & Stormwater	424,562	427,590	3,028
GO 2003A-Refunding Bonds	1,203,406	-	(1,203,406)
GO 2004C-Day Treatment, Blvd,	714,850	715,440	590
GO 2005C-Garage, Phoenix, PDR	174,125	174,500	375
GO 2006A-Equip, STARS, Park Im	1,944,800	-	(1,944,800)
GO 2006B-Station,BG Asp, Storm	949,547	948,748	(799)
GO2006D-Det Ctr & PFC Refund	5,228,475	5,225,475	(3,000)
GO2008A (07 & 08 3&5 yr proj	3,620,050	3,621,125	1,075
GO2009A (07 & 08 10&20 yr proj	2,245,838	2,249,450	3,612
GO2009B-Pension Obligation	5,847,662	5,846,370	(1,292)
GO 2010A	3,258,911	5,472,173	2,213,262
GO 2010B-Refinance 1999B&2000A	706,435	612,460	(93,975)
GO 2010C-Refinance 2000E	675,839	678,060	2,221
2010D Pension	-	2,846,900	2,846,900
2010F GO Bond	-	53,200	53,200
2010G GO Bond	-	255,385	255,385
2010H refunding of 2001B	-	173,600	173,600
GO 2001B-PDR	564,128	381,470	(182,658)
GO 2005C-PDR	223,159	223,780	621
GO 2006C-PDR	149,315	146,520	(2,795)
<b>Total General Services Debt</b>	<b>\$ 34,438,984</b>	<b>\$ 32,727,796</b>	<b>\$ (1,711,188)</b>

## Budget In Brief

### General Services

**\$26,148,407    258.0 FTE**

This is the third largest area of the budget, comprising 10 percent of the FY 2012 General Fund budget.

Budget By Division	Adopted FY 2011	Adopted FY 2012	Change
Commissioner	\$ 1,841,361	\$ 2,270,397	\$ 429,036
Facilities & Fleet Mgt.	7,734,055	7,057,431	(676,624)
Parks and Recreation	17,348,766	16,820,579	(528,187)
Total	\$ 26,924,182	\$ 26,148,407	\$ (775,775)

### *Commissioner of General Services*

- Budgets for utilities are adjusted based on projections.

### *Facilities and Fleet Management*

- General maintenance of government facilities is budgeted at \$500,000.
- Fleet Management has allocated the entire cost of their operation using a full loaded labor rat so that the actual cost of fleet operations is reflected in the budgets of the divisions using the service.

### *Parks and Recreation*

- Most golf courses had a \$1 per round increase in greens fees and \$20,000 in revenue was budget for alcohol sales at Tates Creek.
- 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 below:

	FY 2011	FY 2012
Park maintenance and development (building permit fees)	\$300,000	\$140,000
Golf course improvements	95,000	95,000

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Total	<b>\$395,000</b>	<b>\$235,000</b>
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### Partner Agencies

**\$17,568,835**

Partner Agencies are the fourth largest sector of the General Services District budget. Funding for Partner Agencies has decreased by \$217,975 due to reductions to all agencies with the exception of Lexington Public Library, Carnegie Literacy Center, and Animal Control.

Organization	FY 2011	FY 2012	Change
Animal Control	\$ 1,047,000	\$ 1,095,850	\$ 48,850
Baby Health Service	16,650	14,990	(1,660)
Big Brothers Big Sisters	9,520	8,570	(950)
Bluegrass Area Dev District	83,460	75,110	(8,350)
Bluegrass Community Action Age	27,750	24,980	(2,770)
Bluegrass Community Foundation	5,000	-	(5,000)
Bluegrass Domestic Violence	75,000	67,500	(7,500)
Bluegrass Rape Crisis Center	69,380	62,440	(6,940)
Bluegrass Technology Center	2,780	-	(2,780)
Carnegie Literacy Center	33,300	36,000	2,700
Chrysalis House	37,000	33,300	(3,700)
Cntr for Women Children & Fam	46,250	41,630	(4,620)
Commerce Lexington	508,010	496,578	(11,432)
Community Action Council	166,500	149,850	(16,650)
Comprehensive Care Center	291,140	262,030	(29,110)
Downtown Arts Center	101,450	91,310	(10,140)
Downtown Development Authority	234,700	211,230	(23,470)
Downtown Lexington Corporation	47,450	42,710	(4,740)
Environmental Quality Comm.	2,120	1,910	(210)
Explorium of Lexington	187,830	169,047	(18,783)
Hope Center for Men	740,000	666,000	(74,000)
Human Rights Commission	166,960	150,260	(16,700)
Kentucky World Trade Center	101,050	90,950	(10,100)
Lexington Public Library	13,074,810	13,218,100	143,290
Lyric	150,000	135,000	(15,000)
MASH Services of the Bluegrass	158,000	142,200	(15,800)
Moveable Feast Lexington, Inc.	37,000	33,300	(3,700)
Nursing Home Ombudsman Program	46,250	41,630	(4,620)
Road to Home Ownership	29,660	-	(29,660)
Salvation Army	200,000	180,000	(20,000)
SCORE	6,150	5,540	(610)
Sunflower Kids	23,130	20,820	(2,310)
Urban League	61,510	-	(61,510)
Total Agencies	\$ 17,786,810	\$ 17,568,835	\$(217,975)

