



**FY 2008-2009 Mayor's Proposed Budget  
All Budgeted Funds  
Volume II - Summary Information**

**Jim Newberry, Mayor**

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# **Budget Summary**

## **Introduction to the Budget**

As shown on the following page, the total budget for all funds combined, net of interfund transfers, is \$508,095,020. This is \$51,408,460 more than the FY 2008 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 1102, the **Family Care Center Health Services Fund**, accounts for the financial operations of the Family Care Center Health Clinic. This fund was created to address the Medicaid reporting needs of the clinic.
- 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 *state and federal grants, Municipal Aid Program, County Aid Program, Spay and Neuter, Storm Water, and Public Safety* 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, Landfill, Right of Way, Extended School Program, Enhanced 911, LexVan, and Public Corporations*.
- **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*.
- **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 Policemen's and Firefighters' Retirement Fund*.

# Budget Summary

## Organization of the Total Budget by Fund

General
\$273,683,710

Contract Debt \$25,043,880	General Government \$11,955,930	General Services \$31,125,570	Partner Agencies \$16,934,960	Finance \$16,448,090	Public Works \$17,889,720	Environmental Quality \$488,270	Public Safety \$146,532,410	Social Services \$7,264,880
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Urban Services Districts \$39,816,980
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Environmental Quality \$647,080	Compliance \$525,460	Refuse Collection \$24,334,200	Vacuum Leaf Collection \$500,610	Street Lights \$4,201,000	Street Cleaning \$1,127,500	Vehicles \$1,755,000	Other \$6,726,130
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Other Funds \$242,650,020
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Family Care Health Services \$2,257,400	Municipal Aid \$4,715,430	Sanitary Sewer \$72,986,420	Landfill \$8,410,500	Right of Way \$354,020	Insurance \$32,767,400	LexVan Program \$65,000	Fiduciary \$46,321,800
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Extended School Program \$2,836,970	Enhanced 911 \$2,994,450	Storm Water \$3,371,720	Spay and Neuter \$42,000	Public Safety \$1,102,600	Public Facilities \$8,366,400	Capital Projects \$56,057,910
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Total All Funds	\$556,150,710
Interfund Transfers	(\$48,055,690)
Total Net of Interfund Transfers	\$508,095,020

# **Budget Summary**

## **FY 2009 Mayor's Proposed Budget Preparation**

The preparation cycle for the FY 2009 budget started with a Budget Call meeting on Monday, January 7, 2008. Mayor Jim Newberry spoke to the Senior Staff, Commissioners, and Directors about the tight economic times we were facing. People preparing requests were encouraged to limit the requests to critical and essential activities as it was felt this would be a difficult budget to balance.

## **Economic Contingency Designation Release Calculation**

On March 23, 2007, the Urban County Council adopted Ordinance 78-2007 making changes to the Economic Contingency Designated Account (ECA) within the General Services District fund balance that now allows structured deposits, emergency uses, and withdrawals to stabilize the flow of the major revenue sources within the General Fund. This new ordinance has established that the ECA has characteristics of both revenue stabilization and an emergency reserve account. The ordinance requires, under the revenue stabilization concept, that the potential withdrawal allowed amount be tested during each budget preparation cycle. If a withdrawal is adopted with the budget, then the required monthly deposit of \$50,000 will not be required.

The goal of the ordinance is to accumulate up to 10 percent of the prior years' total General Fund revenue in the account. To help this designated fund balance account reach the goal, the ordinance further calls for a deposit of 25 percent of the net available fund balance into the account each year following the presentation of the audit report.

Interest income and deposits have brought the balance up to \$11,894,146.55 as of March 2008. Ten percent of the FY 2008 General Fund estimated revenues are \$26,934,329, which means that LFUCG is at 44 percent of the goal established by this ordinance.

## Budget Summary

The proposed budget calculation does meet the criteria for proposing a withdrawal to balance the FY 2009 Mayor's Proposed Budget. The calculation of release is as follows:

Fiscal Year Ending June 30, 2009				
Information known as of March 26, 2008:		FY 2005	FY 2006	FY 2007
<u>Account</u>		<u>Actual Revenues</u>	<u>Actual Revenues</u>	<u>Actual Revenues</u>
40100	Licenses - Insurances	\$ 19,151,852	\$ 20,496,690	\$ 20,867,436
40010	Licenses - Employee Withholding	126,052,353	133,109,925	142,113,533
40040	Licenses - Business Returns (Net Profits)	24,900,289	27,589,252	30,366,806
		<u>\$ 170,104,494</u>	<u>\$ 181,195,867</u>	<u>\$ 193,347,775</u>
Average % Change between 3 Complete Fiscal Years (Calculated Percentage)				<u>6.83%</u>

		FY 2008	FY 2009
		Estimated	Proposed
<u>Account</u>		<u>Collections 6/30/08</u>	<u>Revenues</u>
40100	Licenses - Insurances	\$ 20,560,000	\$ 21,600,000
40010	Licenses - Employee Withholding	149,000,000	152,700,000
40040	Licenses - Business Returns	30,700,000	30,933,850
		<u>\$ 200,260,000</u>	<u>\$ 205,233,850</u>
% Change between Estimated and Proposed Revenues (Proposed Percentage)		2.48%	

If the Proposed Percentage is LESS THAN the Calculated Percentage, a withdrawal may be proposed (Ordinance 78-2006, Section 3,(4)).

	<u>Difference</u>	<u>Maximum Withdrawal (1/2)</u>
Difference between Estimated and Proposed Amounts	\$ 4,973,850	\$ 2,486,925
<b>Amount Proposed for Inclusion in FY 2009 Mayor Proposed Budget</b>		<u>\$ 4,463,000</u>

## **Budget Summary**

### **General Services District Fund**

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

	<b>FY 2007</b>		<b>FY 2008</b>	<b>FY 2009</b>	
	<b>Preliminary</b>		<b>Adopted</b>	<b>Mayor's</b>	
	<b>Actual</b>			<b>Proposed</b>	<b>Change</b>
<b>Revenue</b>					
Ad Valorem Taxes	\$ 18,152,320	\$ 18,795,000	\$ 20,227,110	\$ 1,432,110	
Licenses and Permits	213,272,195	224,319,970	226,205,950	1,885,980	
Services	22,316,092	18,908,000	20,345,900	1,437,900	
Fines and Forfeitures	219,541	82,000	67,800	(14,200)	
Intergovernmental	1,669,650	875,000	782,200	(92,800)	
Property Sales	515,812	420,000	3,600,000	3,180,000	
Investments	1,695,064	2,023,000	737,000	(1,286,000)	
Other Financing Sources	5,481,162	727,330	679,550	(47,780)	
Other Income	2,117,373	1,116,200	1,188,200	72,000	
<b>Total Revenue</b>	<b>\$ 265,439,209</b>	<b>\$ 267,266,500</b>	<b>\$ 273,833,710</b>	<b>\$ 6,567,210</b>	
Fund Balance, July 1	17,530,927	13,500,000	-	(13,500,000)	
<b>Total Funds Available</b>	<b>\$ 282,970,136</b>	<b>\$ 280,766,500</b>	<b>\$ 273,833,710</b>	<b>\$(6,932,790)</b>	
<b>Appropriations</b>					
Operating Expenditures					
Personnel	\$ 175,300,720	\$ 188,465,820	\$ 193,738,580	\$ 5,272,760	
Partner Agencies	15,748,976	16,487,650	16,934,960	447,310	
Debt Service	25,777,251	24,815,980	25,977,520	1,161,540	
Insurance	3,750,000	6,330,000	5,730,000	(600,000)	
Operating	37,032,427	41,357,120	40,018,000	(1,339,120)	
Transfers To\ (From) Other Funds	7,628,670	2,499,250	(9,081,600)	(11,580,850)	
<b>Total Operating</b>	<b>\$ 265,238,044</b>	<b>\$ 279,955,820</b>	<b>\$ 273,317,460</b>	<b>\$(6,638,360)</b>	
Capital Expenditures					
CIP Capital	\$ 2,783,370	\$ 430,570	\$ 257,050	\$ (173,520)	
Operating Capital	1,443,038	148,830	109,200	(39,630)	
<b>Total Capital</b>	<b>\$ 4,226,408</b>	<b>\$ 579,400</b>	<b>\$ 366,250</b>	<b>\$ (213,150)</b>	
<b>Total Appropriations</b>	<b>\$ 269,464,452</b>	<b>\$ 280,535,220</b>	<b>\$ 273,683,710</b>	<b>\$(6,851,510)</b>	
Fund Balance, June 30	\$ 13,505,684	\$ 231,280	\$ 150,000	\$ (81,280)	



