

2015-2016

Lexington-Fayette Urban County Government

Budget In Brief



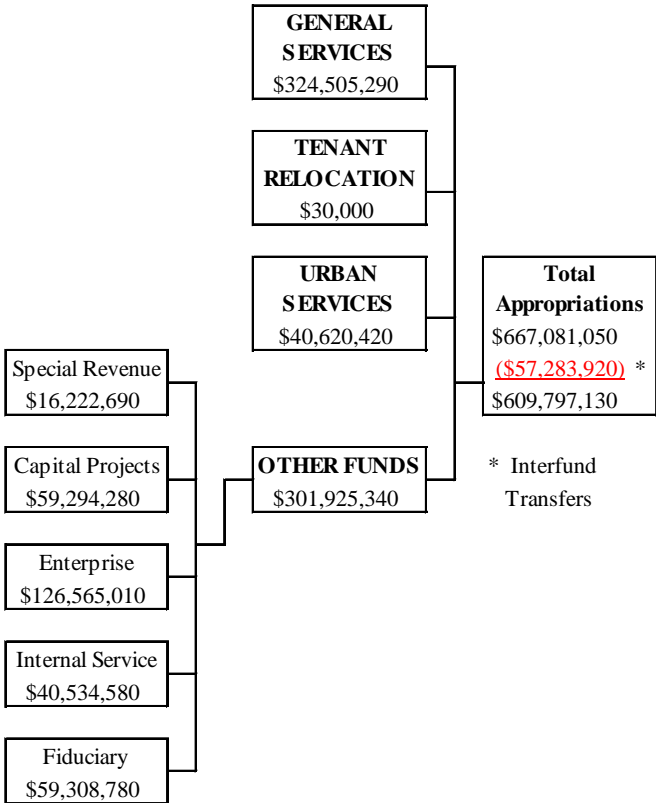
Budget In Brief

Table of Contents

Organization of the Total Budget by Fund	4
Introduction to the Budget	5
FY 2016 Budget Highlights	7
General Services District Fund (#1101).....	11
Public Safety	15
Contract Debt.....	17
General Services	18
Partner Agencies	19
General Government.....	21
Environmental Quality and Public Works	24
Planning, Preservation, and Development	26
Social Services.....	28
Information Technology	29
Chief Administrative Officer	30
Finance.....	31
Law	33
Other Funds	38
Tenant Relocation Fund (#1104)	38
Urban Services Districts Fund (#1115).....	39
Special Revenue Funds	43
Capital Projects Funds	46
Enterprise Funds	49
<i>Sanitary Sewer Funds (#4002 and #4003).....</i>	<i>49</i>
<i>Water Quality Management (#4051 and #4052)</i>	<i>50</i>
<i>Landfill (#4121)</i>	<i>51</i>
<i>Right of Way Program (#4201).....</i>	<i>52</i>
<i>Extended School Program (#4202).....</i>	<i>52</i>
<i>Prisoners Activity (#4203).....</i>	<i>52</i>
<i>Enhanced 911 Funds (#4204 and #4205).....</i>	<i>53</i>
Public Corporations	54
Fiduciary Funds	55
Internal Service Funds	57
FY 2016 Budget Formulation Calendar.....	58

Budget In Brief

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 \$609,797,130. This is \$69,744,050 more than the FY 2015 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 Confiscated-State, Public Safety, Municipal Aid Program, Lexington Jobs Fund, Affordable*

Budget In Brief

Housing and Homelessness 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, 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 2016 Budget Highlights

The Lexington-Fayette Urban County Council voted to adopt the Mayor's Proposed Budget for fiscal year 2015-2016, as amended, on June 18, 2015. The approved expenditure budget for the General Services Fund is \$324,505,290.

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 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 11, 2015. 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

Items with No Change to Fund Balance

- General Services – Correct accounting for History Commission
- Lexington Center Corporation– Adjust budgets to match board approved allocations
- Traffic Engineering – Correct accounting for street lights

Increases to Fund Balance

Facilities and Fleet – increase transfer for cost of services	\$58,000
LexArts – remove duplicate funding	50,000
Social Services – reallocate budget for Extended Social Resource grants to match committee approved allocations	920

Total increases to fund balance

\$108,920

Budget In Brief

Decreases to Fund Balance

Community Corrections – increase budget for repairs and maintenance	\$(48,000)
Fire – increase funds for WKYT tower rental	(7,500)
Law – increase funds for software maintenance	(3,400)
Social Services – increase landline phone budget for Charles Young Center and Senior Citizens Center	(9,560)
Various – Personnel changes resulting from Ordinances and Resolutions	(2,040)
Various – Personnel corrections to salaries and grades	(82,060)

<i>Total decreases to fund balance</i>	<i>\$(152,560)</i>
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Council Changes

Items with No Change to Fund Balance

Council Office – reallocate professional services funds to personnel for core staff

Increases to Fund Balance

Code Enforcement - Reduce nuisance abatement	\$100,000
Debt Services – decrease funds for Police body cameras	34,250
Fire – reduce fire hydrant rental	230,000
Human Resources – decrease funds for Compensation Manager	43,770
Partner Agencies – decrease funds for World Trade Center	10,000
Planning – removed funds for Winburn Small Area Plan and Cardinal Valley feasibility study	175,000
Social Services – decrease funds for Domestic Violence professional services	12,650

<i>Total increases to fund balance</i>	<i>\$605,670</i>
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Decreases to Fund Balance

Computer Services – additional funds for network connectivity	(25,000)
County Attorney – additional funds for attorney and litigation	\$(92,000)

Budget In Brief

Debt Services – additional funds for Morton House repairs and paving	(180,540)
Environmental Services – provide funds for Mason Headley fence repair	(14,000)
Environmental Services – provide funds for overtime	(2,500)
Fire – increase funds for Quartermaster Technician and Administrative Specialist	(53,350)
Information Technology and Traffic Engineering – provide funds for training and travel	(14,000)
Parks and Recreation – increase funds for Fiesta Latina	(7,500)
Parks and Recreation – increase funds for SAFE Parks Position	(26,640)
Partner Agencies – Increase funds for Explorium	(25,000)
Partner Agencies – Increase funds for Human Rights Commission	(16,830)
Planning Preservation Development – provide funds for TIF applications	(40,000)
Risk Management – additional funds for dues	(500)
Social Services – increase funds for Domestic Violence Prevention position	(43,770)
Special Programs – increase funds for Neighborhood Match Grants	(20,000)
Streets and Roads – increase funds for Administrative Specialist and Operations Supervisor	(19,490)
Streets and Roads – increase funds for GPS fees	(3,700)
Various – increase funds for 1percent pay raise	(562,500)
Various – increase funds for minimum wage increase	(144,620)
Youth Services – additional funds for Staff Assistant	(28,810)
Youth Services – increase funds for Summer Youth Employment	(79,550)

Total decreases to fund balance

\$(1,400,300)

Budget In Brief

Changes to Other Funds

Various other changes to other funds were approved by the Council on June 11, 2015. The impact to fund balance by fund is as follows.

Items with No Change to Fund Balance

Central Kentucky 911 Fund
City Employee Pension Fund
FY 2016 Bond Fund
Miscellaneous Special Revenue Fund

Increases to Fund Balance

Urban Services District Fund	\$1,039,700
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Decreases to Fund Balance

Affordable Housing/Homelessness	\$(40,150)
County Road Aid Fund	(157,130)
Enhanced 911 Fund	(17,370)
Extended School Program Fund	(3,400)
Landfill Fund	(1,207,410)
Municipal Aid Program Fund	(1,384,290)
Police Confiscated Treasury Fund	(45,000)
Police/Fire Pension Fund	(640)
Right of Way Fund	(690)
Sanitary Sewer Fund	(649,180)
Water Quality Construction Fund	(1,200,000)
Water Quality Fund	(736,310)

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 2016 appropriations in the General Services District Fund are \$324 million.