The *Lexington Public Library* receives \$13.2 million due to a legal requirement that mandates the government provide a

## Budget In Brief

funding level of 5 cents per \$100 assessed valuation of taxable property in the County. The initial budget is based on estimates of 2011 (FY 2012) property value certifications.

### **Environmental Quality and Public Works**

**\$12,045,295    100.0 FTE**

Environmental Quality and Public Works is comprised of five General Fund divisions that provide public services in the areas of Engineering, Environmental Policy, Traffic Engineering, Streets and Roads, and the Commissioner's Office.

<b>Budget By Division</b>	<b>Adopted FY 2011</b>	<b>Adopted FY 2012</b>	<b>Change</b>
Commissioner	\$ 305,175	\$ 194,165	\$ (111,010)
Traffic Engineering	3,102,895	3,150,726	47,831
Streets and Roads	3,483,060	3,518,336	35,276
Environmental Policy	-	142,825	142,825
Engineering	416,300	346,978	(69,322)
Total	\$ 7,307,430	\$ 7,353,030	\$ 45,600

### ***Commissioner of Environmental Quality and Public Works***

- A major component of the operating budget for the Commissioner of Environmental Quality and Public Works is for seminars training and business travel. These funds are for all divisions in the department.

### ***Engineering***

- For FY 2012, 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 and Roads***

- The FY 2012 budget includes \$1,000,000 for de-icing salt.

## Budget In Brief

### *Traffic Engineering*

- Street Light rental has increased in the last three years due to increase in tariffs charged by electricity providers.

### *Finance*

**\$11,168,592    64.0 FTE**

The ***Finance Department*** includes the budgets for Revenue, Accounting, Purchasing, Budgeting, and Finance Administration. Finance comprises about three percent of the General Fund budget.

Budget By Division	Adopted FY 2011	Adopted FY 2012	Change
Commissioner	\$ 3,225,640	\$ 4,410,782	\$ 1,185,142
Accounting	1,284,230	1,253,425	(30,805)
Revenue	2,561,702	2,297,846	(263,856)
Purchasing	578,540	566,433	(12,107)
Budgeting	513,700	471,890	(41,810)
Total	\$ 8,163,812	\$ 9,000,376	\$ 836,564

### *Commissioner of Finance*

- 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 increase in funding is due to the Police and Fire Pensions medical premium cost for retirees which is included in the Commissioner's budget.

### *Accounting*

- Funds to complete an indirect cost analysis are included in FY 2012.

### *Revenue*

- FY 2011 included \$50,000 to operate the amnesty program. These funds are not budgeted in FY 2012.

## Budget In Brief

- Additional funds are included to develop a revenue forecasting model.

### ***Budgeting***

- Professional Services funds for contract employee was not included in FY 2012.

### **Social Services**

**\$6,780,647    101.0 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 two percent of the General Fund budget.

Budget By Division	Adopted FY 2011	Adopted FY 2012	Change
Commissioner	\$ 1,239,080	\$ 1,308,781	\$ 69,701
Youth Services	2,455,722	2,173,906	(281,816)
Family Services	2,786,000	2,336,517	(449,483)
Adult and Tenant Services	1,131,980	961,443	(170,537)
Total	\$ 7,612,782	\$ 6,780,647	\$ (832,135)

### ***Commissioner of Social Services***

- Funds were included in the Commissioner's budget to perform a study on affordable housing

### ***Adult and Tenant Services***

- Funding for the Intake Center was not included in FY 2012. These calls will be answered by LexCall.

### ***Family Services***

- Revenue from grants and childcare services is partially offsets costs to the General Fund.



## Budget In Brief

### *Youth Services*

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

### *Law*

**\$9,778,696 43.0 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. It also includes the Division of Human Resources which oversees issues related to employment at LFUCG. The Department of Law comprises four percent of the General Fund budget.

