

2012-2013

Lexington-Fayette Urban County Government

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# Budget In Brief



## **Budget In Brief**

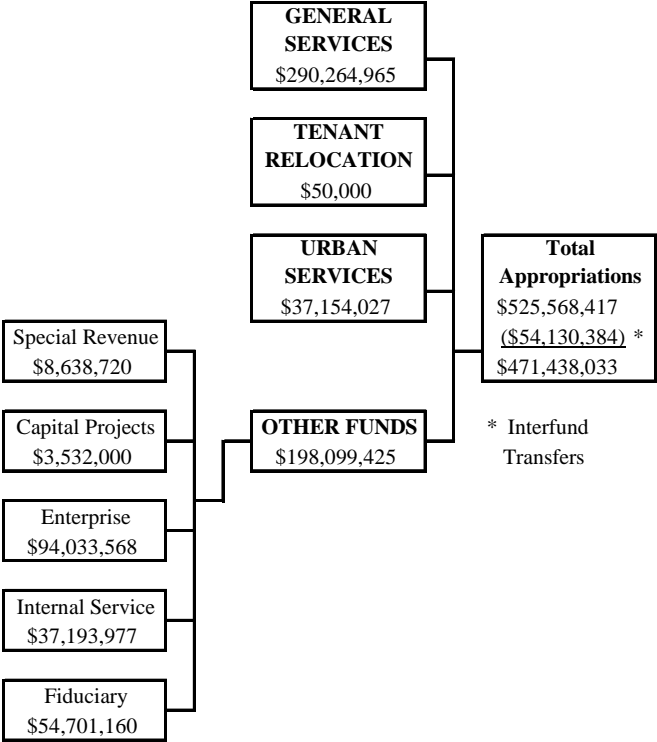
## Budget In Brief

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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 \$471,438,033. This is \$4,337,109 more than the FY 2012 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, such as *Police Confiscated-Federal*, *Police*

## Budget In Brief

*Confiscated-State, Public Safety, 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 2013 Budget Highlights

The Lexington-Fayette Urban County Council voted to adopt the Mayor's Proposed Budget for fiscal year 2012-2013, as amended, on June 21, 2012. The approved expenditure budget for the General Services Fund is \$290,264,965, 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 12, 2012. Late Item Changes are requested by the Administration and reflect clerical corrections to the Mayor's Budget or changes 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**

Mayor's Office/Council Office – Adjust salaries to reflect correct wage scale	\$30,900
Parks and Recreation – Increase revenues for Golf	152,894
Parks and Recreation – Reduce transfer to Extended School Program Fund	98,580
Public Safety – Increase transfer from Public Safety Fund	200,000

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***Total increases to fund balance***

***\$482,374***

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### Decreases to Fund Balance

CAO – Adjust salaries to reflect current staffing	\$(23,930)
Community Corrections – Adjust salaries to reflect current staffing	(35,250)
Environmental Quality/Public Works – Increase match for Valley View Ferry	(25,000)
Facilities and Fleet Services – Restore funds for Electronic Instrumentation Technician	(55,370)
Finance – Increase funding for Property Tax Audit	(900)
Parks and Recreation – Add funds for Parks Patrol Overtime	(76,100)
Parks and Recreation – Adjust positions to reflect authorized strength	(54,870)
Planning, Preservation and Development – Provide funds for operating expenses	(15,000)
Police – Adjustments for ratified Police contract	(429,860)
Social Services – Increase funding for landline phones	(31,670)
Special Projects – Restore funding for Neighborhood Match Grants	(62,700)

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<b><i>Total decreases to fund balance</i></b>	<b><i>\$(810,650)</i></b>
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### Items with No Change to Fund Balance

- Mayor's Office/Special Projects – Reallocate Insurance expense to correct divisions
- Animal Control – Change account number from Partner Agency status
- Planning, Preservation and Development – Adjust positions to the correct divisions



## Budget In Brief

### Council Changes

#### Increases to Fund Balance

Streets and Roads – Decrease funds for salt	\$200,000
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<i>Total increases to fund balance</i>	<i>\$200,000</i>

#### Decreases to Fund Balance

Carnegie Center – Funds for Math Tutoring program	\$(5,250)
Code Enforcement – Additional funds for Nuisance Abatement	(125,000)
Commonwealth Attorney – Funds for Intern Parking	(4,400)
Community Corrections – Funds for Deputy Director position	(109,840)
Council Office – Funds for Copier maintenance	(7,000)
Council Office – Restore funds for Neighborhood Development Funds	(75,225)
General Services – Funds for Restrooms for Arboretum	(125,000)
Human Rights Commission – Funds for Rent and Community Outreach position	(50,000)
Lyric Theatre – Restore funding	(15,000)
Parks and Recreation – Funds for Parks maintenance and programming	(152,894)
Parks and Recreation – Funds for Woodland Park sidewalk repair	(31,000)
Planning, Preservation and Development – Additional funds for Corridors and matching grants	(118,000)
Social Services – Increase Part-time funding for Partners for Youth	(25,000)
Social Services – Funds for 75 Summer Youth Employment positions	(75,000)
World Trade Center – Funds for Part-time position and operating expenses	(19,050)
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<i>Total decreases to fund balance</i>	<i>\$(937,659)</i>

## Budget In Brief

### Items with No Change to Fund Balance

Council Office – Adjust budgets across various accounts and reserve funding for districts with opposition in the Fall election

### Changes to Other Funds

Various other changes to other funds were approved by the Council on June 12, 2012. The impact to fund balance by fund is as follows.

#### Decreases

Urban Services District	\$(7,941)
Public Library Corporation Fund	(1,080)
Water Quality Management	(468,200)

#### Increases

Municipal Aid Program	\$884,777
County Road Aid Program	159,823
Sanitary Sewer	3,276,770
PFC – General Fund	59,790
Landfill Fund	63,150
Public Parking Corporation Fund	95,985
Sanitary Sewer Construction Fund	100,000
Police and Fire Pension Fund	180

## Budget In Brief

### General Services District Fund (#1101)

The General Services District covers the entire county and includes most of the basic services provided to residents (police, fire, parks, housing, etc.). FY 2013 appropriations in the General Services District Fund are \$290.3 million.