Summary of Budgeted Revenue and Appropriations

	FY 2015 Adopted	FY 2016 Adopted	\$ Change	% Change
Revenue				
Ad Valorem Taxes	\$ 21,594,500	\$ 21,527,230	\$ (67,270)	-0.3%
Licenses and Permits	262,796,780	275,801,350	13,004,570	4.9%
Services	24,418,660	23,291,120	(1,127,540)	-4.6%
Fines and Forfeitures	214,000	214,500	500	0.2%
Intergovernmental	1,512,700	538,310	(974,390)	-64.4%
Property Sales	90,000	60,000	(30,000)	-33.3%
Investments	280,000	457,700	177,700	63.5%
Other Financing Sources	200,000	-	(200,000)	-100.0%
Other Income	2,148,450	2,664,200	515,750	24.0%
Total Revenue	\$313,255,090	\$ 324,554,410	\$ 11,299,320	3.6%
Fund Balance, July 1	500,000	1,500,000	1,000,000	200.0%
Total Funds Available	\$313,755,090	\$ 326,054,410	\$ 12,299,320	3.9%
Appropriations				
Operating Expenditures				
Personnel	\$200,788,230	\$ 204,760,830	\$ 3,972,600	2.0%
Partner Agencies	19,074,100	19,723,740	649,640	3.4%
Debt Service	33,440,900	35,246,770	1,805,870	5.4%
Insurance	9,698,590	9,126,790	(571,800)	-5.9%
Operating	46,537,000	49,678,550	3,141,550	6.8%
Transfers To(From) Other	2,459,840	5,710,380	3,250,540	132.1%
Total Operating	\$311,998,660	\$ 324,247,060	\$ 12,248,400	3.9%
Capital Expenditures				
CIP Capital	\$ 775,000	\$ 46,810	\$ (728,190)	-94.0%
Operating Capital	480,570	211,420	(269,150)	-56.0%
Total Capital	\$ 1,255,570	\$ 258,230	\$ (997,340)	-79.4%
Total Appropriations	\$313,254,230	\$ 324,505,290	\$ 11,251,060	3.6%

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 (\$204,760,830) accounts for 63.1 percent 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 4 percent wage increase for non-collective bargaining employees.
- Full-time positions are budgeted at 100 percent and vacant positions are budgeted at 0 percent to account for employee turnover throughout the year. In FY 2015 full-time positions were budgeted at 97 percent and vacant positions were budgeted at 66 percent.
- Continuation of collective bargaining agreements.
- Funding of 43 new positions for FY 2016.

Partner Agencies (\$19,723,740) are non-governmental programs such as the Library and various economic, legal, and social service organizations that receive full or partial funding from LFUCG. The FY 2015 budget shown on page 11 includes funds for History Commission that have been reclassified for FY 2016 and are no longer shown as a Partner Agency. The total amount of funding to partner agencies is increased by \$649,640. (See pages 19-20 for a complete list of partner agencies.)

Debt Service (\$35,246,770) is for payment on long-term and short-term debt incurred to finance public projects.

Insurance (\$9,126,790) 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 is decreased by \$571,800 from FY 2015 based on current claims trends.

Budget In Brief

Operating (\$49,678,550) 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 (\$5,710,380) represent the transfer of resources from one fund to another. FY 2016 continues the \$50,000 monthly transfer to the Economic Contingency Fund (per Ordinance 78-2006). New for FY 2016 are the transfers for Affordable Housing, Homelessness Prevention, and Lexington Jobs programs.

Transfers To or (From)	Adopted FY 2015	Adopted FY 2016	Change
Economic Contingency	\$ 600,000	\$ 600,000	\$ -
Fleet Services Recoveries	(3,091,960)	(3,269,950)	(177,990)
Fund Transfer - Affordable Housing	-	2,000,000	2,000,000
Fund Transfer - Homeless Prevention	-	750,000	750,000
Fund Transfer - Lexington Jobs Fund	-	1,000,000	1,000,000
Fund Transfer - PFC - General Fund	515,290	372,940	(142,350)
Fund Transfer - Public Safety	(200,000)	(200,000)	-
Fund Transfer - Tenant Relocation	30,000	30,000	-
Fund Transfer - Urban Services	2,329,120	2,200,000	(129,120)
Park Impact Fees/Golf Improvements	225,000	225,000	-
Pension - City Employees	63,000	60,000	(3,000)
Pension - Police and Fire	3,577,000	3,530,000	(47,000)
Salaries - Engineering/Road Projects	(775,000)	(775,000)	-
Salaries - Streets and Roads/Road Projects	(812,610)	(812,610)	-
Total Transfers	\$ 2,459,840	\$ 5,710,380	\$3,250,540

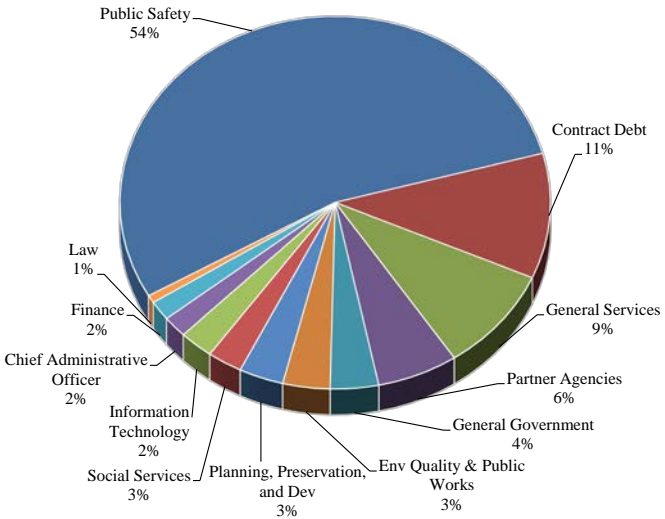
Capital (\$258,230) includes funds for computer equipment, copier lease, public safety equipment, radios, traffic devices, and park improvements.

Budget In Brief

Expenditures by Department or Service Area \$324,505,290

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 2015	FY 2016	\$ Change	% Change
Public Safety	\$ 172,474,990	\$175,500,960	\$ 3,025,970	1.8%
Contract Debt	33,440,900	35,246,770	1,805,870	5.4%
General Services	28,664,180	29,397,540	733,360	2.6%
Partner Agencies	19,039,100	19,723,740	684,640	3.6%
General Government	12,582,070	11,755,860	(826,210)	(6.6)%
Env Quality & Public Works	10,048,730	11,516,480	1,467,750	14.6%
Planning, Preservation, and Dev	8,117,750	10,852,420	2,734,670	33.7%
Social Services	8,007,360	8,510,410	503,050	6.3%
Information Technology	7,853,910	8,310,530	456,620	5.8%
Chief Administrative Officer	5,201,480	6,010,120	808,640	15.5%
Finance	5,591,070	5,495,200	(95,870)	(1.7)%
Law	2,232,690	2,185,260	(47,430)	(2.1)%
Total	\$ 313,254,230	\$324,505,290	\$ 11,251,060	3.6%

Budget In Brief

Public Safety

\$175,500,960 1,689 FTE

The largest department in the General Services Fund is Public Safety, accounting for 54 percent of the budget.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Commissioner's Office	\$ 5,883,760	\$ 5,981,200	\$ 97,440
ABC Administrator	18,970	20,630	1,660
E911/Emergency Management	3,794,190	4,021,750	227,560
Community Corrections	34,044,360	33,418,940	(625,420)
Police	65,479,290	65,788,140	308,850
Fire	63,254,420	66,270,300	3,015,880
Total	\$172,474,990	\$175,500,960	\$ 3,025,970

Commissioner of Public Safety

- The transfer to the Police and Fire Pension Fund is included in the Commissioner's Office to accurately reflect expenses of Public Safety.
- The building security function of the government was transferred to Public Safety at the start of FY 2016. Previously this was budgeted in Facilities and Fleet Management.
- A new position of Public Information Officer was added for FY 2016 to act as a liaison between the divisions of Public Safety and the media/public.