# **Budget Summary**

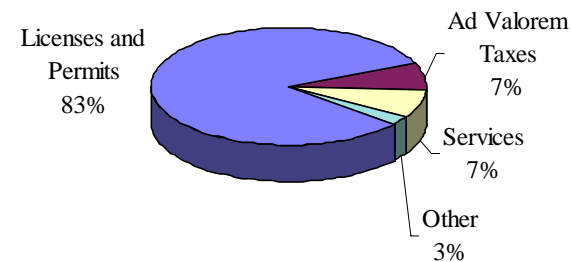
## **FY 2009 General Service District Revenues**

FY 2009 Mayor's Proposed General Services Fund revenues are projected at \$273.8 million. This is \$6.6 million more than the FY 2008 adopted budget, as detailed in the following tables. Revenue estimates for most accounts are gathered in February from the corresponding division (i.e. Building Inspection provides building permit estimates). Estimates for the major revenue sources (property taxes, employee withholdings, net profits, and insurance license fees) are generated by the Division of Budgeting using historical data, regression analysis, and input from the Division of Revenue.

The increase in FY 2009 revenue reflects an increase in Ad Valorem taxes (property taxes) as well as additional funds for services.

## **FY 2009**

<b>Category</b>	<b>FY 2007 P reliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>
Licenses and Permits	\$ 213,272,195	\$ 224,319,970	\$ 226,205,950
Ad Valorem Taxes	18,152,320	18,795,000	20,227,110
Services	22,316,092	18,908,000	20,345,900
Other	11,698,603	5,243,530	7,054,750
<b>Total Revenue</b>	<b>\$ 265,439,209</b>	<b>\$ 267,266,500</b>	<b>\$ 273,833,710</b>



# Budget Summary

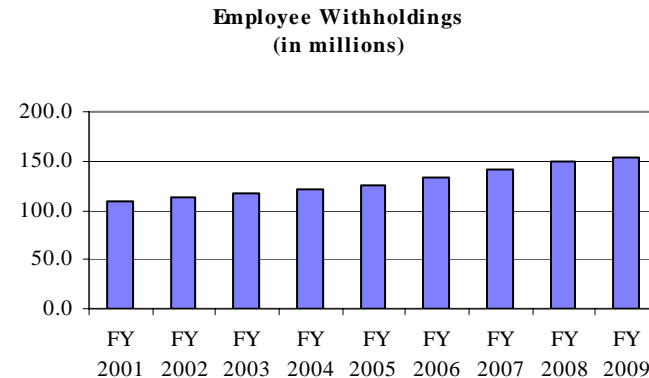
## Licenses and Permits

The *Licenses and Permits* category accounts for 83 percent of all General Fund revenues. The two largest revenue sources in that category, *Employee Withholdings* and *Business Returns (Net Profits)*, account for 67.1 percent of all General Fund revenues. The projection For Employee Withholdings and Business Returns reflects a cautious outlook on the economy in the Lexington area. The FY 2009 budget for Licenses and Permits is projected to grow at 0.8 percent over FY 2008's original budget.

Category	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Difference	Percent Change
Employee Withholdings	\$ 142,113,533	\$ 149,705,920	\$ 152,700,000	\$ 2,994,080	2.0%
Business Returns	30,366,806	32,044,080	30,933,850	(1,110,230)	(3.5)%
Insurance	20,867,436	22,500,000	21,600,000	(900,000)	(4.0)%
Franchise Permits	15,035,711	14,510,370	16,058,200	1,547,830	10.7%
Other	4,888,709	5,559,600	4,913,900	(645,700)	(11.6)%
Total Licenses/Permits	\$ 213,272,195	\$ 224,319,970	\$ 226,205,950	\$ 1,885,980	0.8%

## Employee Withholdings Collections

Fiscal Year	Collections	% Change
FY 2001	109,322,956	
FY 2002	112,920,413	3.3%
FY 2003	116,374,038	3.1%
FY 2004	121,562,291	4.5%
FY 2005	126,052,353	3.7%
FY 2006	133,109,925	5.6%
FY 2007 Preliminary	142,113,533	6.8%
FY 2008 Original	149,705,920	5.3%
FY 2008 Projected	149,000,000	4.8%
FY 2009 Proposed	152,700,000	2.5%



A license fee is levied on all salaries, wages, commissions, or other forms of compensation received for work performed, or services rendered, in Fayette County. These fees, known as *employee withholdings* or payroll tax, account for 67.5 percent of the total Licenses and Permits category and 55.8 percent of all General Services District revenues for FY 2009.

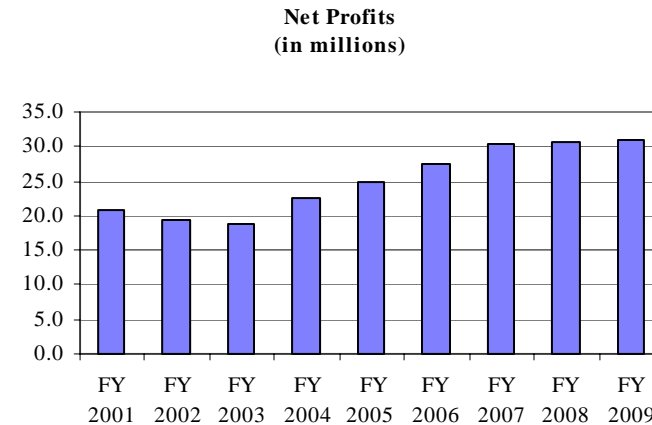
## **Budget Summary**

This revenue source is responsive to the ups and downs of the local economy. The projection in Employee Withholdings reflects an economy that continues to grow in the Lexington area though, at a slow rate. The FY 2009 proposed budget includes projected growth of 2.5 percent over FY 2008's projected budget. Estimates for this revenue source are derived from historical trends and regression analysis.

### **Net Profits Collections**

The *net profits license fee* is an occupational license fee levied on the net profits of all businesses, professions, or occupations from activities conducted in Fayette County. This revenue source accounts for 11.3 percent of total General Services District revenues and 13.7 percent of all revenues in the Licenses and Permits category.