Division	Adopted FY 2011	Adopted FY 2012	Change
Law	\$ 6,929,450	\$ 7,824,630	\$ 895,180
Human Resources	2,535,180	1,954,066	(581,114)
Total	\$ 9,464,630	\$ 9,778,696	\$ 314,066

- Funds were included in Law to establish supervisor positions within the Department for management of Human Resources.

### *Chief Administrative Officer*

**\$10,243,997 124.0 FTE**

The Chief Administrative Officer (CAO) is charged with the responsibility of providing supervision, direction, and management of the Urban County Government. The CAO executes the policies established by the Mayor, Council, and Charter and develops programs to meet current and future organizational and community needs. It includes Computer Services, Enterprise Solutions, Government Communication,

## Budget In Brief

Grants and Special Programs, Historic Preservation, Planning, Purchase of Development Rights, and Risk Management. The divisions under the Chief Administrative Officer comprise four percent of the General Fund budget.

Budget By Division	Adopted FY 2011	Adopted FY 2012	Change
Chief Administrative Officer	\$ -	\$ 156,162	\$ 156,162
Grants and Special Programs	735,290	540,648	(194,642)
Government Communications	1,443,300	784,193	(659,107)
Historic Preservation	362,790	362,126	(664)
Planning	1,690,910	1,591,178	(99,732)
Purchase of Development Rights	1,075,667	137,673	(937,994)
Risk Management	328,810	307,051	(21,759)
Computer Services	5,353,960	5,329,642	(24,318)
Chief Information Officer	590,014	-	(590,014)
Enterprise Solutions	983,510	1,035,324	51,814
Total	\$ 12,564,251	\$ 10,243,997	\$ (1,782,054)

### *Grants and Special Programs*

- Funds to fill the vacant position of Director of Grants and Special Programs are included in FY 2012.

### *Government Communications*

- Program costs for LexCall are allocated among four funds based on actual calls received.
- Positions funded in FY 2011 (Staff Assistant, Public Information Supervisor, Producer, Administrative Specialist, Audio-Visual Specialist, Graphic Designer, and Director of Government Communications) are not funded in FY 2012.

### *Purchase of Development Rights*

- The debt service budgeted for PDR easement acquisition, \$751,770, is shown under Contract Debt.

### *Risk Management*

- The Risk Management budget is included in the General Fund. The portion of the budget allocated to the Urban

## Budget In Brief

Services Districts Fund (8 percent) and Sanitary Sewer Fund (17 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.

- One position of Risk Management Analyst was transferred to Risk Management from General Services for FY 2012.

### *Enterprise Solutions*

- The funding for Peoplesoft upgrade was not included in FY 2012 budget but will be included in FY 2013.

## Budget In Brief

### General Government

**\$7,986,355      78.0 FTE**

General Government programs include other divisions of government. These programs account for about 3 percent of the General Fund budget.

Budget By Office\Division	Adopted FY 2011	Adopted FY 2012	Change
Circuit Judges	\$ 324,800	\$ 319,888	\$ (4,912)
County Clerk	119,290	121,510	2,220
County Clerk - Elections	219,400	204,400	(15,000)
Board of Elections	856,550	810,767	(45,783)
Commonwealth Attorney	72,610	83,515	10,905
County Judge Executive	18,090	18,847	757
County Attorney	789,622	789,170	(452)
Coroner	738,330	608,819	(129,511)
PVA	335,400	328,500	(6,900)
Council Office	2,323,125	2,314,636	(8,489)
Citizens' Advocate	132,730	92,758	(39,972)
Council Clerk's Office	565,405	486,150	(79,255)
Mayor's Office	1,409,974	1,646,461	236,487
Office of Economic Develop.	134,570	-	(134,570)
Special Projects	831,033	707,663	(123,370)
Contingency\Indirect Cost	(12,864,260)	(1,225,787)	11,638,473
Internal Audit Office	712,743	679,058	(33,685)
Senior Advisor	154,016	-	(154,016)
Total	\$ (3,126,572)	\$ 7,986,355	\$11,112,927

### *County Clerk*

- Funding is required for two elections during FY 2012.

### *Board of Elections*

- Funding is required for two elections during FY 2012.

### *Commonwealth Attorney*

- Funding is included for professional services to facilitate electronic transfer of information from Division of Police.

### *County Judge Executive*

- The personnel budget includes pay for the County Judge Executive.

## **Budget In Brief**

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

### ***Coroner***

- Funding is reduced due to abolishing unfilled positions in FY 2012.

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

- A statutory contribution of \$207,050 is required for the PVA's office for FY 2012. Funding of \$121,450 is provided in addition to the statutory requirement.

### ***Council Office***

- The Council budget reduced is primarily the result of personnel structure changes in the office.