### Summary of Budgeted Revenue and Appropriations

	FY 2012 Adopted	FY 2013 Adopted	Change	% Change
<b>Revenue</b>				
Ad Valorem Taxes	\$ 20,362,000	\$ 20,663,000	\$ 301,000	1.5%
Licenses and Permits	229,108,500	243,370,924	14,262,424	6.2%
Services	20,937,340	21,580,614	643,274	3.1%
Fines and Forfeitures	191,000	175,300	(15,700)	-8.2%
Intergovernmental	1,738,012	1,658,930	(79,082)	-4.6%
Investments	30,000	68,000	38,000	126.7%
Other Financing Sources	200,000	200,000	-	
Other Income	1,868,000	1,713,200	(154,800)	-8.3%
Total Revenue	\$274,434,852	\$289,429,968	\$ 14,995,116	5.5%
Fund Balance, July 1	500,000	1,500,000	1,000,000	200.0%
Total Funds Available	\$274,934,852	\$290,929,968	\$ 15,995,116	5.8%
<b>Appropriations</b>				
<b>Operating Expenditures</b>				
Personnel	\$178,601,274	\$186,666,370	\$ 8,065,096	4.5%
Partner Agencies	16,472,985	16,691,988	219,003	1.3%
Debt Service	32,727,796	33,580,650	852,854	2.6%
Insurance	5,964,508	8,321,420	2,356,912	39.5%
Operating	37,312,540	41,075,403	3,762,863	10.1%
Transfers To/(From)	1,423,037	3,074,934	1,651,897	116.1%
Total Operating	\$272,502,140	\$289,410,765	\$ 16,908,625	6.2%
<b>Capital Expenditures</b>				
CIP Capital	\$ 534,000	\$ 648,700	\$ 114,700	21.5%
Operating Capital	208,000	205,500	(2,500)	-1.2%
Total Capital	\$ 742,000	\$ 854,200	\$ 112,200	15.1%
Total Appropriations	\$273,244,140	\$290,264,965	\$ 17,020,825	6.2%
Fund Balance, June 30	\$ 1,690,712	\$ 665,003	\$ (1,025,709)	-60.7%

### 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 (\$186,666,370)** 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:

- Implementation of a 2 percent wage increase for non-collective bargaining employees. Non-collective bargaining employees who are paid less than the city's median income will receive a 2.5% increase.
- Continuation of collective bargaining agreements and newly negotiated agreements that provide raises for sworn Public Safety employees.

**Partner Agencies (\$16,691,988)** 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 18 for a complete list of partner agencies.) The total amount of funding to partner agencies is increased by \$219,003, due to increases to various agencies.

**Debt Service (\$33,580,650)** 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.

**Insurance (\$8,321,420)** 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 \$2,356,912 from FY 2012 based on current claims trends.

## Budget In Brief

**Operating (\$41,075,403)** 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 (\$3,074,934)** represent the transfer of resources from one fund to another. FY 2013 continues the \$50,000 monthly transfer to the Economic Contingency Fund (per Ordinance 78-2006). The allocation to Animal Control is considered an operating expense in FY 2013 so it is reflected in that expense category going forward.

Transfers To or (From)	Adopted FY 2012	Adopted FY 2013	Difference
Animal Control	\$1,076,690	\$ -	\$(1,076,690)
Economic Contingency	600,000	600,000	-
Fleet Services Recoveries	(3,125,123)	(3,501,290)	(376,167)
Fund Transfer - Extended School Program	-	81,420	81,420
Fund Transfer - PFC - General Fund	575,290	575,290	-
Fund Transfer - Public Safety	(100,000)	(200,000)	(100,000)
Fund Transfer - Tenant Relocation	50,000	50,000	-
Fund Transfer - Urban Services	-	2,529,224	2,529,224
Park Impact Fees/Golf Improvements	235,000	190,000	(45,000)
Pension - City Employees	-	192,900	192,900
Pension - Police and Fire	3,688,790	4,135,000	446,210
Salaries - Engineering/Road Projects	(765,000)	(765,000)	-
Salaries - Streets and Roads/Road Projects	(812,610)	(812,610)	-
<b>Total Transfers</b>	<b>\$1,423,037</b>	<b>\$3,074,934</b>	<b>\$ 1,651,897</b>

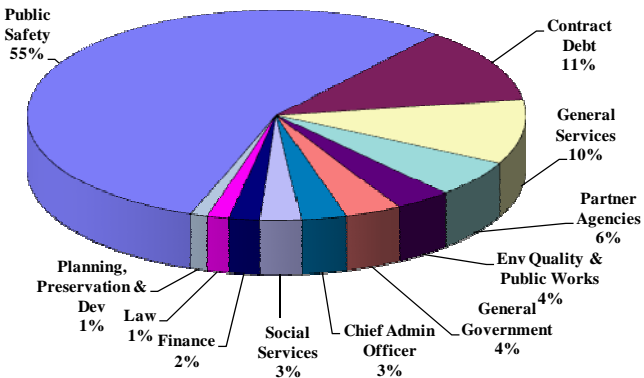
**Capital (\$854,200)** includes payments for capital improvement projects such as parks construction, safety equipment, and copier leases.

## Budget In Brief

### Expenditures by Department or Service Area \$290,264,965

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



Department	FY 2012	FY 2013	Difference
Public Safety	\$ 150,440,641	\$ 160,974,966	\$ 10,534,325
Contract Debt	32,727,796	33,580,650	852,854
General Services	26,148,407	28,593,370	2,444,963
Partner Agencies	16,472,985	16,691,988	219,003
Env Quality & Public Works	7,353,030	10,642,394	3,289,364
General Government	7,986,355	10,633,116	2,646,761
Chief Admin Officer	8,981,678	8,449,686	(531,992)
Social Services	6,780,647	7,547,735	767,088
Finance	5,311,586	5,832,860	521,274
Law	8,950,038	4,111,750	(4,838,288)
Planning, Preservation & Dev	2,090,977	3,206,450	1,115,473
<b>Total</b>	<b>\$ 273,244,140</b>	<b>\$ 290,264,965</b>	<b>\$ 17,020,825</b>

## Budget In Brief

### Public Safety

**\$160,974,966    1,649 FTE**

The largest department in the General Services Fund is Public Safety, accounting for 55 percent of the budget.