<b>Fiscal Year</b>	<b>Collections</b>	<b>% Change</b>
FY 2001	20,950,513	
FY 2002	19,281,744	(8.0)%
FY 2003	18,876,276	(2.1)%
FY 2004	22,578,000	19.6%
FY 2005	24,900,288	10.3%
FY 2006	27,589,252	10.8%
FY 2007 Preliminary	30,366,806	10.1%
FY 2008 Original	32,044,080	5.5%
FY 2008 Projected	30,700,000	1.1%
FY 2009 Proposed	30,933,850	0.8%



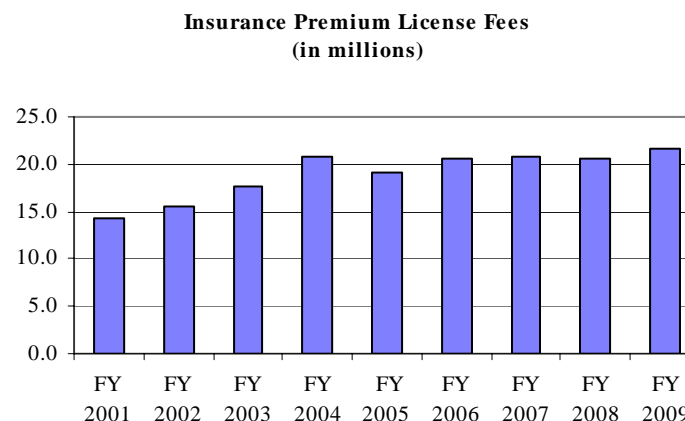
This revenue source is responsive to the ups and downs of the local economy. The budget for FY 2009 shows the slowing of growth in the Lexington area.

The FY 2004 collections for Net Profits included over \$2.8 million in payments for back and current taxes. The FY 2009 collections for Net Profits are projected to grow at 0.8 percent over FY 2008 projected.

# Budget Summary

## Insurance Premium License Fees

Fiscal Year	Collections	% Change
FY 2001	14,223,768	
FY 2002	15,637,777	9.9%
FY 2003	17,562,751	12.3%
FY 2004	20,867,436	18.8%
FY 2005	19,151,852	(8.2)%
FY 2006	20,496,690	7.0%
FY 2007 Preliminary	20,867,436	1.8%
FY 2008 Original	22,500,000	7.8%
FY 2008 Projected	20,560,000	(1.5)%
FY 2009 Proposed	21,600,000	5.1%



*Insurance premium license fees* are the third largest detail in the Licenses and Permits category, accounting for 7.9 percent of all General Services District revenues and 9.5 percent of all revenues in the Licenses and Permits category. License fees are imposed on insurance companies for those premiums (not subject to exemption) that are received on risks located in Fayette County. Life insurance is subject to a five percent fee on premiums actually collected for the first year only. All other insurance premiums (fire, health, casualty, automobile, etc.) are subject to five percent of actual annual collections.

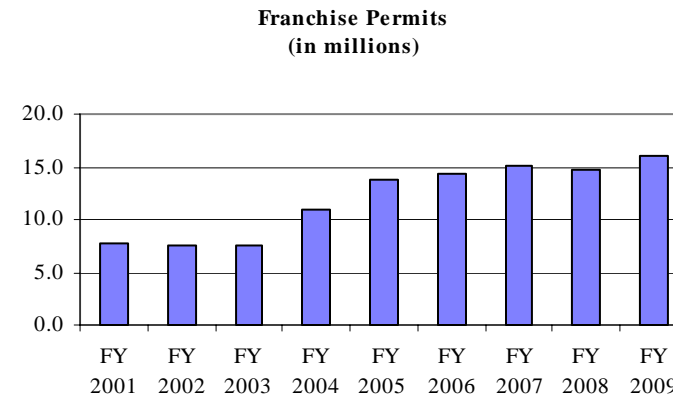
Insurance premium fees are subject to year-to-year fluctuations, and are therefore somewhat difficult to predict. The growth experienced in the past few years has been larger than estimated. FY 2008 projections have been revised from a positive growth rate of 7.8 percent to a decrease of 1.5%. The negative growth swings that this category experiences have historically only lasted for one fiscal year. The FY 2009 proposed budget includes a positive growth rate of 5.1 percent over the revised FY 2008 estimate.

# **Budget Summary**

## **Franchise Permits**

The Kentucky Legislature enacted House Bill 272 to collect all communication type franchise fees at the state level effective July 1, 2007. The bill was to hold local governments harmless from revenue loss and to provide a growth rate equal to the prior three years average growth for each local government. The Commonwealth of Kentucky did not fund the program at a proper level, which resulted in all local governments losing revenue in addition to any potential growth.

<b>Fiscal Year</b>	<b>Collections</b>	<b>% Change</b>
FY 2001	7,752,251	
FY 2002	7,469,631	(3.6)%
FY 2003	7,499,560	0.4%
FY 2004	11,012,181	46.8%
FY 2005	13,794,992	25.3%
FY 2006	14,431,559	4.6%
FY 2007 Preliminary	15,035,711	4.2%
FY 2008 Original	14,510,370	(3.5)%
FY 2008 Projected	14,641,600	(2.6)%
FY 2009 Proposed	16,058,200	9.7%



Public service companies operating in Fayette County pay franchise fees for the use of rights-of-way for placement of transmission facilities. Revenue estimates are provided by the following companies: Blue Grass Energy, Kentucky Utilities (KU), Kentucky-American Water Company, Columbia Gas of Kentucky, Delta Natural Gas Company, Inc., and Clark Energy. *Franchise permits* are 5.9 percent of total FY 2009 General Services District Fund revenues and 7.1 percent of all Licenses and Permits revenues.

## **Budget Summary**

### **Ad Valorem Taxes**

The second largest category of revenue in the General Fund (7.4 percent) comes from *ad valorem*, or 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.

<b>Category</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Difference</b>	<b>Percent Change</b>
Realty	\$ 15,448,312	\$ 16,119,000	\$ 17,414,000	\$ 1,295,000	8.0%
Personalty	1,489,709	1,466,000	1,508,000	42,000	2.9%
Motor Vehicle	1,644,084	1,536,000	1,731,000	195,000	12.7%
Public Service Co. Taxes	524,334	653,000	641,000	(12,000)	(1.8)%
Other Ad Valorem (Commissions)	(954,119)	(979,000)	(1,066,890)	(87,890)	9.0%
<b>Total Ad Valorem Taxes</b>	<b>\$ 18,152,320</b>	<b>\$ 18,795,000</b>	<b>\$ 20,227,110</b>	<b>\$ 1,432,110</b>	<b>7.6%</b>

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 2009 appropriation to the Library is \$13,126,690.

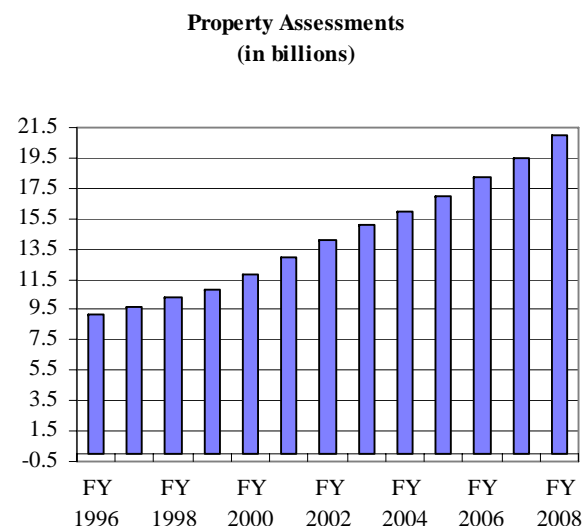
The LFUCG's ability to generate revenues from property taxes is limited by state legislation (House Bill 44), which effectively limits revenue growth on real property to four percent (exclusive of revenue from new property). Each year the State Department for Local Government certifies allowable tax rates.

The FY 2009 projections assume no reduction in the General Services District property tax rate on real and personal property. The growth in revenues reflects normal growth in property assessments.