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

- The vacant Citizens' Advocate position is funded to be filled during FY 2012.

### ***Council Clerk***

- The personnel budget decrease is due to not funding a vacant position for FY 2012.

### ***Office of the Mayor***

- Due to the reorganization, additional personnel from the Senior Advisor office were included in the Mayor's Office for FY 2012. Additionally Council created a Commissioner of Planning in FY 2012 which is budgeted in the Mayor's office.

### ***Internal Audit***

- Professional services funding for \$150,000 was included for an audit of the PeopleSoft financial system in FY 2012.

## Budget In Brief

### *Special Projects\Events*

The Special Projects program includes funding for the following for FY 2012:

Program	FY 2011	FY 2012	Change
Arts Program	\$ 450,000	\$ 439,368	\$ (10,632)
Bluegrass State Games	52,500	47,250	(5,250)
Corridor Program	50,000	-	(50,000)
Martin Luther King Celebration	9,000	8,100	(900)
Neighborhood Match	63,000	62,700	(300)
Lex. Comm. On Race Relations	10,000	9,000	(1,000)
Roots & Heritage Festival	39,350	35,415	(3,935)
Sister Cities	44,000	44,000	-
Summerfest	10,000	9,000	(1,000)
<b>Total Special Projects</b>	<b>\$ 727,850</b>	<b>\$ 654,833</b>	<b>\$ (73,017)</b>
Special Events Administration	12,390	2,750	(9,640)
Uniformed Services Events	2,000	2,000	-
Holiday Events	4,500	-	(4,500)
Downtown Improvements	55,100	31,100	(24,000)
Sweet Sixteen Hospitality	17,200	15,180	(2,020)
Diversity Festival	2,000	1,800	(200)
4th of July Festival	9,993	-	(9,993)
<b>Total Special Events</b>	<b>\$ 103,183</b>	<b>\$ 52,830</b>	<b>\$ (50,353)</b>

### *Contingency\Indirect Cost*

- Lump sum termination, sick pay service credit, and unemployment insurance of \$4,054,800 is budgeted for FY 2012.
- The 27<sup>th</sup> pay period allocation is \$807,000.
- A transfer to the Economic Contingency Reserve of \$600,000 is included in the FY 2012 budget.
- Personnel vacancy credit is budgeted for FY 2012 by division rather than in Contingency as in FY 2011.
- The indirect cost recovery is computed by applying the appropriate indirect cost rate for each fund to the total personnel budget of that fund. In addition to indirect

## Budget In Brief

costs, certain direct costs of administrative personnel are recovered here.

The following table shows the indirect cost budget for FY 2012 and the respective rates:

<b>Fund</b>	<b>FY 2012 Indirect Cost</b>	<b>FY 2012 Indirect Cost Rate</b>
Urban Services Districts	\$ 3,606,535.00	25.00%
Sanitary Sewer Fund	1,833,147.00	16.65%
Water Quality Management	558,450.00	16.65%
Landfill	164,593.00	15.78%
Extended School Program	274,862.00	25.00%
<b>Total</b>	<b>\$ 6,437,587.00</b>	

## Budget In Brief

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

Departments/Divisions	FY 2012	FTE
<b>Constitutional &amp; Judicial Officers</b>	<b>\$ 3,285,416</b>	<b>15.0</b>
Circuit Judges	319,888	5.0
County Clerk	325,910	-
Board of Elections	810,767	1.0
Commonwealth Attorney	83,515	-
County Judge Executive	18,847	1.0
County Attorney	789,170	-
Coroner	608,819	8.0
Property Valuation Administrator	328,500	-
<b>Council Office</b>	<b>2,314,636</b>	<b>34.0</b>
<b>Citizens' Advocate</b>	<b>92,758</b>	<b>1.5</b>
<b>Council Clerk</b>	<b>486,150</b>	<b>5.0</b>
<b>Office of the Mayor</b>	<b>1,646,461</b>	<b>16.5</b>
<b>Special Events</b>	<b>52,830</b>	<b>-</b>
<b>Special Projects</b>	<b>654,833</b>	<b>-</b>
<b>Contract Debt</b>	<b>32,727,796</b>	<b>-</b>
<b>Contingency/Indirect Cost Allocation</b>	<b>(1,225,787)</b>	<b>-</b>
<b>Office of the CAO</b>	<b>9,052,511</b>	<b>124.3</b>
Chief Administrative Officer	156,162	1.0
Grants and Special Programs	540,648	14.3
Government Communications	784,193	29.0
Historic Preservation	362,126	5.0
Planning	1,591,178	28.0
Purchase of Development Rights	137,673	1.0
Risk Management	307,051	4.0
Computer Services	5,329,642	33.0
Enterprise Solutions	1,035,324	9.0
<b>Internal Audit</b>	<b>679,058</b>	<b>5.0</b>
<b>Law</b>	<b>9,778,696</b>	<b>43.0</b>
Law	7,824,630	22.0
Human Resources	1,954,066	21.0
<b>Finance</b>	<b>9,000,376</b>	<b>64.0</b>
Commissioner's Office	4,410,782	3.0
Accounting	1,253,425	17.0
Revenue	2,297,846	30.0
Purchasing	566,433	8.0
Budgeting	471,890	6.0