DEM\Enhanced 911

- Bond funds are included for new outdoor warning sirens as well as operating budget to cover their installation. This is a total allocation of \$90,000 in the bond fund.
- The funding of Enhanced 911 positions reflects current call volumes, 58 percent General Services District Fund and 42 percent Enhanced 911 Fund.

Community Corrections

- The budget for Community Corrections is based on current collective bargaining contracts.

Budget In Brief

- FY 2016 includes funding for one seasonal Laborer position.
- Funds are provided for contractual services related to food service, medical care, and mental health services.

Police

- The budget for Police is based on current collective bargaining contracts.
- FY 2016 includes funding for two new civil service positions of Polygraph Technician and ten new Police Officers.
- The FY 2016 Bond includes funds for acquisition of property for the Mounted Police facility (\$350,000).

Fire

- The personnel budget includes positions and funds required by collective bargaining agreements.
- FY 2016 includes funding for three Skilled Trades Worker Senior positions as well as a Quartermaster Technician and Administrative Specialist.
- Funds are maintained for a contractual medical director to oversee and set operational parameters for EMTs and Paramedics functioning in the field.
- The FY 2016 Bond includes funding for facility repairs (\$500,000).

Budget In Brief

Contract Debt

\$35,246,770

Contract Debt comprises 11 percent of the FY 2016 General Services District Fund budget. This budget is for payment on long- and short-term debt incurred to finance public projects and Police and Fire Pension bonds.

General Services Fund Debt Service Schedule

Debt Issue	Adopted FY 2015	Adopted FY 2016	Change
2010D Pension	\$ 2,849,290	\$ 2,846,820	\$ (2,470)
2010F GO Bond	564,380	562,330	(2,050)
2010G GO Bond	255,380	255,390	10
2010H Refunding of 2001B	552,610	549,220	(3,390)
2012A Pension Bond 2012A Pen	2,151,520	2,151,150	(370)
2012B Refunding Bond 2012B Ref	225,050	353,250	128,200
2012C Bond 2012C Bond	754,080	756,540	2,460
2013B Refunding Bond 2013B	221,300	834,300	613,000
2013C GO Bond	1,218,480	1,220,330	1,850
2014A Refunding Bond	-	5,673,530	5,673,530
GO 2004C-Day Treatment, Blvd,	502,540	-	(502,540)
GO 2005C-Garage, Phoenix, PDR	176,800	-	(176,800)
GO 2005C-PDR	223,920	-	(223,920)
GO 2006B-Station,BG Asp, Storm	950,150	949,950	(200)
GO 2006C-PDR	147,500	149,150	1,650
GO 2010A	6,602,770	-	(6,602,770)
GO 2010B-Refinance 1999B 2000A	608,880	606,830	(2,050)
GO 2010C-Refinance 2000E	678,490	683,570	5,080
GO Anticipated Debt Issues	1,433,610	2,396,290	962,680
GO Bond 2014B	-	1,889,520	1,889,520
GO2006D-Det Ctr and PFC Refund	5,221,680	5,228,080	6,400
GO2009A	2,252,060	2,251,020	(1,040)
GO2009B-Pension Obligation	5,850,410	5,846,300	(4,110)
QECB Bonds 2014C	-	43,200	43,200
	\$ 33,440,900	\$ 35,246,770	\$ 1,805,870

Budget In Brief

General Services

\$29,397,540 241.0 FTE

This is the third largest area of the budget, comprising 9 percent of the FY 2016 General Services District Fund budget.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Commissioner's Office	\$ 2,691,520	\$ 3,684,130	\$ 992,610
Facilities and Fleet Management	5,475,190	5,422,350	(52,840)
Parks and Recreation	20,497,470	20,291,060	(206,410)
Total	\$28,664,180	\$29,397,540	\$ 733,360

Commissioner of General Services

- The General Service budget for Property and Casualty Excess and Self Insurance is increased by \$1,236,820 for FY 2016.
- The management of the Downtown Arts Center has been moved to the Parks and Recreation for FY 2016.

Facilities and Fleet Management

- FY 2016 includes \$930,000 for general building repairs.
- Professional Services funds are included for contract labor (\$160,000) and custodial services (\$413,000).
- The building security function of the government was transferred to Public Safety at the start of FY 2016. Previously this was budgeted in Facilities and Fleet Management.

Parks and Recreation

- Funds for the Downtown Arts Center were transferred to Parks from the Commissioner of General Services for FY 2016. In addition, one Recreation Supervisor Senior and one Recreation Supervisor were created to assist with this program.
- A new Recreation Supervisor position was created in FY 2016 for the SAFE Parks Initiative. This position

Budget In Brief

will work to identify programming in underserved or opportunity parks.

- Fund for a Parks Master Plan and included in the FY 2016 Bond.
- 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 2015	FY 2016
Park maintenance and development	\$185,000	\$185,000
Golf course improvements	40,000	40,000
Total	\$225,000	\$225,000

Partner Agencies

\$19,723,740

Partner Agencies account for 6 percent of the General Services District budget. Funding for Partner Agencies has increased by \$684,640 and is itemized in the following chart.

The *Lexington Public Library* receives \$14.3 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 2015 (FY 2016) property value certifications.

Organization	FY 2015	FY 2016	Change
American Red Cross	\$ 27,500	\$ 12,500	\$ (15,000)
Arbor Youth Services	86,990	150,000	63,010
AVOL Incorporated	108,750	-	(108,750)
Baby Health Service	18,060	18,610	550
Big Brothers Big Sisters	12,500	27,230	14,730
Bluegrass Area Dev District	87,060	75,000	(12,060)
Bluegrass Community Action Age	38,000	20,000	(18,000)
Bluegrass Council of the Blind	-	15,000	15,000
Bluegrass Rape Crisis Center	43,900	32,160	(11,740)
Bluegrass Technology Center	28,290	19,800	(8,490)
Bluegrass Trust	-	50,000	50,000