Property assessments have increased significantly in recent years. As illustrated in the following table, assessments increased only 3.8 percent in FY 1995. However, they have averaged almost seven percent from FY 1996 – FY 2008.

## Budget Summary

Fiscal Year	Assessment	Percent Change
FY 1995	8,717,728,424	3.8%
FY 1996	9,233,927,546	5.9%
FY 1997	9,735,822,009	5.4%
FY 1998	10,272,647,822	5.5%
FY 1999	10,854,342,606	5.7%
FY 2000	11,827,077,920	9.0%
FY 2001	12,946,740,857	9.5%
FY 2002	14,127,794,019	9.1%
FY 2003	15,044,439,927	6.5%
FY 2004	15,963,514,190	6.1%
FY 2005	17,000,517,411	6.5%
FY 2006	18,252,192,637	7.4%
FY 2007	19,484,350,964	6.8%
FY 2008	21,002,142,402	7.8%



### Charges for Services

*Charges for Services* is the third largest category of revenue in the General Services District Fund which, at \$20,345,900, accounts for 7.4 percent of total FY 2009 revenues. The largest sources of revenue in the Services category are golf course collections, emergency medical services collections, and excess fees. The FY 2009 proposed budget includes increases in EMS and Parks program rates.

Category	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Difference	Percent Change
Golf Course Collections	\$ 3,172,967	\$ 3,364,000	\$ 3,837,600	\$ 473,600	14.1%
EMS Collections	3,915,220	4,125,000	5,150,000	1,025,000	24.8%
Excess Fees	4,461,751	2,200,000	2,200,000	-	--
Detention Revenue	6,218,544	5,086,000	5,705,000	619,000	12.2%
Building Permits	949,214	1,160,000	1,000,000	(160,000)	(13.8)%
Parks Programs	1,065,818	1,372,000	1,437,300	65,300	4.8%
Other Fees	2,532,578	1,601,000	1,016,000	(585,000)	(36.5)%
Total Services Revenue	\$ 22,316,092	\$ 18,908,000	\$ 20,345,900	\$ 1,437,900	7.6%

## **Budget Summary**

The Services category includes revenues from six municipally owned and operated golf courses: Kearney Hills, Tates Creek, Meadowbrook, Lakeside, Bluegrass Station, and Picadome. *Golf course collections* for FY 2009 are projected to increase by 14.1 percent and include a rate increase.

The decrease in *Building Permits* reflects a continued slowdown in new construction and an increase in building permits in the expansion areas, which are not a part of General Fund revenues.

*Excess fees* are a percentage (25 percent) of the payments and fees remitted to the state from collections made by the Fayette County Clerk and the Fayette County Sheriff (property tax commissions). Fees remaining in the Clerk and Sheriff's accounts at end-of-term are sent to the local government (usually every four years). School commissions generated by the Sheriff were determined to not be excess fees; therefore, the Sheriff is entitled to keep 100 percent of those funds beginning in FY 2007. The FY 2009 budget estimates that these fees will hold at the FY 2008 level.

*Detention Center* revenues are projected to increase in FY 2009 by \$619,000 or 12.2 percent. During FY 2007, the state opened a new state-operated facility for housing juveniles. At that time, other counties that had been housing juvenile detainees in Fayette County housed their juveniles at the state facility, and the per diem fees they were paying to Fayette County went to the state. LFUCG continues to see additional adult inmates from other counties housed in our facility, and that helps account for the increases seen in FY 2008. Other detention fees include work release fees, DUI service fees, and fees paid by the Commonwealth of Kentucky to provide for state prisoners housed at the Fayette County Detention Center (including reimbursement of medical expenses).

### **Other Revenues**

The *other revenues* accounts for 2.6 percent of the total FY 2009 General Services revenues. These are fines, intergovernmental revenue, property sales, investments, other financing sources, and other income.

<b>Category</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Difference</b>	<b>Percent Change</b>
Fines and Forfeitures	\$ 219,541	\$ 82,000	\$ 67,800	\$ (14,200)	(17.3)%
Intergovernmental	1,669,650	875,000	782,200	(92,800)	(10.6)%
Property Sales	515,812	420,000	3,600,000	3,180,000	757.1%
Investments	1,695,064	2,023,000	737,000	(1,286,000)	(63.6)%
Other Financing Sources	5,481,162	727,330	679,550	(47,780)	(6.6)%
Other Income	2,117,373	1,116,200	1,188,200	72,000	6.5%
<b>Total Other</b>	<b>\$ 11,698,603</b>	<b>\$ 5,243,530</b>	<b>\$ 7,054,750</b>	<b>\$ 1,811,220</b>	<b>34.5%</b>



## **Budget Summary**

The *Fines* includes parking fines, Alcohol Beverage Control (ABC) fines, and criminal littering fines. Beginning in FY 1999, the LFUCG (instead of the state) began to collect ABC fines. The minimum fine was increased from \$3.00 to \$15.00 in April of 2000. The FY 2007 budget included parking fines that are now collected by the Parking Authority.

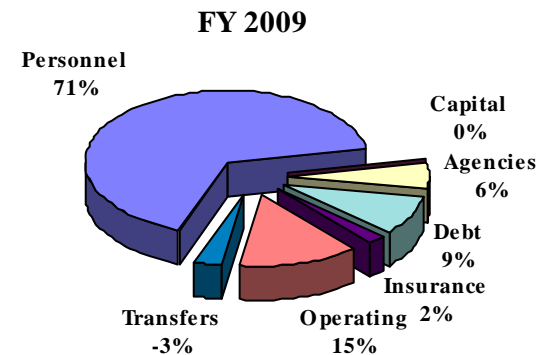
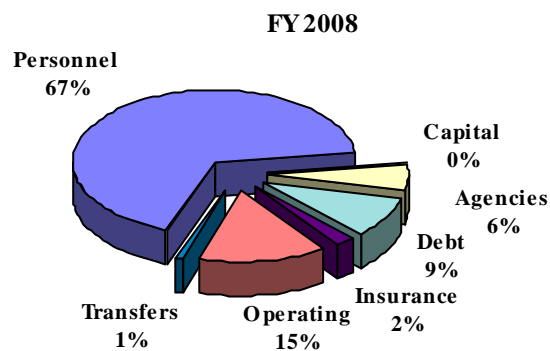
*Intergovernmental* revenue (including local contributions) for FY 2009 is budgeted at \$782,200 which is \$92,800 (10.6 percent) less than the FY 2008 budget. FY 2009 includes slightly lower revenues for Medicaid reimbursements for the Family Care Center Health Clinic and less revenue for elections because there is only one election scheduled in FY 2009. FY 2008 and 2009 includes \$300,000 in state funding for Traffic Engineering, which is moved to *Intergovernmental* revenue, where it is more accurately classified.

*Other financing sources* and *other income* revenue include several categories that are small in amount, infrequent, or do not fit into any of the other major categories. For FY 2009 this category includes transfers from the Urban Services Fund and the Sewers Fund for self-insurance administrative costs.

### **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.

#### **Comparison of FY 2008 Adopted Budget to the FY 2009 Proposed Budget By Major Category**



## **Budget Summary**

**Personnel (\$193,738,580)** accounts for 71 percent of the total General Services Fund budget. This category includes *wages, overtime, and fringe benefits*. The change in this category over last year is due mainly to:

- A pay increase of 2.0 percent in January 2009 for most non-sworn personnel.
- Continuation of the step pay system for sworn personnel in Police, Fire, and Community Corrections, including other items negotiated by the bargaining groups.
- The creation of additional positions:
  - a. Circuit Judges – Social Worker Senior, Domestic Violence Program.
  - b. Revenue - Accountant, Administrative Specialist, Administrative Specialist Senior, and Staff Assistant Senior.
  - c. Computer Services – Computer Analyst.
  - d. Traffic Engineering – Two Traffic signal technicians.
  - e. Capital Projects – Director of Capital Projects.
  - f. Social Service Commissioner – Administrative Officer.
  - g. Facility and Fleet management – Director of Facility and Fleet Management, Real Property Manager, Facility Planner, Capital Projects Coordinator, Contract Manager, and five Skilled Trades Worker Seniors.
  - h. Parks and Recreation – Management Analyst.