<b>Budget By Division</b>	<b>Adopted FY 2012</b>	<b>Adopted FY 2013</b>	<b>Change</b>
Commissioner's Office	\$ 5,225,650	\$ 5,696,295	\$ 470,645
ABC Administration	15,792	21,950	6,158
Building Inspection	2,471,585	2,152,410	(319,175)
Code Enforcement	1,664,485	1,839,985	175,500
Community Corrections	30,485,961	31,169,967	684,006
DEM\Enhanced 911	3,353,287	3,653,344	300,057
Fire\Emergency	51,781,678	55,172,975	3,391,297
Police	55,442,203	61,268,040	5,825,837
Total	\$150,440,641	\$160,974,966	\$ 10,534,325

### *Commissioner of Public Safety*

- The budgets for Police and Fire Pension and Animal Control were moved to the Commissioner's Office for FY 2013. The FY 2012 data was adjusted for easier comparison.

### *Police, Fire, Community Corrections*

- The budgets for Police, Fire, and Community Corrections are based on current collective bargaining contracts.
- Funds are included for two recruit classes for these divisions. It is at the discretion of management as to when the classes will be conducted.

### *Building Inspection*

- Seven Building Inspection positions were transferred to the Division of Planning during FY 2012.

### *Code Enforcement*

- An additional \$125,000 was added to Code Enforcement for nuisance abatement.

## Budget In Brief

### Contract Debt

**\$33,580,650**

Contract Debt comprises approximately 11 percent of the FY 2013 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 2012	FY 2013	Difference
2010D Pension	\$ 2,846,900	\$ 2,848,270	\$ 1,370
2010F GO Bond	53,200	560,480	507,280
2010G GO Bond	255,385	255,380	(5)
2010H refunding of 2001B	173,600	172,990	(610)
GO 2001B-PDR	381,470	382,310	840
GO 2002B-Gov't Center HVAC	280,800	-	(280,800)
GO 2002C -EAMP & Stormwater	427,590	429,550	1,960
GO 2004C-Day Treatment, Blvd,	715,440	715,490	50
GO 2005B-Fire Truck Notes	454,850	-	(454,850)
GO 2005C-Garage, Phoenix, PDR	174,500	173,800	(700)
GO 2005C-PDR	223,780	224,230	450
GO 2006B-Station,BG Asp, Storm	948,748	946,950	(1,798)
GO 2006C-PDR	146,520	148,630	2,110
GO 2010A	5,472,173	5,512,730	40,557
GO 2010B-Refinance 1999B&2000A	612,460	606,100	(6,360)
GO 2010C-Refinance 2000E	678,060	682,470	4,410
GO Anticipated Debt Issues	1,400,000	4,100,000	2,700,000
GO KLC 2000-Webasto	51,960	-	(51,960)
GO2006D-Det Ctr & PFC Refund	5,225,475	5,227,680	2,205
GO2008A (07 & 08 3&5 yr proj	3,621,125	2,003,180	(1,617,945)
GO2009A (07 & 08 10&20 yr proj	2,249,450	2,252,280	2,830
GO2009B-Pension Obligation	5,846,370	5,847,810	1,440
PFC Lease	487,940	490,320	2,380
<b>Total General Services Debt</b>	<b>\$ 32,727,796</b>	<b>\$ 33,580,650</b>	<b>\$ 852,854</b>



## Budget In Brief

### General Services

**\$28,593,370    257.0 FTE**

This is the third largest area of the budget, comprising 10 percent of the FY 2013 General Fund budget.

Budget By Division	Adopted FY 2012	Adopted FY 2013	Change
Commissioner's Office	\$ 2,270,397	\$ 3,427,410	\$ 1,157,013
Facilities & Fleet Mgt.	7,057,431	5,118,531	(1,938,900)
Parks and Recreation	16,820,579	20,047,429	3,226,850
Total	\$ 26,148,407	\$ 28,593,370	\$ 2,444,963

### *Commissioner of General Services*

- Budgets for General Insurance/Casualty Insurance are allocated to individual divisions for FY 2013. This accounts for most of the budget increase for the Commissioner's Office.

### *Facilities and Fleet Management*

- Reductions for FY 2013 include the transfer of parking garages to Lexington Parking Authority.

### *Parks and Recreation*

- An existing position is upgraded to create a Deputy Director of Recreation and 21 positions were transferred from Facilities and Fleet Maintenance to Parks and Recreation during FY 2012.
- 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 2012	FY 2013
Park maintenance and development	\$140,000	\$150,000
Golf course improvements	95,000	40,000
Total	<b>\$235,000</b>	<b>\$190,000</b>

## Budget In Brief

### Partner Agencies

**\$16,691,988**

Partner Agencies are the fourth largest sector of the General Services District budget. Funding for Partner Agencies has increased by \$219,003 and is itemized below.

Organization	FY 2012	FY 2013	Change
Baby Health Service	\$ 14,990	\$ 12,500	\$ (2,490)
Big Brothers Big Sisters	8,570	-	(8,570)
Bluegrass Area Dev District	75,110	75,110	-
Bluegrass Community Action	24,980	19,500	(5,480)
Bluegrass Domestic Violence	67,500	63,750	(3,750)
Bluegrass Rape Crisis Center	62,440	31,220	(31,220)
Bluegrass Technology Center	-	24,870	24,870
Carnegie Literacy Center	36,000	54,300	18,300
Chrysalis House	33,300	103,700	70,400
Cntr for Women Children & Fam	41,630	80,000	38,370
Commerce Lexington	496,578	457,000	(39,578)
Community Action Council	149,850	147,975	(1,875)
Comprehensive Care Center	262,030	-	(262,030)
Downtown Arts Center	91,310	91,310	-
Downtown Development Authority	211,230	211,230	-
Downtown Lexington Corporation	42,710	42,710	-
Environmental Quality Comm.	1,910	2,910	1,000
Explorium of Lexington	169,047	169,000	(47)
Hope Center for Men	666,000	666,000	-
Human Rights Commission	150,260	200,260	50,000
Kentucky Pink Connection	-	24,375	24,375
Kentucky Refugee Ministries	-	31,519	31,519
Kentucky World Trade Center	90,950	110,000	19,050
Lexington Public Library	13,218,100	13,385,240	167,140
Lyric	135,000	150,000	15,000
MASH Services of the Bluegrass	142,200	120,870	(21,330)
Mission Lexington, Inc	-	24,961	24,961
Moveable Feast Lexington, Inc.	33,300	24,700	(8,600)
Nursing Home Ombudsman	41,630	33,750	(7,880)
Prevent Child Abuse Kentucky	-	10,756	10,756
Salvation Army	180,000	224,400	44,400
SCORE	5,540	5,540	-
Sunflower Kids	20,820	14,157	(6,663)
Urban League	-	63,375	63,375
YMCA of Central Kentucky	-	15,000	15,000
	\$ 16,472,985	\$16,691,988	\$219,003

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The ***Lexington Public Library*** receives \$13.4 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 2012 (FY 2013) property value certifications.