Budget In Brief

Organization	FY 2015	FY 2016	Change
Carnegie Literacy Center	95,060	33,300	(61,760)
Central KY Radio Eye	14,400	-	(14,400)
Children's Advocacy Center	35,000	56,500	21,500
Chrysalis House	100,000	87,500	(12,500)
Commerce Lexington	457,000	507,000	50,000
Community Action Council	183,080	27,570	(155,510)
Comprehensive Care Center	94,300	-	(94,300)
Downtown Development Authority	388,950	384,890	(4,060)
Downtown Lexington Corporation	42,710	42,710	-
Environmental Quality Comm.	5,910	5,910	-
Explorium of Lexington	183,500	225,000	41,500
Faith Feeds Lexington	5,550	6,000	450
God's Pantry Food Bank	167,600	36,500	(131,100)
GreenHouse 17	120,240	197,580	77,340
Hope Center	953,190	1,185,000	231,810
Human Rights Commission	235,000	251,830	16,830
Jubilee Jobs of Lexington	28,220	13,190	(15,030)
Kentucky Pink Connection	38,000	20,000	(18,000)
LexArts	-	450,000	450,000
Lexington Leadership Foundation	44,600	68,960	24,360
Lexington Public Library	14,014,130	14,281,950	267,820
Lexington Rescue Mission	-	49,000	49,000
Lexington Woman's Club	12,280	-	(12,280)
Lyric	160,000	130,000	(30,000)
Mission Lexington, Inc	44,720	61,190	16,470
Moveable Feast Lexington, Inc.	16,000	140,000	124,000
NAMI Lexington KY	47,500	57,000	9,500
New Beginnings of the Bluegras	162,140	116,240	(45,900)
New Life Day Center	14,870	14,560	(310)
NoLI Community Dev Corp	-	150,000	150,000
Nursing Home Ombudsman Program	66,950	48,630	(18,320)
Prevent Child Abuse Kentucky	2,440	4,290	1,850
Repairers of the Breach	10,700	5,790	(4,910)
Salvation Army	392,500	270,030	(122,470)
SCORE	7,000	7,000	-
Sisohpromatem Art Foundation	1,010	-	(1,010)
Step by Step, Inc.	-	25,510	25,510
Sunflower Kids	28,720	19,150	(9,570)
The Nest	32,500	71,500	39,000
United Way of the Bluegrass	-	33,750	33,750
Urban League	88,800	-	(88,800)
Volunteers of America	52,480	39,410	(13,070)
World Trade Center Kentucky	100,000	100,000	-
YMCA of Central Kentucky	141,000	79,000	(62,000)
	\$19,039,100	\$19,723,740	\$ 684,640

Budget In Brief

General Government

\$11,755,860 77.0 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 4 percent of the General Services District Fund budget.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Council Office	\$ 2,752,000	\$ 2,712,910	\$ (39,090)
Citizens Advocate	43,340	42,180	(1,160)
Clerk of the Urban County Council	514,390	492,360	(22,030)
Office of Internal Audit	592,740	514,770	(77,970)
Mayor's Office	1,321,440	1,914,720	593,280
Special Programs	730,980	327,870	(403,110)
Chief Development Officer	324,460	1,374,480	1,050,020
Contingency\Indirect Cost	2,429,700	101,080	(2,328,620)
Constitutional and Judicial	3,873,020	4,275,490	402,470
County Clerk	327,280	338,020	10,740
Board of Elections	831,390	861,670	30,280
Circuit Judges	335,970	403,770	67,800
Commonwealth Attorney	202,040	268,930	66,890
County Judge/Executive	20,750	20,250	(500)
County Attorney	851,310	1,029,720	178,410
Coroner	968,880	1,017,730	48,850
PVA	335,400	335,400	-
Total	\$ 12,582,070	\$ 11,755,860	\$ (826,210)

Council Office

- Capital funds are included for copier lease/maintenance.

Citizens' Advocate

- Staffing for this office is one part-time Citizens Advocate position.

Council Clerk

- The budget for this division is lowered for FY 2016 based on current staffing costs.

Budget In Brief

Internal Audit

- FY 2016 maintains current staffing levels and services for the Office of Internal Audit.

Office of the Mayor

- Additional funds are included in FY 2016 for a new position to oversee project management and an Administrative Aide to the Mayor Senior.
- Dues for the Kentucky League of Cities, Kentucky Association of Counties, and Conference of Mayors are included for FY 2016.

Special Projects\Events

The Special Projects program includes funding for the following for FY 2016. Funding for Arts Programs are include with Partner Agencies for FY 2016.

Program	Adopted FY 2015	Adopted FY 2016	Change
Arts Program	\$ 450,000	\$ -	\$ (450,000)
Bluegrass State Games	52,500	60,000	7,500
Fellowship Program	21,550	22,920	1,370
Foundation Grant Program	7,500	7,500	-
Martin Luther King Celebration	8,400	9,000	600
Neighborhood Match	65,000	100,000	35,000
Roots and Heritage Festival	35,420	35,500	80
Sister Cities	48,050	49,500	1,450
Summerfest	9,000	9,000	-
Total Special Projects	\$ 697,420	\$ 293,420	\$ (404,000)

Program	Adopted FY 2015	Adopted FY 2016	Change
Special Events Administration	\$ 6,380	\$ 4,750	\$ (1,630)
Sweet Sixteen Hospitality	25,180	27,700	2,520
Uniformed Services Events	2,000	2,000	-
Total Special Events	\$ 33,560	\$ 34,450	\$ 890

Budget In Brief

Office of the Chief Development Officer

- The position of Local Food Coordinator was created during FY 2014 and is funded through grants.
- FY 2016 includes funding for projects Workforce Study (\$50,000).
- Funds are included for a transfer to the Lexington Jobs Fund (\$1,000,000).

Contingency\Indirect Cost

- Lump sum termination and sick pay service credit of \$1,000,000 is budgeted for FY 2016.
- The 27th pay period allocation is \$921,150.
- Funds are also included for General Fund's portion of other potential personnel issues.
- A transfer to the Economic Contingency Reserve of \$600,000 is included in the FY 2016 budget.
- 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 2016 and the respective rates:

Fund	FY 2016 Indirect Cost	FY 2016 Rate
Urban Services Districts	\$2,242,090	15.89%
Sanitary Sewer Fund	\$1,631,590	15.89%
Water Quality Management Fund	\$803,060	15.89%
Landfill Fund	\$131,730	15.89%
Extended School Program	\$202,510	12.80%
Total	\$5,010,980	

County Clerk and Board of Elections

- FY 2016 includes funding for two elections.

Budget In Brief

Circuit Judges

- FY 2016 maintains current staffing levels.
- Funds are included for training and professional development.

Commonwealth Attorney

- FY 2016 provides funds for a Prosecutor position.

County Attorney

- FY 2016 includes funds for a civil attorney and litigation costs.

County Judge Executive

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

Coroner

- The FY 2016 personnel budget includes funds for personnel changes related to the compensation study undertaken in FY 2015.

Property Valuation Administrator

- A statutory contribution of \$200,000 is required for the PVA's office for FY 2016.

Environmental Quality and Public Works

\$11,516,480 88.0 FTE

Environmental Quality and Public Works is comprised of four General Services District Fund divisions that provide public services in the areas of Environmental Policy, Traffic Engineering, Streets and Roads, and the Commissioner's Office. It accounts for 3 percent of the General Services District budget.

Budget In Brief

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Commissioner's Office	\$ 247,970	\$ 246,610	\$ (1,360)
Streets and Roads	3,447,660	2,858,960	(588,700)
Traffic Engineering	5,846,460	6,318,750	472,290
Environmental Services	506,640	2,092,160	1,585,520
Total	\$ 10,048,730	\$ 11,516,480	\$ 1,467,750

Commissioner of Environmental Quality and Public Works

- The FY 2016 budget includes funds for Valley View Ferry (\$64,000).

Streets and Roads

- The FY 2016 budget maintains the FY 2015 funding level for de-icing salt (\$700,000).
- Capital funds are included for equipment (\$9,800) and radio equipment (\$26,670).
- Total funds of \$12,400,000 are included for street resurfacing in the Municipal Aid Program Fund and FY 2016 Bond Projects Fund. The bond fund also includes \$461,150 for preventative asphalt maintenance, high friction asphalt, and the rebuild of Mercer Road.

Traffic Engineering

- FY 2016 includes a transfer to the Urban Service Fund to offset street light costs.
- FY 2016 includes \$46,810 for traffic devices and fiber optic installation in capital funding.