**Partner Agencies (\$16,934,960)** are non-governmental programs such as the Library and various economic, legal, and social service organizations that receive full or partial funding from the LFUCG. (See page 22-23 of the Mayor's Proposed Budget document for a complete list of agencies.) The total amount of funding to agencies is increased by \$447,310, due mainly to the mandatory increase to the Library.

**Debt Service (\$25,977,520)** is for payment on long-term and short-term debt incurred to finance public projects<sup>1</sup>.

**Insurance (\$5,730,000)** is the General Services Fund's payment to the government's self-insurance fund for claims related to workers' compensation, general liability, property, and automobile liability and physical damage. Insurance funding is decreased by \$560,000 from FY 2008.

**Operating (\$40,018,000)** 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. The decrease of \$1,269,370 reflects that the budget was returned to FY 2008 original budget in these accounts, and then most divisions took an additional 10 percent reduction.

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<sup>1</sup> In addition to the Contract Debt program budget (\$25,043,880), the PDR program includes \$933,640 in debt payments for debt issued to purchase development rights.

## **Budget Summary**

**Transfers To/From Other Funds (-\$9,081,600)** represents the transfer of resources from one fund to another. FY 2009 transfers are \$11,580,850 different than FY 2008, as detailed below:

Transfers To or (From)	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Difference
CEP - Insurance and Administrative	\$ 76,766	\$ 77,300	\$ 80,800	\$ 3,500
Computer Services	(52,400)	(52,600)	(52,440)	160
Council Projects	9,199	-	-	-
Economic Contingency	-	600,000	(4,463,000)	(5,063,000)
Enhanced 911	1,047,050	655,010	-	(655,010)
PeopleSoft	666,080	500,300	500,300	-
Fleet Services Recoveries	-	(1,041,830)	(1,000,000)	41,830
Grants	(12,383)	-	-	-
Indirect Cost	(180,997)	(175,170)	(175,170)	-
LexCall Recovery	(29,304)	(20,220)	31,250	51,470
Note Payment	2,531,728	-	-	-
Police and Fire Pension	2,357,785	2,448,510	(3,446,660)	(5,895,170)
Park Impact Fees and Golf Improvements	637,377	667,600	501,600	(166,000)
Public Safety Fund Transfer	(778,070)	(290,000)	(550,000)	(260,000)
Road Projects	150,000	-	-	-
Storm Water	2,000,000	-	371,720	371,720
Streets, Roads, and Forestry Salaries	(870,000)	(869,650)	(880,000)	(10,350)
Total Transfers	\$ 7,628,670	\$ 2,499,250	\$ (9,081,600)	\$ (11,580,850)

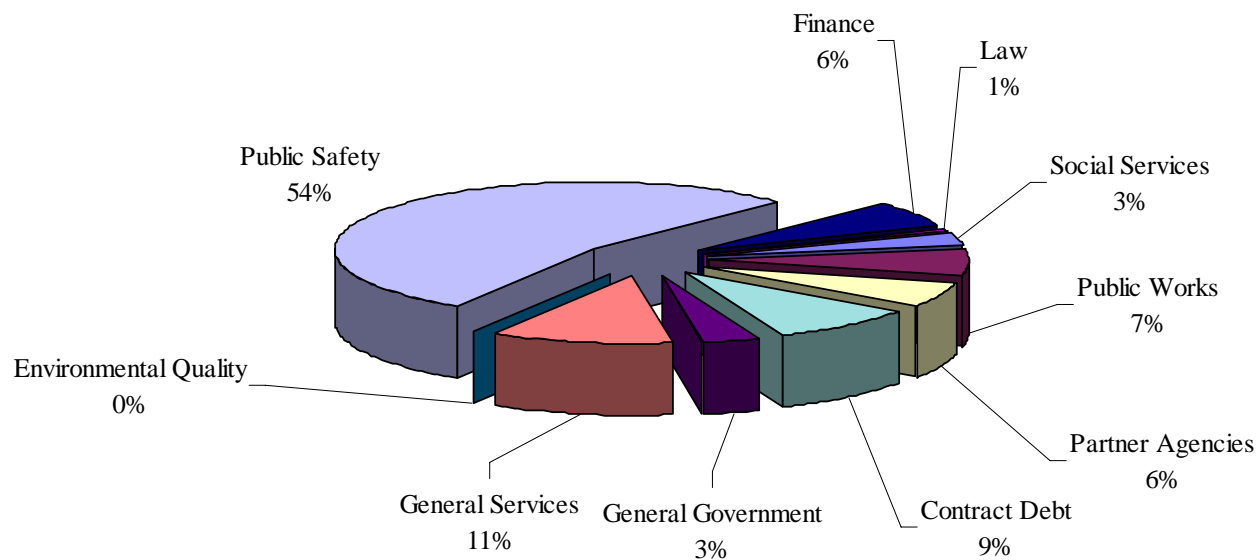
**Capital (\$366,250)** includes payments for capital improvement projects such as storm drainage and building repairs, and operating capital such as traffic control equipment, copier leases, and computer equipment.

# **Budget Summary**

## **Expenditures by Department or Service Area**

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.

### **Expenditures by Department \$273,683,710**



## **Budget Summary**

### **Comparison of the FY 2008 Adopted Budget to the FY 2009 Proposed Budget By Department or Service Area**

<b>Department</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Difference</b>	<b>Percent Change</b>
Public Safety	\$ 137,429,428	\$ 153,484,850	\$ 146,532,410	\$ (6,952,440)	(4.5)%
General Services	28,946,765	32,666,090	31,125,570	(1,540,520)	(4.7)%
Partner Agencies	15,748,976	16,487,650	16,934,960	447,310	2.7%
General Government	13,388,330	2,713,230	9,314,230	6,601,000	243.3%
Contract Debt	27,487,931	23,880,650	25,043,880	1,163,230	4.9%
Public Works and Development	17,981,944	20,464,560	17,889,720	(2,574,840)	(12.6)%
Environmental Quality	3,228,706	1,061,260	488,270	(572,990)	(54.0)%
Finance and Administration	14,071,028	18,151,040	16,448,090	(1,702,950)	(9.4)%
Law	2,199,587	2,404,260	2,641,700	237,440	9.9%
Social Services	9,153,961	9,221,630	7,264,880	(1,956,750)	(21.2)%
<b>Total</b>	<b>\$ 269,636,657</b>	<b>\$ 280,535,220</b>	<b>\$ 273,683,710</b>	<b>\$ (6,851,510)</b>	<b>(2.4)%</b>

### **Public Safety** **\$146,532,410    1,722.5 FTE**

The largest department in the General Services Fund is Public Safety, accounting for 54 percent of the FY 2009 budget. Code Enforcement, Community Corrections, Environmental and Emergency Management (DEEM)\Enhanced 911, Fire and Emergency Services, and Police are included in this department.