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

**\$10,642,394    99.0 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.

Budget By Division	Adopted FY 2012	Adopted FY 2013	Change
Commissioner's Office	\$ 194,165	\$ 291,460	\$ 97,295
Traffic Engineering	3,150,726	5,874,744	2,724,018
Streets and Roads	3,518,336	3,672,650	154,314
Environmental Policy	142,825	254,090	111,265
Engineering	346,978	549,450	202,472
Total	\$ 7,353,030	\$ 10,642,394	\$ 3,289,364

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

- FY 2013 includes funding for the Valley View Ferry.

### ***Engineering***

- In addition to the General Fund, personnel budgets are allocated among Sanitary Sewer, Water Quality Management, Right-of-Way Fund and Municipal Aid for FY 2013 based on the projected time spent on each function. A transfer of \$765,000 is included for personnel expenses eligible for reimbursement from the Municipal Aid Program fund.

### ***Streets and Roads***

- The FY 2013 budget includes \$800,000 for de-icing salt. This is a \$200,000 reduction from FY 2012.

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### *Traffic Engineering*

- Funds for Street Lights include a transfer to the Urban Service Fund from a 1 percent increase in electricity and gas Franchise Fees.

### *General Government*

**\$10,633,116      74.5 FTE**

General Government programs include constitutional officers, divisions related to the Urban County Council and Office of the Mayor and other government-wide programs. These programs account for about 4 percent of the General Fund budget.

<b>Budget By Office\Division</b>	<b>Adopted FY 2012</b>	<b>Adopted FY 2013</b>	<b>Change</b>
Circuit Judges	\$ 319,888	\$ 327,680	\$ 7,792
County Clerk	121,510	132,700	11,190
County Clerk - Elections	204,400	205,400	1,000
Board of Elections	810,767	463,930	(346,837)
Commonwealth Attorney	83,515	154,325	70,810
County Judge Executive	18,847	19,750	903
County Attorney	789,170	801,312	12,142
Coroner	608,819	657,660	48,841
PVA	328,500	335,400	6,900
Council Office	2,314,636	2,511,820	197,184
Citizens' Advocate	92,758	38,670	(54,088)
Council Clerk's Office	486,150	464,039	(22,111)
Mayor's Office	1,646,461	1,442,660	(203,801)
Office of Economic Develop.	-	156,290	156,290
Special Projects	707,663	719,545	11,882
Contingency\Indirect Cost	(1,225,787)	1,504,200	2,729,987
Internal Audit Office	679,058	697,735	18,677
<b>Total</b>	<b>\$ 7,986,355</b>	<b>\$10,633,116</b>	<b>\$2,646,761</b>

### *County Clerk and Board of Elections*

- FY 2013 includes funding for one election. Funding was required for two elections during FY 2012.

## **Budget In Brief**

### ***Commonwealth Attorney***

- FY 2013 provides funds for two positions that were formerly grant funded and are paid through contract services: a Major Violator Prosecutor and a full time Victim's Advocate (formerly part-time). Funds are also included for intern parking.

### ***County Attorney***

- Funds are included to increase personnel expenses.

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

- The budget includes pay for the County Judge Executive, Fiscal Court Commissioners, and operating expenses.

### ***Coroner***

- FY 2013 includes funding all positions and restores one Deputy Coroner position abolished during FY 2012.

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

- A statutory contribution of \$200,000 is required for the PVA's office for FY 2013. An additional \$7,050 is required for various operating expenses. LFUCG is providing \$135,400 in addition to these required amounts.

### ***Council Office***

- Budgets for General Insurance and Property/Casualty Insurance are allocated to individual divisions for FY 2013. This accounts for the increase for the Council Office.

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

- The Citizens' Advocate position was changed from full-time to part-time during FY 2012. This contributes to the reduction in budget.

## Budget In Brief

### *Council Clerk*

- The operating budget includes a planned reduction in the cost of advertising based on publication requirements for resolutions.

### *Office of the Mayor*

- Due to the reorganization, one position was transferred to the Chief Administrative Officer's budget and the Commissioner of Planning, Preservation and Development was transferred to the Department of Planning, Preservation and Development.

### *Special Projects\Events*

The Special Projects program includes funding for the following for FY 2013:

Program	FY 2012	FY 2013	Change
Arts Program	\$ 439,368	\$ 450,000	\$ 10,632
Bluegrass State Games	47,250	52,500	5,250
Martin Luther King Celebration	8,100	8,100	-
Neighborhood Match	62,700	62,700	-
Lex. Comm. On Race Relations	9,000	-	(9,000)
Roots & Heritage Festival	35,415	35,415	-
Sister Cities	44,000	44,000	-
Summerfest	9,000	9,000	-
Total Special Projects	\$ 654,833	\$ 661,715	\$ 6,882
Special Events Administration	2,750	2,750	-
Uniformed Services Events	2,000	2,000	-
Downtown Improvements	31,100	31,100	-
Sweet Sixteen Hospitality	15,180	20,180	5,000
Diversity Festival	1,800	1,800	-
Total Special Events	\$ 52,830	\$ 57,830	\$ 5,000

### *Internal Audit*

- Professional services funding for \$150,000 was included for an audit of the PeopleSoft financial system in FY 2013.

## Budget In Brief

### *Contingency\Indirect Cost*

- Lump sum termination, sick pay service credit, and unemployment insurance of \$3,900,000 is budgeted for FY 2013.
- The 27<sup>th</sup> pay period allocation is \$921,200.
- A transfer to the Economic Contingency Reserve of \$600,000 is included in the FY 2013 budget.
- A reserve of \$1,000,000 is budgeted for pending litigation.
- 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 costs, certain direct costs of administrative personnel are recovered here.

The following table shows the indirect cost budget for FY 2013 and the respective rates:

<b>Fund</b>	<b>FY 2013 Indirect Cost</b>	<b>FY 2013 Indirect Cost Rate</b>
Urban Services Districts	\$ 2,224,000.00	15.42%
Sanitary Sewer Fund	1,734,000.00	15.42%
Water Quality Management	603,000.00	15.42%
Landfill	133,000.00	15.42%
Extended School Program	223,000.00	12.18%
<b>Total</b>	<b>\$ 4,917,000.00</b>	

## Budget In Brief

### Chief Administrative Officer

**\$8,449,686 73.0 FTE**

The Chief Administrative Officer (CAO) is responsible for 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.