Environmental Services

- Funds are included for Energy Improvement Fund projects, \$236,550 for FY 2016 compared to \$215,140 for FY 2015.
- The Corridors program and Greenway Maintenance programs were transferred to Environmental Services during FY 2015 to centralize the Natural Resource Management for LFUCG. Two new positions were included for FY 2016 to help with Natural Resource

Budget In Brief

Management – one Environmental Inspector to perform compliance inspections on landscape/vegetation issues, and one Program Manager Senior to manage the mowing and forestry operation in the division.

- This division has additional funds for FY 2016 related to Breeders Cup beautification efforts.

Planning, Preservation, and Development

\$10,852,420 127.0 FTE

The Department of Planning, Preservation, and Development centralizes the different divisions involved in the urban planning and development process. The department includes the divisions of Historic Preservation, Planning, Purchase of Development Rights (PDR), Engineering, Code Enforcement, and Building Inspection and accounts for 3 percent of the General Services District Fund budget.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Commissioner's Office	\$ 387,190	\$ 2,480,600	\$ 2,093,410
Historic Preservation	373,630	362,090	(11,540)
Planning	2,141,950	2,366,200	224,250
Purchase of Development Rights	177,600	195,730	18,130
Engineering	859,830	1,276,380	416,550
Code Enforcement	1,977,270	1,912,650	(64,620)
Building Inspection	2,200,280	2,258,770	58,490
Total	\$ 8,117,750	\$ 10,852,420	\$ 2,734,670

Commissioner's Office

- FY 2016 includes funding for one new position of Administrative Specialist Senior.
- A transfer to the Affordable Housing and Homelessness Fund is budgeted in this division (\$2,000,000).
- The FY 2016 Bond Fund includes \$750,000 for trails, sidewalks and streetscape improvements.

Budget In Brief

Historic Preservation

- FY 2016 maintains funding for this division.

Planning

- FY 2016 includes funds for one Administrative Officer position for Design Excellence and Neighborhood Design services.

Purchase of Development Rights

- FY 2016 includes additional professional services funds for increased costs of appraisals and legal services related to easement purchase.
- The FY 2016 budget includes \$1,150,000 in the FY 2016 Bond Projects Fund for this program.

Engineering

- A new position of Engineering Technician Principal is included for the New Development section for infrastructure inspections and engineering manual compliance for proposed subdivisions.
- FY 2016 includes \$500,000 for grant match.

Code Enforcement

- FY 2016 includes funding for abatement at \$100,000 which is more in line with current usage.

Building Inspection

- Three additional positions are included in the FY 2016 Budget, one Building Inspector Senior and two Building Inspectors. These positions will assist with HVAC inspections and non-building code permitting and inspections.

Budget In Brief

Social Services

\$8,510,410 115.0 FTE

The Department of Social Services comprises 3 percent of the General Services District Fund budget and provides various services to families, youths, and seniors in the community.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Commissioner's Office	\$ 1,060,610	\$ 969,810	\$ (90,800)
Adult and Tenant Services	1,368,620	1,397,190	28,570
Aging and Disability Services	409,620	786,580	376,960
Family Services	2,681,750	2,656,300	(25,450)
Youth Services	2,486,760	2,700,530	213,770
Total	\$ 8,007,360	\$ 8,510,410	\$ 503,050

Commissioner of Social Services

- FY 2016 separate out funds for Multicultural Services, Substance Abuse Violence Initiative, and Domestic Violence Prevention to more accurately account for these programs.
- New positions are included for Domestic Violence Prevention Coordinator, Substance Abuse Violence Initiative Coordinator and Program Specialist.

Adult and Tenant Services

- The FY 2016 budget includes \$50,000 for grant match.

Aging and Disability Services

- The Division of Aging and Disability Services was created in FY 2015 to more accurately reflect this former program of the Commissioner's Office. The budget includes funding for the Senior Citizens' Center and the move to the new facility at the end of FY 2016.
- The budget includes several new positions that will be needed when the new facility opens including a Custodial Worker, Public Service Worker, Program Specialist and Social Worker Senior.

Budget In Brief

Family Services

- The FY 2016 budget maintains the current funding level for this division.

Youth Services

- Funds are included for one Staff Assistant and seventy-five additional Summer Youth Employment participants. A new Public Service Supervisor is also included in the budget to oversee the student transportation and vehicle maintenance.

Information Technology

\$8,310,530 46.0 FTE

The Department of Information Technology includes the budgets for the Information Technology office, Enterprise Solutions, and Computer Services. This department comprises 2 percent of the General Services District Fund budget.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Information Technology	\$ 870,630	\$ 1,092,780	\$ 222,150
Enterprise Solutions	1,165,990	1,034,620	(131,370)
Computer Services	5,817,290	6,183,130	365,840
Total	\$ 7,853,910	\$ 8,310,530	\$ 456,620

Information Technology

- One position of Deputy CIO was reclassified in FY 2015 during the compensation study. The position was previously in Enterprise Solutions.
- Professional Services funds are included for various projects including the broadband initiative, security updates and compliance activities.
- The FY 2016 Bond fund includes funding for professional services (\$500,000), software (\$200,000) and network components (\$1,000,000).

Budget In Brief

Enterprise Solutions

- The FY 2016 budget maintains the current funding level for this division.

Computer Services

- Funds for this division are reallocated within the programs to more accurately reflect the costs for FY 2016.
- FY 2016 includes \$1,047,400 for software maintenance/licensing across government.

Chief Administrative Officer

\$6,010,120 56.0 FTE

The Office of the Chief Administrative Officer (CAO) provides supervision, direction, and management of the Urban County Government. The Division of Human Resources was transferred from the Department of Law beginning in FY 2015. The divisions overseen by the CAO comprise 2 percent of the General Services District Fund budget.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Chief Administrative Officer	\$ 590,080	\$ 1,304,520	\$ 714,440
Grants and Special Programs	727,310	816,760	89,450
Government Communications	905,140	962,080	56,940
Human Resources	2,531,090	2,406,400	(124,690)
Risk Management	447,860	520,360	72,500
Total	\$ 5,201,480	\$ 6,010,120	\$ 808,640

Budget In Brief

Chief Administrative Officer

- The budget for the Chief Administrative Officer includes a \$750,000 transfer to the Affordable Housing and Homelessness Prevention Fund.

Grants and Special Programs

- Increases for this division reflect the personnel changes that resulted from the FY 2015 compensation study and being fully staffed for FY 2016.

Government Communications

- Program costs for LexCall are allocated among four funds based on actual calls received. For FY 2016 the percentage of cost allocated to the General Fund is 20 percent.

Human Resources

- The FY 2015 budget includes funds for various hiring process to cover testing, psychological and other expenses that are not included in FY 2016. This results in a \$159,000 reduction for Human Resources.

Risk Management

- The increase in budget for Risk Management is for appraisal of insurable assets, \$50,000.

Finance

\$5,495,200 66.0 FTE

The Department of Finance includes the budgets for Revenue, Accounting, Purchasing, Budgeting, and Commissioner's Office. Finance comprises 2 percent of the General Services District Fund budget.

Budget In Brief

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Commissioner's Office	\$ 800,410	\$ 826,810	\$ 26,400
Accounting	1,391,160	1,382,360	(8,800)
Revenue	2,286,040	2,199,430	(86,610)
Central Purchasing	582,560	633,420	50,860
Budgeting	530,900	453,180	(77,720)
Total	\$ 5,591,070	\$ 5,495,200	\$ (95,870)

Commissioner of Finance

- The Commissioner's Office budget includes funding for the General Services District Fund's portion of the annual financial and property tax audits and administration of the City pension fund.

Accounting

- FY 2016 maintains current staffing levels and services for the Division of Accounting.

Revenue

- FY 2016 decreases funds for operating supplies to more accurately reflect the needs of the division. This is a \$20,500 reduction for FY 2016.
- FY 2016 includes \$50,000 for the final phase of the Occupational License Fee billing software project. Funds are included in the bond fund.