<b>Budget By Division</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Public Safety Administration	\$ 3,567,090	\$ 3,867,220	\$ (1,786,130)	\$ (5,653,350)	-146.2%
DEEM\Enhanced 911	4,291,564	5,214,370	3,749,690	(1,464,680)	-28.1%
Community Corrections	27,841,676	30,626,670	30,365,520	(261,150)	-0.9%
Police	49,781,464	57,419,880	57,426,650	6,770	0.0%
Fire and Emergency Services	50,378,172	54,579,620	55,100,150	520,530	1.0%
Code Enforcement	1,569,462	1,777,090	1,676,530	(100,560)	-5.7%
<b>Total</b>	<b>\$ 137,429,428</b>	<b>\$ 153,484,850</b>	<b>\$ 146,532,410</b>	<b>\$ (6,952,440)</b>	<b>-4.5%</b>

## **Budget Summary**

Public Safety budgets include:

- Continued funding of the bargaining agreements for Police and Fire. The Police agreements cover Police Officers, Lieutenants, Sergeants, and Captains. The Fire agreements cover Firefighters, Lieutenants, Captains, and Majors.
- Fund for the second year of the Community Correction bargaining agreements.
- A 2.0 percent pay increase for most civil service employees effective in January 2009.
- Issue \$70 million in bonds for the Police and Fire pension and transfer \$5.997 million to the General Fund for anticipated debt payment.
- Increase Animal Control Contract - \$241,340 in the General Fund. The cost of vehicles for the additional officers is included in the bond fund at a value of \$55,660.
- Fill 13 Enhanced 911 vacancies for nine months - \$299,660.
- Reallocate GIS positions to Computer Services per Management Partners report.
- Fill 25 vacant Community Corrections Officers positions - \$1,040,360.
- Fill one Telecommunications Manager in Police for nine months - \$58,680.
- Transfer \$550,000 from the Public Safety Fund (a Special Revenue fund) to pay for eligible costs of the Division of Police.
- Transfer three positions from Fire to Facilities and Fleet Management.
- Fill two vacant Code Enforcement positions for nine months - \$72,760.

The decrease in the Enhanced 911 division reflects the elimination of a transfer to the Enhanced 911 Fund. Enhanced 911 fees will be increased by 79 cents, and a subsidy from the General Fund will not be needed for FY 2009.

## **Budget Summary**

### **General Services** **\$31,125,570    380.3 FTE**

This is the second largest department comprising 11 percent of the FY 2009 General Fund budget.

<b>Budget By Division</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Parks and Recreation	\$ 18,171,873	\$ 21,122,320	\$ 18,184,550	\$ (2,937,770)	-13.9%
Facilities and Fleet Management	7,466,876	8,073,750	9,792,010	1,718,260	21.3%
Commissioner of General Services	3,308,016	3,470,020	3,149,010	(321,010)	-9.3%
Total	\$ 28,946,765	\$ 32,666,090	\$ 31,125,570	\$ (1,540,520)	-4.7%

Over \$18 million is budgeted for ***Parks and Recreation***, which is responsible for more than 4,200 acres of public parks, playgrounds, swimming pools, and public golf courses. The FY 2009 budget includes ongoing funds for maintenance (\$500,000) and beautification (\$50,000). In addition, the following changes were made:

- Fill Parks vacant Deputy Director position for nine months - \$63,180.
- Create Management Analyst position in Parks for nine months - \$38,720.
- Fill Community School position in Parks for the year - \$53,790.
- Transfer Program Supervisor position from the Commissioner of General Services to Parks for Tubby's Clubhouse.
- Transfer two parks positions to the new Division of Capital Management.
- Transfer 24 positions from Parks to Facilities and Fleet Management.
- Transfer five public information positions from Parks to Government Communications.
- Transfer support of the Arboretum to the Sanitary Sewer Fund (\$25,000).

## **Budget Summary**

***Facilities and Fleet Management*** is a combination of Fleet Services and Building Maintenance and Construction divisions and includes continuing funding for maintenance (\$500,000). Changes for FY 2009 include:

- Add five administrative positions recommended by Management Partners, including a director – \$264,290.
- The Security program is to be moved to this division from the Commissioner’s office. This was inadvertently overlooked and will be proposed as a late item change.
- Review fleet and sell surplus vehicles - (\$300,000).
- Fill Parts Manager position for nine months - \$39,620.
- Fill the one vacant position and add five additional positions - \$248,280.
- Transfer 24 positions from Parks to Facility and Fleet Management division.
- Transfer three positions from Fire to Facilities and Fleet Management.
- Transfer two Administrative Officer positions from the Commissioner of General Services.

The ***Commissioner’s Office*** oversees the management of the government’s telephone system, utilities, parking facilities, rental facilities, pool vehicle fleet, security, mailroom, and special events. The FY 2009 budget includes the following changes:

- Fill two vacant General Services Administrative Officer positions for nine months – \$103,370.
- Positions have been transferred based on the Management Partners’ report.
- Add \$100,000 to improve Government Center security measures.

### **Partner Agencies** **\$16,934,960**

Partner agencies account for approximately six percent of all General Services District expenditures. Funding for partner agencies has increased by \$447,310. This is the result of decreases to many agencies, offset by a required increase to the Library.

New funding is provided for Big Brothers Big Sisters of the Bluegrass, Sunflower Kids, Inc, and SCORE.

The ***Lexington Public Library*** receives 78 percent of the total partner agency funding (\$13.1 million) due to a legal requirement that mandates the government to provide a funding level of 5 cents per \$100 assessed valuation of taxable property in Fayette County. The initial budget is based on estimates of 2008 (FY 2009) property value certifications.



## **Budget Summary**

### **Partner Agencies**

<b>Organization</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>
Big Brothers Big Sisters	\$ -	\$ -	\$ 10,290	\$ 10,290
Airport Board	50,000	50,000	-	(50,000)
Baby Health Service	22,667	16,000	18,000	2,000
Bluegrass Area Dev District	71,810	98,000	85,230	(12,770)
Bluegrass Community Action Agency	28,333	20,000	30,000	10,000
Bluegrass Domestic Violence	66,530	70,000	75,000	5,000
Bluegrass Technology Center	1,185	2,370	3,000	630
Brenda D. Cowan Coalition	10,000	-	-	-
Carnegie Literacy Center	44,908	53,500	36,000	(17,500)
Chrysalis House	40,000	40,000	40,000	-
Cntr for Women Children & Families	35,100	35,100	50,000	14,900
Commerce Lexington	240,490	661,500	595,500	(66,000)
Community Action Council	399,655	170,000	180,000	10,000
Community Reinvestment Alliance	40,000	-	-	-
Comprehensive Care Center	218,521	234,750	234,750	-
Downtown Arts Center	128,250	128,250	115,450	(12,800)
Downtown Development Authority	179,880	285,640	257,140	(28,500)
Downtown Lexington Corporation	50,000	60,000	54,000	(6,000)
EMMAUS	55,000	55,000	-	(55,000)
Environmental Commission	3,127	2,680	2,410	(270)
Explorium of Lexington	237,580	237,500	213,750	(23,750)
Family Counseling Service	32,500	32,500	-	(32,500)
Fayette County Legal Aid	108,540	108,540	-	(108,540)