Budget By Division	Adopted FY 2012	Adopted FY 2013	Change
Chief Administrative Officer	\$ 156,162	\$ 418,080	\$ 261,918
Grants and Special Programs	540,648	536,650	(3,998)
Government Communications	784,193	831,855	47,662
Risk Management	1,135,709	341,500	(794,209)
Computer Services	5,329,642	5,347,861	18,219
Enterprise Solutions	1,035,324	973,740	(61,584)
Total	\$ 8,981,678	\$ 8,449,686	\$ (531,992)

### *Chief Administrative Officer*

- One position was transferred from the Mayor's Office to the CAO's office during FY 2012.

### *Government Communications*

- Program costs for LexCall are allocated among four funds based on actual calls received.

### *Purchase of Development Rights*

- The debt service budgeted for PDR easement acquisition, \$755,170, 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 Services Districts Fund (8 percent) and Sanitary Sewer Fund (11 percent) is based on their respective exposure to risk, as determined by the Division of Accounting. The



## Budget In Brief

portion of the operating budget allocated to the Urban Services and Sanitary Sewer Funds is budgeted as revenue 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.

### *Enterprise Solutions*

- Funds for professional services were decreased for FY 2013 because no PeopleSoft modules are to be upgraded this fiscal year.

### *Social Services*

**\$7,547,735    105.0 FTE**

The Department of Social Services comprises three percent of the General Fund budget and provides various services to families, youths, and seniors in the community.

Budget By Division	Adopted FY 2012	Adopted FY 2013	Change
Commissioner's Office	\$ 1,308,781	\$ 1,345,765	\$ 36,984
Youth Services	2,173,906	2,343,515	169,609
Family Services	2,336,517	2,463,820	127,303
Adult & Tenant Services	961,443	1,394,635	433,192
Total	\$ 6,780,647	\$ 7,547,735	\$ 767,088

### *Adult and Tenant Services*

- Staffing for FY 2013 is increased by three positions due to restructuring that occurred in FY 2012.

### *Family Services*

- Funds are included upgrade an existing part-time position to a full-time Family Care Center Manager.

## Budget In Brief

### *Youth Services*

- Funds are included to upgrade an existing part-time position to a full-time Bilingual Probation Officer and fund a Day Treatment Center Administrator.

### *Finance*

**\$5,832,860    66.0 FTE**

The Department of Finance includes the budgets for Revenue, Accounting, Purchasing, Budgeting, and Commissioner's Office. Finance comprises about two percent of the General Fund budget.

<b>Budget By Division</b>	<b>Adopted FY 2012</b>	<b>Adopted FY 2013</b>	<b>Change</b>
Commissioner's Office	\$ 721,992	\$ 1,047,960	\$ 325,968
Accounting	1,253,425	1,360,070	106,645
Revenue	2,297,846	2,351,640	53,794
Purchasing	566,433	585,880	19,447
Budgeting	471,890	487,310	15,420
Total	\$ 5,311,586	\$ 5,832,860	\$ 521,274

### *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 City pension fund. The Police and Fire Pension fund was transferred to the Commissioner of Public Safety for FY 2013 (and FY 2012 budget has been adjusted for easier comparisons).

### *Accounting*

- One additional position is included for FY 2013 due to the restructuring of the payroll function during FY 2012.

## Budget In Brief

### Law

**\$4,111,750 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 one percent of the General Fund budget.

Division	Adopted FY 2012	Adopted FY 2013	Change
Law	\$ 6,995,972	\$ 2,119,850	\$ (4,876,122)
Human Resources	1,954,066	1,991,900	37,834
Total	\$ 8,950,038	\$ 4,111,750	\$ (4,838,288)

- The reduction in Law is attributed to the expense for General Insurance and Property Casualty Claims being allocated to each division rather than being charged to the Department of Law as in prior years.

### Planning, Preservation, and Development

**\$3,206,450 42.0 FTE**

The Department of Planning, Preservation, and Development was created during FY 2012 to centralize the different divisions involved in the urban planning and development process focus on making Lexington more livable through growth, safety and preservation. The department includes the divisions of Historic Preservation, Planning, and Purchase of Development Rights (PDR) which were previously overseen by the Chief Administrative Officer.

## Budget In Brief

Budget By Division	Adopted FY 2012	Adopted FY 2013	Change
Commissioner's Office	\$ -	\$ 542,980	\$ 542,980
Historic Preservation	362,126	382,500	20,374
Planning	1,591,178	2,140,210	549,032
PDR	137,673	140,760	3,087
	\$ 2,090,977	\$ 3,206,450	\$ 1,115,473

### *Commissioner's Office*

- The Commissioner of Planning, Preservation, and Development position was transferred from the Chief Administrative Officer during FY 2012.
- The Corridors Program is transferred from Mayor's Special Projects for FY 2013 and includes funding for a study of Versailles Road Corridor (\$150,000) and landscape improvements and matching grants (\$168,000).

### *Planning*

- FY 2013 includes funds for printing of the Comprehensive Plan (\$20,000) and an in-house IT study (\$50,000) for tracking software development/ research.
- Seven positions were transferred from Building Inspection to Planning during FY 2012.