Purchasing

- FY 2016 includes funds for software maintenance for a procurement website.

Budgeting

- FY 2015 included operating funds for software assessment for an internal budgeting software solution. The FY 2016 Bond fund includes \$1,000,000 for this project.

Budget In Brief

Law

\$2,185,260 23.0 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. The Department of Law comprises 1 percent of the General Services District Fund budget.

Budget By Division	Adopted FY 2015	Adopted FY 2016	Change
Law	\$ 2,232,690	\$ 2,185,260	\$ (47,430)
Total	\$ 2,232,690	\$ 2,185,260	\$ (47,430)

Law

- Operating funds are included for outside counsel needed for the public/private partnerships, Jobs Fund implementation, and TIF/tax issues.
- The reduction for FY 2016 represents a lower share of insurance costs allocated to the division and lower legal filing fees.

Budget In Brief

General Services District Fund Budget by Department

Departments/Divisions	FY 2016	FTE
Constitutional & Judicial Officers	\$ 4,275,490	17
Circuit Judges	403,770	5
County Clerk	338,020	-
Board of Elections	861,670	1
Commonwealth Attorney	268,930	-
County Judge Executive	20,250	1
County Attorney	1,029,720	-
Coroner	1,017,730	10
Property Valuation Administrator	335,400	-
Council Office	2,712,910	35
Citizens' Advocate	42,180	-
Council Clerk	492,360	5
Office of the Mayor	1,914,720	13
Special Events	34,450	-
Special Projects	293,420	-
Chief Development Officer	1,374,480	2
Contract Debt	35,246,770	-
Contingency/Indirect Cost Allocation	101,080	-
Office of the CAO	6,010,120	56
Chief Administrative Officer	1,304,520	5
Grants and Special Programs	816,760	16
Government Communications	962,080	10
Human Resources	2,406,400	21
Risk Management	520,360	4
Information Technology	8,310,530	46
Information Technology	1,092,780	2
Computer Services	6,183,130	33
Enterprise Solutions	1,034,620	11
Internal Audit	514,770	5
Planning, Preservation, & Development	10,852,420	127
Commissioner's Office	2,480,600	4
Historic Preservation	362,090	5
Planning	2,366,200	36
Purchase of Development Rights	195,730	1
Engineering	1,276,380	23
Code Enforcement	1,912,650	24
Building Inspection	2,258,770	34

Budget In Brief

General Services District Fund Budget by Department

Departments/Divisions	FY 2016	FTE
Law	\$ 2,185,260	23
Law	2,185,260	23
Finance	5,495,200	66
Commissioner's Office	826,810	5
Accounting	1,382,360	19
Revenue	2,199,430	28
Purchasing	633,420	8
Budgeting	453,180	6
Environmental Quality & Public Works	11,516,480	88
Commissioner's Office	246,610	3
Streets and Roads	2,858,960	45
Traffic Engineering	6,318,750	31
Environmental Policy	2,092,160	9
Public Safety	175,500,960	1,689
Commissioner's Office	5,981,200	18
ABC Administration	20,630	-
DEM\Enhanced 911	4,021,750	74
Community Corrections	33,418,940	350
Police	65,788,140	660
Fire and Emergency Services	66,270,300	587
Social Services	8,510,410	115
Commissioner's Office	969,810	10
Adult and Tenant Services	1,397,190	14
Aging and Disability Services	786,580	11
Family Services	2,656,300	48
Youth Services	2,700,530	32
General Services	29,397,540	241
Commissioner's Office	3,684,130	8
Facilities and Fleet Management	5,422,350	87
Parks and Recreation	20,291,060	146
Partner Agencies	19,723,740	-
Library	14,281,950	-
Other Agencies	5,441,790	-
Total General Services District	\$ 324,505,290	2,528

FTE = Full Time Equivalent

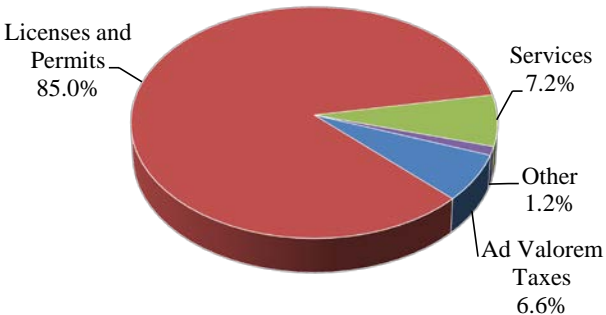
Budget In Brief

General Services District Revenue

General Services Fund revenues are estimated at \$324,554,410 or a 3.6 percent increase over FY 2015 revenues.

Category	FY 2015	FY 2016	Change
Ad Valorem Taxes	\$ 21,594,500	\$ 21,527,230	\$ (67,270)
Licenses and Permits	262,796,780	275,801,350	13,004,570
Services	24,418,660	23,291,120	(1,127,540)
Fines and Forfeitures	214,000	214,500	500 *
Intergovernmental	1,512,700	538,310	(974,390) *
Property Sales	90,000	60,000	(30,000) *
Investments	280,000	457,700	177,700 *
Other Financing Sources	200,000	-	(200,000) *
Other Income	2,148,450	2,664,200	515,750 *
Total Revenue	\$ 313,255,090	\$ 324,554,410	\$ 11,299,320
Estimated Fund Balance	500,000	1,500,000	1,000,000
Total Available Funds	\$ 313,755,090	\$ 326,054,410	\$ 12,299,320

* Compiled as "Other" on chart below.



Licenses and permits revenue is the largest single category of revenue in the General Services District Fund, accounting for 85 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 (7.2 percent). These revenues are generated in

Budget In Brief

exchange for services. Golf course fees, EMS fees, building permits, and detention center fees are examples.

The third largest category of revenue in this fund (6.6 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.

The FY 2016 budget assumes maintaining the General Services property tax rate on real property at **8.0 cents per \$100 assessed value** (personal property rate 9.31; 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 2016 budgeted appropriation to the Library is \$14,281,950. Total ad valorem revenues are forecast to be \$21,527,230. Property tax, therefore, only provides \$7,245,280 to the general operations of the government.

Additional sources of revenue in this 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 as 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 2016 of \$1,500,000 reflects a projection of unspent personnel and operating funds and additional revenues.

Other Funds

Tenant Relocation Fund (#1104)

\$30,000

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. The allocation to this fund for FY 2016 maintains a smaller budget to reflect current needs of this program.

Budget In Brief

Urban Services Districts Fund (#1115)

\$40,620,420 262 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.