## **Budget Summary**

### **Partner Agencies (Continued)**

<b>Organization</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>
Hope Center for Men	493,770	718,770	740,000	21,230
Human Rights Commission	193,710	193,710	190,000	(3,710)
Kentucky Humanities	-	25,000	-	(25,000)
Kentucky World Trade Center	105,000	115,000	115,000	-
Lexington Center Corporation	675,000	50,000	-	(50,000)
Lexington Heritage Classic, Inc.	-	10,000	-	(10,000)
Lexington Public Library	11,741,422	12,267,790	13,126,690	858,900
Manchester Center	14,250	-	-	-
Mary Todd Lincoln House	-	10,000	-	(10,000)
Metro Group Homes	164,667	152,000	158,000	6,000
Moveable Feast Lexington, Inc.	-	40,000	40,000	-
Nursing Home Ombudsman Program	45,000	45,000	50,000	5,000
Operation Read	25,255	27,550	-	(27,550)
Positive Link	1,676	-	-	-
Rape Crisis Center	67,498	70,000	75,000	5,000
Reach, Inc.	8,500	4,000	4,000	-
Road to Homeownership, Inc.	-	37,500	33,750	(3,750)
Salvation Army	149,153	160,000	200,000	40,000
SCORE	-	-	7,000	7,000
Sunflower Kids	-	-	25,000	25,000
Urban League	-	100,000	70,000	(30,000)
YMCA of Central Kentucky	-	100,000	100,000	-
<b>Total Agencies</b>	<b>\$ 15,748,976</b>	<b>\$ 16,487,650</b>	<b>\$ 16,934,960</b>	<b>\$447,310</b>

## Budget Summary

### General Government

**\$9,314,230 176.4 FTE**

General Government programs include: Council Office, Office of the Mayor, Special Projects, Internal Audit, Office of the Senior Advisor, Office of Policy and Budget, Constitutional and Judicial Officers, Contingency and Indirect Cost, and the Office of the Chief Information Officer (CIO). These programs account for about 3 percent of the General fund budget.

Budget By Office\Division	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change	Percent Change
Council Office	\$ 2,158,815	\$ 2,303,670	\$ 2,312,210	\$ 8,540	0.4%
Citizens' Advocate	169,427	178,500	-	(178,500)	-100.0%
Council Clerk's Office	860,190	729,440	760,060	30,620	4.2%
Internal Audit Office	341,152	667,790	416,440	(251,350)	-37.6%
Mayor's Office	2,088,062	2,242,550	1,889,810	(352,740)	-15.7%
Special Projects	1,111,076	1,154,140	1,576,190	422,050	36.6%
Chief Administrative Officer	814,381	-	-	-	--
Senior Advisor	176,246	403,380	281,840	(121,540)	-30.1%
Policy and Budget	559,003	523,640	662,290	138,650	26.5%
Chief Information Officer	6,457,520	7,680,250	7,837,280	157,030	2.0%
Contingency\Indirect Cost	(3,769,412)	(16,604,690)	(9,316,930)	7,287,760	-43.9%
Constitutional and Judicial	2,421,869	3,434,560	2,895,040	(539,520)	-15.7%
Total	\$ 13,388,330	\$ 2,713,230	\$ 9,314,230	6,601,000	243.3%

The *Council Office* budget for Council Neighborhood Development Funds (NDF) is \$150,000, which is the same as for FY 2008.

The *Special Projects* budgets are detailed on the next page. Funding for most activities has been reduced. The proposed funding of \$500,000 for the STEM scholarship program is the main reason for the increase of \$422,050.

The *Senior Advisor's Office* replaced the CAO's Office as part of a FY 2008 reorganization. This office includes the Office of Economic Development.

*Contingency and Indirect Cost* budgets include an estimation of personnel credit savings from potential retirements. Actual budgets are reallocated to the divisions where vacancies occur throughout the year.

# Budget Summary

## Special Projects/Special Events

	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2009</b>	<b>FY 08 to</b>
	<b>Preliminary</b>	<b>Adopted</b>	<b>Request</b>	<b>Proposed</b>	<b>FY 09 Proposed</b>
<b>Special Projects:</b>					
Bluegrass State Games, Inc.	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ -
Corridor Program	215,438	110,000	151,200	108,500	(1,500)
Elder Craftsman Program*	17,569	-	-	-	-
Kentucky League of Cities	36,327	-	-	-	-
LexArts, Inc.	350,000	500,000	500,000	450,000	(50,000)
Lexington Area Sports Authority, Inc.**	65,000	15,000	15,000	15,000	-
Lexington Commission on Race Relations	-	15,230	25,000	20,000	4,770
Martin Luther King Celebration	10,000	10,000	10,000	10,000	-
Neighborhood Match	110,784	60,000	60,000	70,000	10,000
Roots and Heritage Festival, Inc.	43,720	43,720	43,720	43,720	-
Shakespeare in the Park	12,500	-	-	-	-
Sister Cities	45,576	44,000	49,000	44,000	-
Special Projects - Other	20,025	150,000	400,000	125,000	(25,000)
Special Projects - Scholarship Program	-	-	1,000,000	500,000	500,000
<b>Special Projects Total</b>	<b>\$ 949,439</b>	<b>\$ 970,450</b>	<b>\$ 2,276,420</b>	<b>\$ 1,408,720</b>	<b>\$ 438,270</b>
<b>Special Events:</b>					
4th of July	\$ 18,069	\$ 25,000	\$ 31,000	\$ 22,500	\$ (2,500)
Community Tree Lighting	3,500	3,500	13,000	7,050	3,550
Diversity Festival	10,000	10,000	10,000	9,200	(800)
Downtown Improvements	39,792	65,000	87,320	58,390	(6,610)
Kentucky Christmas Chorus	53,475	43,500	48,000	39,150	(4,350)
Special Events Administration	3,500	9,690	3,500	6,880	(2,810)
Sweet 16 Hospitality	17,706	18,000	20,250	16,200	(1,800)
Uniformed Services Events	15,593	9,000	9,000	8,100	(900)
<b>Special Events Total</b>	<b>\$ 161,635</b>	<b>\$ 183,690</b>	<b>\$ 222,070</b>	<b>\$ 167,470</b>	<b>\$ (16,220)</b>
<b>Overall Totals</b>	<b>\$ 1,111,074</b>	<b>\$ 1,154,140</b>	<b>\$ 2,498,490</b>	<b>\$ 1,576,190</b>	<b>\$ 422,050</b>

\*FY 2008 and FY 2009 - Elder Craftsman Program is included in the Department of Social Services, Office of Aging Services.

\*\*Special Programs requested only \$15,000 for FY 2009 for the Lexington Area Sports Authority, Inc.

The Authority requested \$20,000.

## **Budget Summary**

### **Finance and Administration**

**\$16,448,090    118.5 FTE**

The ***Finance and Administration Department*** includes the budgets for Revenue, Accounting, Purchasing, Human Resources, Community Development, Finance Administration, and Risk Management, which is proposed to be transferred from Law this year in accordance with the Management Partners report. Finance and Administration comprises about six percent of the General Fund budget.

<b>Budget By Division</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Finance Administration	\$ 628,642	\$ 711,000	\$ 432,480	\$ (278,520)	-39.2%
Accounting	716,634	794,020	1,195,200	401,180	50.5%
Revenue	2,352,490	2,619,050	2,505,080	(113,970)	-4.4%
Purchasing	416,346	508,650	485,190	(23,460)	-4.6%
Community Development	866,707	917,330	973,800	56,470	6.2%
Human Resources	2,767,397	3,355,430	2,716,650	(638,780)	-19.0%
Risk Management	6,322,812	9,245,560	8,139,690	(1,105,870)	-12.0%
Total	\$ 14,071,028	\$ 18,151,040	\$ 16,448,090	\$ (1,702,950)	-9.4%

### **Law**

**\$2,641,700    26.9 FTE**

The ***Department of Law*** is organized into two divisions – Corporate Council and Litigation. The Corporate Council division prepares all legal instruments for the government and provides advice to its employees and agencies. The Litigation division represents LFUCG in civil cases and lawsuits, prepares cases for trial, coordinates representation of cases handled by insurance companies, and handles inquiries concerning legal claims against the government. Law comprises one percent of the General Fund Budget.