## Budget In Brief

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

<b>Departments/Divisions</b>	<b>FY 2013</b>	<b>FTE</b>
<b>Constitutional &amp; Judicial Officers</b>	<b>\$ 3,098,157</b>	<b>16.0</b>
Circuit Judges	327,680	5.0
County Clerk	338,100	-
Board of Elections	463,930	1.0
Commonwealth Attorney	154,325	-
County Judge Executive	19,750	1.0
County Attorney	801,312	-
Coroner	657,660	9.0
Property Valuation Administrator	335,400	-
<b>Council Office</b>	<b>2,511,820</b>	<b>34.0</b>
<b>Citizens' Advocate</b>	<b>38,670</b>	<b>0.5</b>
<b>Council Clerk</b>	<b>464,039</b>	<b>5.0</b>
<b>Office of the Mayor</b>	<b>1,442,660</b>	<b>13.0</b>
<b>Special Events</b>	<b>57,830</b>	<b>-</b>
<b>Special Projects</b>	<b>661,715</b>	<b>-</b>
<b>Chief Development Officer</b>	<b>156,290</b>	<b>1.0</b>
<b>Contract Debt</b>	<b>33,580,650</b>	<b>-</b>
<b>Contingency/Indirect Cost Allocation</b>	<b>1,504,200</b>	<b>-</b>
<b>Office of the CAO</b>	<b>8,449,686</b>	<b>73.0</b>
Chief Administrative Officer	418,080	3.0
Grants and Special Programs	536,650	14.0
Government Communications	831,855	10.0
Risk Management	341,500	4.0
Computer Services	5,347,861	33.0
Enterprise Solutions	973,740	9.0
<b>Internal Audit</b>	<b>697,735</b>	<b>5.0</b>
<b>Planning, Preservation, &amp; Development</b>	<b>3,206,450</b>	<b>42.0</b>
Commissioner's Office	542,980	1.0
Historic Preservation	382,500	5.0
Planning	2,140,210	35.0
Purchase of Development Rights	140,760	1.0
<b>Law</b>	<b>4,111,750</b>	<b>43.0</b>
Law	2,119,850	24.0
Human Resources	1,991,900	19.0

## Budget In Brief

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

<b>Departments/Divisions</b>	<b>FY 2013</b>	<b>FTE</b>
<b>Finance</b>	<b>5,832,860</b>	<b>66.0</b>
Commissioner's Office	1,047,960	5.0
Accounting	1,360,070	18.0
Revenue	2,351,640	29.0
Purchasing	585,880	8.0
Budgeting	487,310	6.0
<b>Environmental Quality &amp; Public Works</b>	<b>\$ 10,642,394</b>	<b>99.0</b>
Commissioner's Office	291,460	4.0
Engineering	549,450	17.0
Streets and Roads	3,672,650	45.0
Traffic Engineering	5,874,744	31.0
Environmental Policy	254,090	2.0
<b>Public Safety</b>	<b>160,974,966</b>	<b>1,649.0</b>
Commissioner's Office	5,696,295	3.0
ABC Administration	21,950	-
DEM\Enhanced 911	3,653,344	70.0
Community Corrections	31,169,967	328.0
Police	61,268,040	640.0
Fire	55,172,975	553.0
Code Enforcement	1,839,985	24.0
Building Inspection	2,152,410	31.0
<b>Social Services</b>	<b>7,547,735</b>	<b>105.0</b>
Commissioner's Office	1,345,765	11.0
Adult and Tenant Services	1,394,635	13.0
Family Services	2,463,820	51.0
Youth Services	2,343,515	30.0
<b>General Services</b>	<b>28,593,370</b>	<b>257.0</b>
Commissioner's Office	3,427,410	8.0
Facilities and Fleet Management	5,118,531	101.0
Parks and Recreation	20,047,429	148.0
<b>Partner Agencies</b>	<b>16,691,988</b>	<b>-</b>
Library	13,385,240	-
Other Agencies	\$3,306,748	-
<b>Total General Services District</b>	<b>\$290,264,965</b>	<b>2,408.5</b>

## Budget In Brief

### General Services District Revenue

General Services Fund revenues are estimated at \$289,429,968 or a 5.5 percent increase over FY 2012 revenues.

Category	FY 2012	FY 2013	Change
Ad Valorem Taxes	\$ 20,362,000	\$ 20,663,000	\$ 301,000
Licenses and Permits	229,108,500	243,370,924	14,262,424
Services	20,937,340	21,580,614	643,274
Fines and Forfeitures	191,000	175,300	(15,700)
Intergovernmental	1,738,012	1,658,930	(79,082) *
Investments	30,000	68,000	38,000 *
Other Financing Sources	200,000	200,000	- *
Other Income	1,868,000	1,713,200	(154,800) *
Total Revenue	\$ 274,434,852	\$ 289,429,968	\$ 14,995,116
Estimated Fund Balance	500,000	1,500,000	1,000,000
<b>Total Available Funds</b>	<b>\$ 274,934,852</b>	<b>\$ 290,929,968</b>	<b>\$ 15,995,116</b>

\* Compiled as "Other" on chart on page 32.

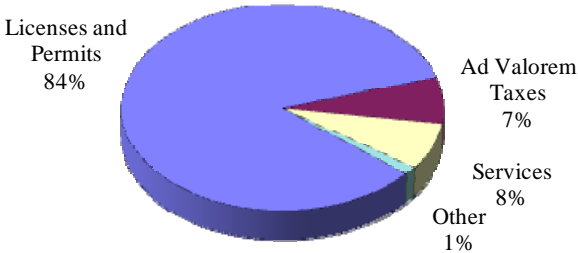
**Licenses and permits** revenue is the largest single category of revenue in the General Services District Fund, accounting for 84 percent of all revenues. This category includes revenue from employee withholdings, franchise permits, insurance premium tax, and net profits license fee on businesses.

**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.

## Budget In Brief

### General Services District Revenue by Category \$289,429,968



The FY 2013 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 2013 appropriation to the Library is \$13,385,240. Total ad valorem revenues are forecast to be \$20,663,000. Property tax, therefore, only provides \$7,277,760 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 2013 of \$1,500,000 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**

Category	FY 2012	FY 2013	Change
Revenue			
Other Financing Sources	\$ 50,000	\$ 50,000	\$ -
Total Revenue	\$ 50,000	\$ 50,000	\$ -
Estimated Fund Balance, July 1	-	-	-
Total Available Funds	\$ 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)**

**\$37,154,027**

**267.0 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 2012	FY 2013	Change
<b>Revenue</b>			
Ad Valorem Taxes	\$ 31,236,000	\$ 31,638,000	\$ 402,000
Licenses and Permits	1,300,000	1,327,000	27,000
Services	2,866,000	1,924,150	(941,850)
Fines and Forfeitures	5,000	1,400	(3,600)
Intergovernmental	85,730	84,250	(1,480)
Investments	20,000	-	(20,000)
Other Income	20,000	103,200	83,200
<b>Total Revenue</b>	<b>\$ 35,532,730</b>	<b>\$ 35,078,000</b>	<b>\$ (454,730)</b>
Fund Balance, July 1	12,670,000	17,686,842	5,016,842
<b>Total Funds Available</b>	<b>\$ 48,202,730</b>	<b>\$ 52,764,842</b>	<b>\$ 4,562,112</b>
<b>Appropriations</b>			
<b>Operating Expenditures</b>			
Personnel	\$ 14,605,682	\$ 14,420,040	\$ (185,642)
Debt Service	229,263	952,340	723,077
Insurance	912,990	810,650	(102,340)
Operating	19,578,805	20,639,721	1,060,916
Transfers To\ (From)	-	(2,529,224)	(2,529,224)
<b>Total Operating</b>	<b>\$ 35,326,740</b>	<b>\$ 34,293,527</b>	<b>\$ (1,033,213)</b>
<b>Capital Expenditures</b>			
CIP Capital	\$ -	\$ 305,000	\$ 305,000
Operating Capital	1,423,000	2,555,500	1,132,500
<b>Total Capital</b>	<b>\$ 1,423,000</b>	<b>\$ 2,860,500</b>	<b>\$ 1,437,500</b>
<b>Total Appropriations</b>	<b>\$ 36,749,740</b>	<b>\$ 37,154,027</b>	<b>\$ 404,287</b>
Fund Balance, June 30	\$ 11,452,990	\$ 15,610,815	\$ 4,157,825