Urban Services Districts Fund Summary of Budgeted Revenue and Appropriations

	FY 2015	FY 2016	Change
Revenue			
Ad Valorem Taxes	\$ 33,418,000	\$ 33,897,670	\$ 479,670
Licenses and Permits	1,400,000	1,450,000	50,000
Services	1,915,900	2,143,500	227,600
Fines and Forfeitures	3,000	800	(2,200)
Intergovernmental	70,620	64,920	(5,700)
Property Sales	165,000	-	(165,000)
Investments	40,000	260,000	220,000
Other Income	107,000	100,000	(7,000)
Total Revenue	\$ 37,119,520	\$ 37,916,890	\$ 797,370
Fund Balance, July 1	22,500,000	33,380,200	10,880,200
Total Funds Available	\$ 59,619,520	\$ 71,297,090	\$11,677,570
Appropriations			
Operating Expenditures			
Personnel	\$ 15,045,220	\$ 14,245,230	\$ (799,990)
Debt Service	938,840	926,060	(12,780)
Insurance	885,650	642,160	(243,490)
Operating	20,834,070	21,088,490	254,420
Transfers To\From Other Funds	(2,329,120)	(2,200,000)	129,120
Total Operating	\$ 35,374,660	\$ 34,701,940	\$ (672,720)
Capital Expenditures			
CIP Capital	\$ 2,849,120	\$ 1,763,850	\$ (1,085,270)
Operating Capital	4,875,420	4,154,630	(720,790)
Total Capital	\$ 7,724,540	\$ 5,918,480	\$ (1,806,060)
Total Appropriations	\$ 43,099,200	\$ 40,620,420	\$ (2,478,780)
Fund Balance, June 30	\$ 16,520,320	\$ 30,676,670	\$14,156,350

Budget In Brief

Urban Services Districts Fund Budgeted Expenditures By Department or Function

Department/Function	FY 2015	FY 2016	Change
Law	\$ 10,520	\$ 10,810	\$ 290
Indirect Cost/Contingency	3,013,300	2,622,430	(390,870)
Contract Debt	938,840	926,060	(12,780)
Government Communications	1,251,100	1,303,410	52,310
Personnel Programs	5,630	3,500	(2,130)
Annual Audit	21,760	25,010	3,250
Computer Services	112,460	59,340	(53,120)
Env Quality & Public Works	\$ 33,466,060	\$ 32,155,970	\$ (1,310,090)
Administration	250,060	209,570	(40,490)
Street Cleaning	1,462,940	1,817,230	354,290
Street Lights	3,710,550	4,256,590	546,040
Environmental Policy	782,600	660,140	(122,460)
Refuse Collection	26,809,430	24,939,080	(1,870,350)
Vacuum Leaf Collection	450,480	273,360	(177,120)
General Services	\$ 4,279,530	\$ 3,513,890	\$ (765,640)
Facilities and Fleet Mgmt	4,279,530	3,513,890	(765,640)
	\$ 43,099,200	\$ 40,620,420	\$ (2,478,780)

An **indirect cost** payment is made to the General Services Fund (\$2,242,090) 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 (\$38,800), unused sick and vacation hours (\$38,800), and the 27th pay period contingency (\$86,060). Funds are also included for Urban Fund's portion of other potential personnel issues.

Contract debt provides debt payments for the garbage trucks and upgrades to the recycling facility. The FY 2016 budget includes \$926,060 for debt payments.

Government Communications includes the budget for LexCall. Program costs for LexCall are allocated among three funds based on actual calls received. Seventy-four percent of the total cost is allocated to the Urban Services Fund.

Budget In Brief

The \$3,500 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 Streets and Roads provides *street cleaning* in the urban services area. The budget for FY 2016 more accurately reflects current program costs.

FY 2016 includes \$4,256,590 for *street lights*, including utility and personnel costs. Operation of the street light program is offset by a \$2,200,000 transfer from the General Services District Fund.

The Division of Waste Management provides *refuse collection* through 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 new position of Deputy Director has been included in the FY 2016 Budget.

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. Funds of \$273,360 are included for this program in FY 2016.

Budget In Brief

Urban Services Districts Fund Revenue Sources

Total resources available for FY 2016 in the Urban Services Fund include a projected beginning fund balance of \$33.38 million and revenues of \$37.9 million. The largest single category of revenue to the Urban Services Districts Fund is *ad valorem*, or property taxes. Property taxes account for almost 90 percent of the total revenues, and are estimated at \$33.9 million for the 2015 tax year (FY 2016).

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 2015 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	2.10 cents
Street Cleaning	00.97 cents
Full Urban Rate	17.38 cents

The Urban Services property tax on realty is paid only by those residents receiving one or more of the government services (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 three of services are available.

The LFUCG's ability to generate revenues from property taxes is limited by state legislation (House Bill 44), which effectively limits revenue growth to four percent exclusive of

Budget In Brief

revenue from new property without a voter recall. This limit also applies 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 nine special revenue funds. In addition, state and federal grants are considered special revenue funds.

Police Confiscated – Federal (#1131)

\$580,000

Accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in federal cases governed by the Department of Justice. Funds are budgeted for the Division of Police in a variety of areas including certification, remodeling, equipment, and overtime.

Police Confiscated – State (#1132)

\$777,000

Accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in state cases. Funds are proposed for the Division of Police for a variety of operating expenses as well as furniture, computer equipment, and remodeling.

Public Safety (#1133)

\$200,000

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 2016. The transfer is to the General Services District Fund for use by the Division of Police.

Municipal Aid Program (MAP) (#1136)

\$10,131,490

Budget In Brief

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 2016 budget includes two transfers for eligible personnel costs, \$812,610 in the Division of Streets and Roads and \$775,000 in the Division of Engineering. A transfer of \$1,297,700 is also included to offset General Services District Fund debt service related to road resurfacing.

MAP capital projects for FY 2016 include \$3,100,000 for resurfacing and \$4,002,390 for road projects as shown below.

Project	Adopted FY 2016
Adaptive Traffic Control System	\$ 312,390
Bike Lane Demonstration Project	400,000
Bridge/Culvert Repair	100,000
Clays Mill Section 1	340,000
Clays Mill Section 2C	100,000
Coolavin Rail Trail	75,000
Man o' War Congestion Management	400,000
Mt. Tabor Road Improvements	175,000
Operational Spot Improvements/Access Management	300,000
Paving	3,100,000
Pedestrian Safety/ADA Improvements	200,000
Project Contingency	250,000
Project Testing	25,000
Sidewalk Ramp Program	100,000
Signal Upgrades/Rebuilds	1,050,000
Traffic Management Center Upgrades	150,000
Vehicle Detection Devices	25,000
Total	\$ 7,102,390

Budget In Brief

Miscellaneous Special Revenue (#1141)

\$330,720

A restricted special revenue fund established to account for revenues received for a specific purpose which are not considered a grant. FY 2016 funding is for the Traffic Engineering State Signal Reimbursement Contract.

Police Confiscated Treasury Fund (#1142)

\$290,000

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. Funds are budgeted for the Division of Police for undercover expenses, ammunition, and public safety equipment. Capital funds are also included for computer equipment and animals.

Lexington Jobs Fund (#1144)

\$1,000,000

The Lexington JOBS Fund was initially funded in 2013, and then in 2014 Council established policies and guidelines to aide in the expansion of companies in Lexington. An additional \$1,000,000 is included in the FY 2016 budget to continue the program.

Affordable Housing and Homelessness Fund (#1145)

\$2,913,480

The Affordable Housing and Homelessness Fund was created in September 2014 with the mission of leveraging public and private investment to provide, produce and preserve safe, quality affordable housing as well as provide solutions to homelessness. As directed by ordinance, an annual allocation for this fund was included in the Adopted budget. Funds in the amount of \$2 million are allocated to Affordable Housing programs and \$750,000 for innovative and sustainable solutions to homelessness.

Budget In Brief

Additional funds are included for personnel expenses to oversee these programs. FY 2016 includes a new position of Continuum of Care Coordinator position for the Homelessness Prevention office.

Grant Funds

\$17,071,450

State and federal grant funds of \$17 million are anticipated for FY 2016. Grant match in the amount of \$2.4 million is budgeted as LFUCG's financial contribution towards these grants. Grants will be budgeted throughout the year as they are awarded.

Capital Projects Funds

Bond Projects (#2606)

\$59,294,280

General obligation bonds were approved as part of the FY 2016 budget for the following projects.