## Budget In Brief

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

<b>Departments/Divisions</b>	<b>FY 2012</b>	<b>FTE</b>
<b>Environmental Quality and Public Works</b>	<b>\$ 7,353,030</b>	<b>100.0</b>
Commissioner's Office	194,165	2.0
Engineering	346,978	17.0
Streets and Roads	3,518,336	47.0
Traffic Engineering	3,150,726	32.0
Environmental Policy	142,825	2.0
<b>Public Safety</b>	<b>145,656,001</b>	<b>1,634.5</b>
Commissioner's Office	441,010	3.0
ABC Administration	15,792	-
DEM\Enhanced 911	3,353,287	72.0
Community Corrections	30,485,961	328.0
Police	55,442,203	628.5
Fire	51,781,678	541.0
Code Enforcement	1,664,485	24.0
Building Inspection	2,471,585	38.0
<b>Social Services</b>	<b>6,780,647</b>	<b>101.0</b>
Commissioner's Office	1,308,781	10.0
Adult and Tenant Services	961,443	10.0
Family Services	2,336,517	50.0
Youth Services	2,173,906	31.0
<b>General Services</b>	<b>26,148,407</b>	<b>258.0</b>
Commissioner's Office	2,270,397	8.0
Facilities and Fleet Management	7,057,431	124.0
Parks and Recreation	16,820,579	126.0
<b>Partner Agencies</b>	<b>17,568,835</b>	<b>-</b>
Library	5,540	-
Other Agencies	17,563,295	-
<b>Total General Services District</b>	<b>\$ 273,244,140</b>	<b>2,401.8</b>

## Budget In Brief

### General Services District Revenue

General Services Fund revenues are estimated at \$274,434,852 or a 1.7 percent increase over FY 2011 revenues.

Category	FY 2011	FY 2012	Change
Ad Valorem Taxes	\$ 20,244,000	\$ 20,362,000	\$ 118,000
Licenses and Permits	219,874,280	229,108,500	9,234,220
Services	20,830,074	20,937,340	107,266
Fines and Forfeitures	203,000	191,000	(12,000)
Intergovernmental	1,654,689	1,738,012	83,323
Property Sales	4,236,300	-	(4,236,300)
Investments	27,000	30,000	3,000
Other Financing Sources	440,390	200,000	(240,390)
Other Income	2,237,976	1,868,000	(369,976)
Total Revenue	\$ 269,747,709	\$ 274,434,852	\$ 4,687,143
Estimated Fund Balance,	4,775,400	500,000	(4,275,400)
Total Available Funds	\$ 274,523,109	\$ 274,934,852	\$ 411,743

\* Compiled as "Other" on chart on page 35.

**Licenses and permits** revenue is the largest single category of revenue in the General Services District Fund, accounting for 84 percent of all revenues. This category includes revenue from employee withholdings, franchise permits, insurance premium tax, and net profits license fee on businesses.

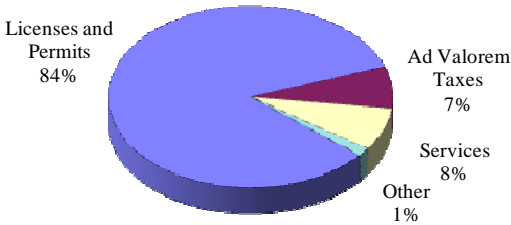
**Services** revenue is the second largest revenue category for this fund (8 percent). These revenues are generated in exchange for government services. Golf course fees, EMS fees, building permits and detention center revenue are examples of this category.

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.

### General Services District

## Budget In Brief

### Revenue by Category \$274,434,852



The FY 2012 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 2012 appropriation to the Library is \$13,218,100. Total ad valorem revenues are forecast to be \$20,362,000. Property tax, therefore, only provides \$7.14 million to the general operations of the government.*

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

### **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 2012 of \$500,000 reflects a projection of unspent personnel and operating funds.