## Budget In Brief

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

Department/Function	FY 2012	FY 2013	Change
Law	\$ 834,105	\$ 31,040	\$ (803,065)
Risk Management	172,466	32,240	(140,226)
Contract Debt	229,263	952,340	723,077
Indirect Cost/Contingency	3,862,875	2,460,100	(1,402,775)
Government Communications	540,149	583,860	43,711
Personnel Programs	14,000	11,730	(2,270)
Annual Audit	9,450	17,391	7,941
Computer Services	296,303	141,260	(155,043)
<b>Env Quality &amp; Public Works</b>	<b>\$ 30,718,179</b>	<b>\$ 30,843,256</b>	<b>\$ 125,077</b>
Administration	405,623	426,560	20,937
Street Cleaning	1,487,916	1,533,190	45,274
Street Lights	4,859,165	3,420,276	(1,438,889)
Compliance	843,687	828,590	(15,097)
Refuse Collection	23,121,788	24,299,120	1,177,332
Vacuum Leaf Collection	-	335,520	335,520
<b>General Services</b>	<b>\$ 72,950</b>	<b>\$ 2,080,810</b>	<b>\$ 2,007,860</b>
Facilities and Fleet Services	72,950	2,080,810	2,007,860
<b>Total Urban Services</b>	<b>\$ 36,749,740</b>	<b>\$ 37,154,027</b>	<b>\$ 404,287</b>

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

An **indirect cost** payment is made to the General Services Fund (\$2,224,000) 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 (\$75,000), unused sick and vacation hours (\$75,000), and the 27<sup>th</sup> pay period contingency (\$86,100).

**Government Communications** includes the budgets for LexCall and Public Information. Program costs for LexCall are allocated among four funds based on actual calls received. Eighty 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 \$11,730 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 households in the Urban Service District. 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 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, and waste management at special events management. A construction/demolition landfill run by the government closed during FY 2012.

The Division of Streets and Roads 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 were included for this service in FY 2012.

Approximately 650 - 700 additional *street lights* are installed in Fayette County annually. FY 2013 includes \$300,000 for installation of these additional street lights. No funds were included for new street lights in FY 2012. The budget does include \$5,466,850 for utility costs. Operation of the street light program is offset by a \$2,529,224 transfer from the General Fund.

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 2013 expenditures in the Urban Services Fund include a projected beginning fund balance of \$17.7 million and revenues of \$35.08 million. The largest single category of revenue to the Urban Services Districts Fund is *ad valorem*, or property taxes. Property taxes account for 90 percent of the total revenues, and are estimated at \$31.6 million for the 2012 tax year (FY 2013).

### 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 2012 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>Full Urban Rate</b>	<b>17.35 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.

The LFUCG's ability to generate revenues from property taxes is limited by state legislation (House Bill 44), which effectively

## **Budget In Brief**

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)** **\$640,000**

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

#### **Police Confiscated – State (#1132)** **\$281,500**

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

#### **Public Safety (#1133)** **\$325,000**

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 2013. The transfer is to the General Fund for use by the Division of Police.

## Budget In Brief

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

**\$6,148,290**

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 2013 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 2013 is a transfer of \$765,000 for eligible personnel costs in the Division of Engineering.

MAP projects for FY 2013 include \$3,000,000 for resurfacing and \$1,530,000 for the following road projects.

Project	FY 2013 Local Funds	State and Federal Grant Funds	Total Local and Grant Funds	Stage
Bridge Repair/Reconstruction	\$ 100,000		\$ 100,000	d,c
Clays Mill Road, Section 1	500,000	2,000,000	2,500,000	d,r,u
CMAQ & TE Grant Matches	300,000	1,200,000	1,500,000	d,r,u,c
Euclid/High/Fontaine Road repaving	80,000		80,000	c
Man o' War Projects	250,000	1,000,000	1,250,000	d,c
Ping Pigeon/Alysheba Stoplight	175,000		175,000	d,c
Project Testing	25,000		25,000	c
Road Resurfacing	3,000,000		3,000,000	c
Sidewalk Ramp Program	100,000		100,000	c
<b>Total</b>	<b>\$4,530,000</b>	<b>\$4,200,000</b>	<b>\$8,730,000</b>	

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

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

**\$700,000**

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 2013 funding is for resurfacing.

## **Budget In Brief**

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

**\$100,000**

The Mineral Severance fund accounts for Mineral Severance Tax received from the Commonwealth of Kentucky. FY 2013 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 2013 funding is for resurfacing.

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

**\$293,930**

A restricted special revenue fund established to account for revenues received for a specific purpose which are not considered a grant. FY 2013 funding is for the Traffic Engineering State Signal Reimbursement Contract.