Project	Amount
<i>Budgeting</i>	
Budgeting Enterprise System	\$ 1,000,000
<i>Chief Development Officer</i>	
Bluegrass Community and Technical College	1,000,000
<i>Community Corrections</i>	
Jail Management System Upgrade	1,500,000
Virtual Desktop Interface	90,250
<i>Enhanced 911/Emergency Management</i>	
Install New sirens	30,000
Public Safety Operations Center (PSOC) Radio Tower	1,548,700
Upgrade outdoor warning system	60,000
<i>Facilities and Fleet Management</i>	
General Repairs	645,000
HVAC Repair and Replacement	175,000
Infrastructure Improvements	250,000
Life Safety/ADA	500,000
Morton House Critical Repairs	180,000
Roof Repair and Replacement	355,000

Budget In Brief

Project	Amount
<i>Fire</i>	
Divisional Infrastructure Repairs and Upgrades	500,000
<i>Government Communications</i>	
Public Safety Operations Center (PSOC)	172,210
<i>Historic Preservation</i>	
Peoples Bank Relocation	150,000
<i>Information Technology</i>	
Collaboration Tool	100,000
Information Security and Network Infrastructure	1,000,000
Onbase Enhancement	100,000
PeopleSoft Security and Functional Upgrades	500,000
<i>Mayor's Office</i>	
Old Courthouse Renovation	22,000,000
Town Branch Park	10,000,000
<i>Parks and Recreation</i>	
ADA Renovations	75,000
Bell House Environmental Remediation Phase 3	50,000
Carver Center Parking	244,000
Castlewood Community Center Renovation Design	50,000
Ecton Tennis Court Renovation	150,000
Highlands Trail Construction	130,000
Lansdowne Merrick Restroom	200,000
Martin Luther King Restroom Replacement	200,000
Mary Todd & Ecton Dugout Replacements	80,000
Masterson Station Picnic Shelter	75,000
Parks Enhancements	90,000
Parks Master Plan	250,000
Southland Tennis Court Renovation	100,000
Sports Complex Feasibility Study	50,000
Valley Park Skate Pad	50,000
Veterans Playground Construction	125,000
Wolf Run Ballfield Fencing Replacement	50,000
Woodland Playground Renovation	125,000
<i>Planning, Preservation & Dev</i>	
Brighton Rail Trail Bridge	150,000
Euclid Avenue Streetscape	350,000
Southland Drive Sidewalks	250,000
<i>Police</i>	
Mounted Paddock Land Acquisition	350,000
<i>Public Safety Administration</i>	
Public Safety Operations Center (PSOC)	2,757,970
<i>Purchase of Development Rights</i>	
Purchase of Development Rights	1,150,000

Budget In Brief

Project	Amount
<i>Revenue</i>	
New Tax Revenue System	50,000
<i>Streets and Roads</i>	
Asphalt Preventative Maintenance	211,150
Base Failures	250,000
High Friction Asphalt	100,000
Major Arterial Paving	2,400,000
Mercer Road Re-Build	150,000
Neighborhood Paving	6,900,000
Salt Facility	125,000
Sidewalk/Catch Basin Repair Man o' War Boulevard	150,000
Total FY 2016 Bond Fund	\$59,294,280

The Mayor's Proposed Budget included bond projects totaling \$58,314,280. Council made several adjustments to the bond projects outlined below:

Changes to Bond Projects

Planning, Preservation Development –	(\$1,000,000)
Economic Infrastructure	
Police – Body Cameras	(600,000)
Streets and Roads - Resurfacing	2,400,000
Facilities and Fleet – Morton House Repairs	180,000

<i>Total changes to Bond Projects</i>	<i>\$980,000</i>
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Funds remaining from previously funded projects were reallocated during the adoption of the FY 2016 budget to provide \$405,000 for the Legacy Trail.

Budget In Brief

Enterprise Funds

Sanitary Sewer Funds (#4002 and #4003)

\$85,304,050 185 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).

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

Budget In Brief

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.

In order to meet the obligations of the CD, an increase of 12 percent on all fees for sanitary sewer services was implemented for FY 2016. 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.

FY 2016 includes fund for ten new positions in the Sanitary Sewer Fund. These include six Treatment Plant Operators, three Engineering Technicians Seniors, and one Program Engineering Coordinator.

Water Quality Management (#4051 and #4052)

\$16,952,440 54 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

Budget In Brief

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.

Water Quality 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.

Three new positions are included for FY 2016: two Equipment Operator Seniors and one Engineering Technician Senior.

Landfill (#4121)
\$7,808,540 7 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 2016 total Landfill Fund revenues are projected at approximately \$7.8 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.

Budget In Brief

Right of Way Program (#4201)

\$425,000 4 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 \$425,000 in FY 2016.

Extended School Program (#4202)

\$2,161,270 8 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 \$2.2 million in FY 2016 for the operation of the program.

Participating schools include:

Athens-Chilesburg	Maxwell
Breckinridge	Northern
Edith J. Hayes	Stonewall
Jessie Clark	Wellington
Julius Marks	William Wells Brown
Liberty	Yates

Prisoners Activity (#4203)

\$1,200,000

The Prisoner Activity Fund is mandated by state statute to be used for the benefit of prisoners. The operations of the commissary and phone at the Fayette County Detention Center are accounted for in this fund. During FY 2015 the Community Alternative Program (CAP) was transferred from this fund to the General Fund.

Budget In Brief

Enhanced 911 Funds (#4204 and #4205)

\$5,394,070

5 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 2005 to \$1.31. During FY 2009 an ordinance was passed increasing the rate to \$2.10. Also included was an automatic annual increase of 4.5 percent to be added each year thereafter to keep up with the increasing costs of providing 911 service.

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 42 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.

A second Enhanced 911 Fund (Fund 4205, Central Kentucky 911 Fund) was created in FY 2014 to account for revenues and expenses associated with the Central Kentucky 911 Network. The Central Kentucky 911 Network (CKy911net) is a partnership established in 2007 to lower 9-1-1 technology expenses by cost sharing with surrounding counties.

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)

\$7,094,640

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. Funds are also included for ongoing operational support of the Kentucky Theatre and district and circuit courthouses.

Parks Projects Fund (#4024)

\$225,000

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 2016 this revenue source is estimated to provide \$185,000 for this purpose.

Dedicated revenues from golf fees are estimated at \$40,000 for FY 2016. These revenues are restricted to golf course improvements.

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) **\$1,652,000**

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. There are no current employees with the CEPF.

The FY 2016 budget includes the cost for premium for single health care coverage and associated expenses for eligible retirees (\$65,500). The government also pays certain other administrative costs.

Police and Fire Retirement Fund (#5003) **\$57,397,260 1 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.

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 Services District 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 proposed an additional \$34 million.

Budget In Brief

During FY 2013 the Mayor, Police, and Fire representatives agreed to a comprehensive plan that puts pension on a sustainable track. The new plan cuts the unfunded liability from \$300 million to \$161 million. Under this new plan, the city's minimum annual payment would be \$20,000,000 per year, up from the \$11 million per year it had been contributing supplemented by pension-obligation bonds.

The FY 2016 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$3,530,000). The government also pays certain other administrative costs.

Public Library Corporation (#1181) **\$259,520**

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 2016 budget provides for payment on the bonds issued to finance the construction of the Tates Creek Library.

Internal Service Funds

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

Medical Insurance (#6002)

\$29,984,580

The government offers health insurance options to LFUCG employees under self-insurance plans administered by a third-party. The FY 2016 budget of \$30 million is funded through premiums and medical subsidy paid by the government for all full-time employees and premiums paid by employees with family coverage. This includes City Employees' Pension Fund retirees, and Police and Fire Retirement Fund retirees.

Property and Casualty Claims (#6021)

\$10,550,000

The Department of Law administers 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 2016 budget of \$10,550,000 is funded through premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund.

Budget In Brief

FY 2016 Budget Formulation Calendar

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