**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>FY 2011</b>	<b>FY 2012</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)****\$36,749,740      258.0 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

## Urban Services Fund Summary of Budgeted Revenue and Appropriations

	FY 2011	FY 2012	Change
<b>Revenue</b>			
Ad Valorem Taxes	\$ 30,597,000	\$ 31,236,000	\$ 639,000
Licenses and Permits	1,200,000	1,300,000	100,000
Services	2,600,000	2,866,000	266,000
Fines and Forfeitures	25,000	5,000	(20,000)
Intergovernmental	-	85,730	85,730
Property Sales	1,087,400	-	(1,087,400)
Investments	27,000	20,000	(7,000)
Other Income	20,000	20,000	-
<b>Total Revenue</b>	<b>\$ 35,556,400</b>	<b>\$ 35,532,730</b>	<b>\$ (23,670)</b>
<b>Fund Balance, July 1</b>	<b>9,621,100</b>	<b>12,670,000</b>	<b>3,048,900</b>
<b>Total Funds Available</b>	<b>\$ 45,177,500</b>	<b>\$ 48,202,730</b>	<b>\$ 3,025,230</b>
<b>Appropriations</b>			
<b>Operating Expenditures</b>			
Personnel	\$ 15,731,000	\$ 14,605,682	\$ (1,125,318)
Debt Service	335,328	229,263	(106,065)
Insurance	332,000	912,990	580,990
Operating	19,899,515	19,578,805	(320,710)
Transfers To\ (From) Oth	282,930	-	(282,930)
<b>Total Operating</b>	<b>\$ 36,580,773</b>	<b>\$ 35,326,740</b>	<b>\$ (1,254,033)</b>
<b>Capital Expenditures</b>			
CIP Capital	\$ 300,000	\$ -	\$ (300,000)
Operating Capital	876,500	1,423,000	546,500
<b>Total Capital</b>	<b>\$ 1,176,500</b>	<b>\$ 1,423,000</b>	<b>\$ 246,500</b>
<b>Total Appropriations</b>	<b>\$ 37,757,273</b>	<b>\$ 36,749,740</b>	<b>\$ (1,007,533)</b>
<b>Fund Balance, June 30</b>	<b>\$ 7,420,227</b>	<b>\$ 11,452,990</b>	<b>\$ 4,032,763</b>

## Budget In Brief

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

Department/Function	FY 2011	FY 2012	Change
Law	\$ 483,200	\$ 961,595	\$ 478,395
Risk Management	27,280	44,976	17,696
Contract Debt	335,328	229,263	(106,065)
Indirect Cost/Contingency	3,896,510	3,862,875	(33,635)
Government Communications	570,690	540,149	(30,541)
Personnel Programs	14,000	14,000	-
Annual Audit	9,000	9,450	450
Computer Services	83,440	296,303	212,863
<b>Env Quality &amp; Public Works</b>	<b>\$ 31,737,315</b>	<b>\$ 30,718,179</b>	<b>\$ (1,019,136)</b>
Administration	572,270	405,623	(166,647)
Street Cleaning	1,412,830	1,487,916	75,086
Street Lights	5,030,645	4,859,165	(171,480)
Administration	-	-	-
Compliance	767,040	843,687	76,647
Refuse Collection	23,954,530	23,121,788	(832,742)
<b>General Services</b>	<b>\$ 600,510</b>	<b>\$ 72,950</b>	<b>\$ (527,560)</b>
Facilities and Fleet Services	73,550	72,950	(600)
Vacuum Leaf Collection	526,960	-	(526,960)
<b>Total Urban Services</b>	<b>\$ 37,757,273</b>	<b>\$ 36,749,740</b>	<b>\$ (1,007,533)</b>

**Contract debt** provides debt payments for refuse trucks and improvements to the recycling center and compost site.

An **indirect cost** payment is made to the General Services Fund (\$3,606,535) 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), and the 27<sup>th</sup> pay period contingency (\$27,000).

**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.

## Budget In Brief

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 Division of Waste Management* provides curbside collection of recyclable, compostable and landfill-bound materials on a weekly basis, to 88,000 households. Over 5,000 businesses, multi-family and institutional customers receive twice per week collection of recycling and landfill-bound materials via dumpsters and roll-carts. The Division also operates a single stream material recovery facility, a construction demolition landfill and an organics composting operation. A number of ancillary collection services are provided to Fayette County residents and businesses including loan-a-box, dead animal collection, cart delivery and maintenance, and waste management at special events management.

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. No funds are included for this service in FY 2012.

Approximately 650 - 700 additional *street lights* are installed in Fayette County annually. FY 2011 included \$300,000 for installation of these additional street lights. No funds are included for new street lights in FY 2012. The budget does include \$4,699,280 for utility costs.