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

**\$50,000**

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

**\$13,852,060**

State and federal grant funds of \$13.8 million are anticipated for FY 2013. The LFUCG will provide \$1.2 million in matching funds for these grants and \$0.5 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	\$ 250,000		\$ 250,000
HOME Investment Partnerships	945,180	342,670	1,287,850
Housing Rehab - Loans	360,000		360,000
Housing Rehab - Operations	150,620	150,000	300,620
Meadow/Northland/Arlington	830,000		830,000
FHWA Transportation Planning	356,150	62,850	419,000
ITS/CMS Traffic Improvements	460,000	115,000	575,000
Mobility Office (SLX)	102,000	25,500	127,500
Arrest Policies	86,800		86,800
Assistance to Firefighters	784,000	196,000	980,000
CSEPP	408,000		408,000
Emergency Management Asst	119,100	119,100	238,200
Justice Assistance	610,760		610,760
Law Enforcement	100,010		100,010
S.A.N.E.	71,000	28,150	99,150
Traffic Safety	135,000		135,000
Traffic Safety - Speeding	25,000		25,000
Training Incentive - Fire	2,006,690		2,006,690
Training Incentive - Police	2,120,340		2,120,340
Child Care Food Program	79,000	21,000	100,000
Day Treatment/Probation	241,850	199,930	441,780
Home Network	460,560		460,560
New Chance	314,250		314,250
Senior Citizens Center	83,100	167,550	250,650
Other Grants	1,038,630	286,270	1,324,900
<b>Total Grants</b>	<b>\$ 12,138,040</b>	<b>\$ 1,714,020</b>	<b>\$ 13,852,060</b>

## Budget In Brief

### Capital Projects Funds

#### Bond Projects (#2602)

**\$3,532,000**

General obligation bonds were approved as part of the FY 2013 budget for the following projects.

Division	Item	Amount
<i>Streets and Roads</i>		
	Construction-Sidewalk/Driveway	\$ 150,000
<i>Traffic Engineering</i>		
	Traffic Devices	25,000
	Traffic Signal Equipment	50,000
<i>Public Safety Administration</i>		
	Remodeling	800,000
<i>Community Corrections</i>		
	Equipment	160,000
<i>Fire</i>		
	Safety Equipment	30,000
<i>Facilities and Fleet Management</i>		
	GPS Units	76,000
	Automobiles Except Police	500,000
	Generators Stationary Repairs	366,000
	Roofing/Gutter/Downspout Maint	590,000
	HVAC Maintenance Services	600,000
<i>Parks and Recreation</i>		
	Construction-Tennis/Sport Court	30,000
	Park Area Renovation	40,000
	Construction-Park Area	45,000
	Equipment Under \$5000	70,000
FY 2013 Bond Projects		\$ 3,532,000

Funds remaining from previously funded projects were reallocated during the adoption of the FY 2013 budget. The reallocation provides funds for PDR conservation easements, Public Safety radios, renovation/construction of Parks, and funding for the Arena, Arts & Entertainment District.

## Budget In Brief

Breakdown of the reallocation is itemized below:

<b>Fund</b>	<b>Project</b>	<b>Amount</b>
<b><u>Debit</u></b>		
2600	Streetscape 2009C	(528,124)
2600	Streetscape 2009C	(2,574,381)
2600	Main Street Streetscape 2010A	(276,725)
Total		(3,379,231)
<b><u>Credit</u></b>		
2600	PDR 2013	1,000,000
2600	Radio Project 2013	741,231
2600	Parks Softball Field 2013	238,000
2600	Parks Skatepark 2013	150,000
2600	Arena District 2013	1,250,000
		3,379,231

### **Enterprise Funds**

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

**(#4002 and #4003)**

**\$60,306,703      177.0 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. Effective September 1, 2012, Kentucky-American Water Company will no longer bill or collect Sewer User fees. LFUCG will bill and collect Sewer User fees (along with Landfill User and Water Quality fees) via a third-party provider, Greater Cincinnati Water Works.

## Budget In Brief

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.

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

## Budget In Brief

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)**

**\$11,968,830      39.0 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)**

**\$7,009,100      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

## Budget In Brief

government's landfill and for the expense of a solid waste disposal contract. FY 2013 total Landfill Fund revenues are projected at approximately \$6.9 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)**

**\$325,330    4.0 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 \$320,000 in FY 2013.

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

**\$2,345,780    7.0 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 2013 for the operation of the program. The General Fund will transfer \$81,420 to offset expenses in this fund if required to balance.

## Budget In Brief

Participating schools include:

### *Middle Schools*

Edith J. Hayes

Jessie Clark

### *Elementary Schools*

Athens-Chilesburg

Northern

Booker T. Washington

Picadome

Breckinridge

Stonewall

Julius Marks

Wellington

Liberty

William Wells Brown

Maxwell

Yates

### **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.

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

**\$3,548,070**

**9.0 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

## Budget In Brief

taker automatically sees a map pinpointing the location of the caller.

This fund pays for 36 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.

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

**\$50,210**

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)**

**\$7,134,565**

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.



## Budget In Brief

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

**\$190,000**

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 2013 this revenue source is estimated to provide \$150,000 for this purpose.

Dedicated revenues from golf fees are estimated at \$40,000 for FY 2013. These revenues are restricted to golf course improvements.

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

**\$3,530**

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. The parking garages are being transferred to the Lexington Parking Authority beginning in FY 2013 and funds are budgeted for the FY 2012 financial audit.

## Budget In Brief

### *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)*

**\$1,872,900**

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. There are no current employees with the CEPF.

The FY 2013 budget includes the cost for premium for single health care coverage and associated expenses for eligible retirees (\$67,200). The government also pays certain other administrative costs.

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

**\$52,570,680    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 2013 is 17.00 percent of salary.

During FY 2009, \$70 million in bonds were issued to begin addressing the unfunded liability of the pension system. The

## **Budget In Brief**

debt payments for these bonds are included in the General Fund. Another issue of \$35 million was bonded in FY 2010. The FY 2012 Adopted Budget included a proposed bonding of \$31 million and FY 2013 proposes an additional \$34 million.

The FY 2013 budget includes funds for the premium for single health care coverage for eligible retirees (\$4,135,000), capped at the non-collective bargaining benefit pool amount. The government also funds certain other administrative costs.

### **Public Library Corporation (#1181)** **\$257,580**

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 2013 budget provides for payment on the bonds issued to finance the construction of the Tate 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 on a cost reimbursement basis. The LFUCG operates two internal service funds.

## **Budget In Brief**

### **Medical Insurance (#6002)**

**\$28,330,730**

The government offers health insurance options to LFUCG employees under self-insurance plans administered by Humana. The FY 2013 budget of \$28.3 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. Funds are included for the medical insurance subsidy for a full year, based on rates established January 1, 2012.

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)**

**\$8,863,247**

The Department of Law and the Division of Risk Management administer the workers' compensation, property and casualty, and general liability insurance programs. 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 2013 budget of \$8,863,247 is funded through premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund.

## Budget In Brief

### FY 2013 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 Submitted Budget Requests</li> </ul>	<ul style="list-style-type: none"> <li>Departments Submitted Budget Requests</li> <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>	