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

## Budget In Brief

### Urban Services Revenue Sources

Total resources available for FY 2012 expenditures in the Urban Services Fund include a projected beginning fund balance of \$12.7 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 88 percent of the total revenues, and are estimated at \$31.2 million for the 2011 tax year (FY 2012).

### 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 2011 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 located in a *Partial Urban Services District* if less than the full complement of services is available.



## **Budget In Brief**

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 without a voter recall. 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)** **\$1,015,000**

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

#### **Police Confiscated – State (#1132)** **\$150,000**

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

#### **Public Safety (#1133)** **\$100,000**

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 accumulated money from this fee for FY 2012. The transfer is to the General Fund for use by police to purchase needed equipment for sworn positions.

## Budget In Brief

### Spay and Neuter (#1134)

**\$30,000**

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)

**\$9,201,480**

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 2012 budget includes a transfer of \$812,610 of MAP funds to the General Fund for eligible personnel costs in the Division of Streets and Roads. Also included for FY 2012 is a transfer of \$765,000 for eligible personnel costs in the Division of Engineering.

MAP projects for FY 2012 include \$6,148,090 for resurfacing and \$1,450,000 for the following road projects.

### Municipal Aid Program Summary of Projects

Project	FY 2012 Local Funds	State and Federal Grant Funds	Total Local and Grant Funds	Stage
Capital Construction Project Testing	\$ 25,000		\$ 25,000	c
Clays Mill Rd, 2B (Higbee Mill-Twain Ridge)	1,145,000	4,580,000	5,725,000	d, c
Clays Mill Rd, 2C (New Circle - Keithshire)	80,000	320,000	400,000	r, u
Rose Street Bike Lane	100,000	400,000	500,000	r, u, c
Sidewalk Ramp Program	100,000		100,000	c
Total	\$ 1,450,000	\$ 5,300,000	\$ 6,750,000	

Key of project stages: c = construction; d = design; r = right of way; re = resident engineer; u = utilities

## Budget In Brief

### **County Aid Program (#1137)**

**\$728,600**

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 2012 funding is for resurfacing.

### **Mineral Severance (#1138)**

**\$100,000**

The Mineral Severance fund accounts for Mineral Severance Tax received from the Commonwealth of Kentucky. FY 2012 funding is for resurfacing.

### **Coal Severance (#1139)**

**\$100,000**

The Coal Severance fund accounts for the Coal Severance Tax received from the Commonwealth of Kentucky. FY 2012 funding is for resurfacing.

### **Miscellaneous Special Revenue (#1141)**

**\$224,840**

A restricted special revenue fund established to account for revenues received for a specific purpose which are not considered a grant. FY 2012 funding is for the Traffic Engineering State Signal Reimbursement Contract.

### **Police Confiscated Treasury Fund (#1142)**

**\$235,000**

The Police Confiscated Treasury Fund accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in federal cases governed by the Department of Treasury.

## Budget In Brief

### Grant Funds

**\$14,646,370**

State and federal grant funds of \$14.6 million are anticipated for FY 2012. The LFUCG will provide \$1.0 million in matching funds for these grants and \$0.8 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
CDBG Administration	\$ 220,000		\$ 220,000
HOME	1,500,000	507,500	2,007,500
Housing Rehabilitation - Loans	360,000		360,000
Housing Rehabilitation - Operations	33,700	200,000	233,700
Meadow/Northland/Arlington	755,000		755,000
FHWA Transportation Planning	340,340	60,060	400,400
Fiber Optic Cable Installation - CMAQ	320,000	80,000	400,000
ITS/CMS Traffic Improvements	348,000	87,000	435,000
Mobility Office (SLX)	102,000	25,500	127,500
Arrest Policies	200,000		200,000
CSEPP	470,000		470,000
Emergency Management Assistance	112,000	112,000	224,000
Justice Assistance	95,810		95,810
Law Enforcement	100,000		100,000
MMRS	307,900		307,900
Redeployment/Justice Assistance	256,590		256,590
Street Sales Enforcement	270,000	50,000	320,000
Traffic Safety	100,000		100,000
Training Incentive - Fire	1,916,120		1,916,120
Training Incentive - Police	1,963,480		1,963,480
Child Care Food Program	67,500	7,500	75,000
Day Treatment/Intensive Probation	241,840	186,950	428,790
Home Network	483,200		483,200
National School Lunch	90,000	16,500	106,500
New Chance	448,040		448,040
Newtown Pike	66,770		66,770
Runaway Youth	180,000	20,000	200,000
Senior Citizens Center	89,080	173,140	262,220
Other Grants	1,432,350	250,500	1,682,850
<b>Total Grants</b>	<b>\$12,869,720</b>	<b>\$ 1,776,650</b>	<b>\$14,646,370</b>

## Budget In Brief

### Capital Projects Funds

#### Bond Projects (#2601)

**\$0**

No general obligation bonds were approved as part of the FY 2012 budget after the veto process.

Funds remaining from previously funded projects were reallocated during the adoption of the FY 2012 budget. The reallocation is outlined in this table:

FUND	PROJECT	AMOUNT
<b><u>Debit</u></b>		
2600	GOVTCTR_2010A	1,000,000.00
2516	GOVT_CTR_2009A	1,409,652.00
2517	COMPTEQUP_2008A	65,990.56
2517	COMPTEQUP_2008A	2,233.05
2517	EMS_EXIT_2009A	15,000.00
2517	FIRE_STAT_2009A	138,924.97
2517	WAYFINDER_2008A	140,742.52
2517	WAYFINDER_2008A	93,514.96
2509	FIBOPTCAB_2005A	258,033.62
2516	GOVT_CTR_2009A	8.00
2517	VERSAILLS_2009A	117,055.26
2517	SENRACTZNS_2009A	352,000.00
2517	ARTSCENTR_2008A	40,958.78
2601	SHWPRP_TIF_2011	4,000,000.00
Total		7,634,113.72
<b><u>Credit</u></b>		
2517	COMPTEQUP_20012	497,364.84
2516	PDR	1,000,000.00
2516	ELEVATOR_REPAIR	350,000.00
2516	ELEVATOR_REPAIR	350,000.00
2516	PARKS_ADA	59,652.00
2517	SENRACTZNS_2009A	227,096.88
2516	KY_THEATER_SUPR	150,000.00
2601	RADIO	4,500,000.00
2601	PARKING REPAIRS	500,000.00
Total		7,634,113.72

## Budget In Brief

### Enterprise Funds

#### Sanitary Sewer Operating and Construction Funds

(#4002 and #4003)

**\$60,510,589      180.0 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.

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.

## Budget In Brief

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.

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

**\$12,186,881      35.0 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.

## Budget In Brief

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)**

**\$14,800,033    4.0 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 2012 total Landfill Fund revenues are projected at approximately \$7.28 million.

The landfill closure reserve consists of the fund balance as of June 30, 1997, and is increased annually based on excess revenues over expenses. The reserve was \$20.8 million at the end of FY 2010, 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)**

**\$265,932    6.0 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 \$420,000 in FY 2012. The amount in excess of the \$265,932 budgeted for



## Budget In Brief

expenditures will be available for additional projects or in future years.

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

**\$2,384,141    8.0 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 \$2.4 million in FY 2012 for the operation of the program.

Participating schools include:

Athens Chilesburg Elementary	Maxwell Elementary
Booker T. Washington Elementary	Northern Elementary
Breckinridge Elementary	Picadome Elementary
Edythe J. Hayes Middle	Stonewall Elementary
Jessie Clark Middle	Wellington Elementary
Julius Marks Elementary	William Wells Brown Elementary
Liberty Elementary	Yates Elementary

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

**\$1,151,450**

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.

## Budget In Brief

### *Enhanced 911 (#4204)*

**\$4,663,748                      7.0 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 \$3,850,500 from E-911 fees and \$1,062,357 from prior year fund balance.

### *LexVan (#4205)*

**\$107,270**

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)**

**\$3,805,900**

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.

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

**\$235,000**

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 2012 this revenue source is estimated to provide \$140,000 for this purpose.

Dedicated revenues from golf fees are estimated at \$95,000 for FY 2012. These revenues are restricted to golf course improvements.

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

## Budget In Brief

**\$908,781**

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)**

**\$1,956,500**

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 2012 budget includes the cost for 100 percent of the premium for single health care coverage and associated expenses for eligible retirees (\$80,800). The government also pays certain other administrative costs.

## Budget In Brief

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

**\$43,125,583    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 2012 is 17.51 percent of salary.

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. FY 2012 budget includes another bond issuance estimated at \$31 million.

The FY 2012 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$3,688,790). The government also funds certain other administrative costs.

### *Public Library Corporation (#1181)*

**\$262,510**

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 2012 budget provides for payment on the bonds issued to finance the construction of the Bates 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)** **\$35,797,000**

The government offers health insurance options to LFUCG employees under self-insurance plans administered by Humana. The FY 2012 budget of nearly \$35.8 million is funded through premiums and medical subsidy 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)** **\$7,855,000**

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 losses. The FY 2012 budget of \$7,855,000 is funded through

## **Budget In Brief**

premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund.

## Budget In Brief

### FY 2012 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> </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>	