<b>Budget By Division</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Law	\$ 2,199,587	\$ 2,404,260	\$ 2,641,700	\$ 237,440	9.9%
Total	\$ 2,199,587	\$ 2,404,260	\$ 2,641,700	\$ 237,440	9.9%

This budget contains the movement of five employees from the Division of Risk Management into Law. The rest of Risk Management is proposed to be moved to the Department of Finance and Administration.

# **Budget Summary**

## **Public Works and Development** **\$17,889,720    225.0 FTE**

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

<b>Budget By Division</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Traffic Engineering	\$ 4,022,718	\$ 4,510,610	\$ 4,246,480	\$ (264,130)	-5.9%
Streets, Roads, and Forestry	3,857,039	4,259,470	3,940,140	(319,330)	-7.5%
Engineering	3,383,415	3,871,380	1,335,880	(2,535,500)	-65.5%
Building Inspection	2,568,223	2,930,380	2,690,760	(239,620)	-8.2%
Historic Preservation	361,957	463,070	375,140	(87,930)	-19.0%
Planning	1,929,863	2,788,140	2,352,330	(435,810)	-15.6%
Purchase of Development Rights	1,103,185	1,237,880	1,195,090	(42,790)	-3.5%
Capital Projects Management	-	-	1,353,470	1,353,470	--
Public Works and Development	755,546	403,630	400,430	(3,200)	-0.8%
<b>Total</b>	<b>\$ 17,981,944</b>	<b>\$ 20,464,560</b>	<b>\$ 17,889,720</b>	<b>\$ (2,574,840)</b>	<b>-12.6%</b>

**Historic Preservation** is to be combined with the Division of Planning. This was inadvertently overlooked and will be corrected as a late item.

**Planning** includes continued funding for planning studies and projects (\$540,000).

**Engineering's** budget includes funding for continuation of their current programs. Seventeen Engineering positions are transferred to the new Division of Capital Management, and two GIS positions are transferred to Computer Services in accordance with the Management Partners report.

Funding for the Division of **Traffic Engineering** includes:

- The last \$98,550 payment to the State for traffic signal upgrades and other improvements.
- Two new positions for the Fiber Optics program - \$71,040.

The **Streets, Roads, and Forestry** budget includes over \$200,000 for roadway salt and a transfer of \$880,000 from the MAP Fund toward the cost of eligible employee costs. (See the MAP Fund section for resurfacing information.)

## **Budget Summary**

The FY 2009 Proposed Budget includes the creation of a new *Capital Projects Management* division as recommended by the Management Partners report. The new division will have the following positions:

- A new Capital Projects Director for nine months - \$69,570.
- Transfers from other divisions:
  - Seventeen Engineering positions.
  - Two Parks positions.

### **Environmental Quality**

**\$488,270    0.0 FTE**

In addition to the divisions in the table below, this department includes the Division of Waste Management (formerly Solid Waste, see page 34).

<b>Budget By Division</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Environmental Quality Administration	\$ -	\$ 93,280	\$ 78,170	\$ (15,110)	-16.2%
Office of Compliance	-	340,720	38,380	(302,340)	-88.7%
Water and Air Quality	3,228,706	627,260	371,720	(255,540)	-40.7%
Total	\$ 3,228,706	\$ 1,061,260	\$ 488,270	\$ (572,990)	-54.0%

Proposed for FY 2009 is the transfer of the Commissioner of Environmental Quality's office and the Office of Compliance to the Urban Services Fund. The funding shown here for those divisions is in error and should be moved to the Urban Services Fund as a late item.

## Budget Summary

### Social Services \$7,264,880    129.1 FTE

The Department of Social Services consists of the Divisions of Adult and Tenant Services, Family Services, and Youth Services as well as the Commissioner's Office. The Mayor's Training Center was abolished as of FY 2008. Social Services comprises three percent of the General Fund budget.

<b>Budget By Division</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Family Services	\$ 2,717,673	\$ 3,368,570	\$ 3,289,430	\$ (79,140)	-2.3%
Mayor's Training Center	1,263,223	-	-	-	--
Youth Services	2,702,742	3,194,790	1,931,110	(1,263,680)	-39.6%
Adult and Tenant Services	1,276,112	1,338,660	1,215,950	(122,710)	-9.2%
Commissioner of Social Services	1,194,210	1,319,610	828,390	(491,220)	-37.2%
<b>Total</b>	<b>\$ 9,153,961</b>	<b>\$ 9,221,630</b>	<b>\$ 7,264,880</b>	<b>\$ (1,956,750)</b>	<b>-21.2%</b>

**Family Services** provides childcare, education, health, and social services at the Family Care Center, as well as a program to assist families in becoming self-sufficient.

**Youth Services** provides social and counseling services for children and their families. The Day Treatment program is scheduled to be transferred to the Fayette County Public Schools for half of FY 2009 (\$251,630), and the Truancy program is proposed to be reduced (\$363,430).

**Adult and Tenant Services** provides assistance in crisis situations to help individuals pay rent and utilities, and offers financial help with payment of landfill and sewer user fees, sewer assessments, and sidewalk repairs. Two vacant Client Assessment Counselors were scheduled to be filled (\$101,150). This was done in error and will be reversed as a late item. The positions will be abolished.

In addition to departmental administrative support, the **Commissioner's Office** includes domestic violence prevention, the Summer Teen Employment Program, the Elder Crafters Program, and immigrant and aging services. The Commissioner's Office received funding to add an Administrative Officer position for nine months (\$54,650); fill the Aging Services Manager for nine months (\$48,500); and fill the Cardinal Valley manager position for nine months (\$39,660). In addition, a reduction of \$300,000 is included for the Truancy and Day Treatment changes. This will be removed as a late item as it was entered in error.



# Budget Summary

## General Services District Fund - Expenditures by Department

Departments/Divisions	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Difference	FTE
<b>Constitutional &amp; Judicial Officers</b>	<b>\$ 2,421,869</b>	<b>\$ 3,434,560</b>	<b>\$ 2,895,040</b>	<b>(539,520)</b>	<b>20.0</b>
Circuit Judges	240,950	247,130	287,490	40,360	5.0
County Clerk	307,206	421,400	323,620	(97,780)	
Board of Elections	384,992	899,950	482,710	(417,240)	2.0
Commonwealth Attorney	35,919	68,960	62,960	(6,000)	
County Judge Executive	96,818	18,090	17,570	(520)	4.0
County Attorney	478,031	728,760	705,260	(23,500)	
Coroner	657,954	700,270	665,430	(34,840)	9.0
Property Valuation Administrator	220,000	350,000	350,000	-	
<b>Council Office</b>	<b>2,158,815</b>	<b>2,303,670</b>	<b>2,312,210</b>	<b>8,540</b>	<b>35.0</b>
<b>Citizens' Advocate</b>	<b>169,427</b>	<b>178,500</b>	<b>-</b>	<b>(178,500)</b>	
<b>Council Clerk</b>	<b>860,190</b>	<b>729,440</b>	<b>760,060</b>	<b>30,620</b>	<b>7.5</b>
<b>Office of the Mayor</b>	<b>2,088,062</b>	<b>2,242,550</b>	<b>1,889,810</b>	<b>(352,740)</b>	<b>18.7</b>
<b>Special Projects</b>	<b>1,111,076</b>	<b>1,154,140</b>	<b>1,576,190</b>	<b>422,050</b>	
<b>Contract Debt</b>	<b>27,315,726</b>	<b>23,880,650</b>	<b>25,043,880</b>	<b>1,163,230</b>	
<b>Contingency\Indirect Cost Allocation</b>	<b>(3,769,412)</b>	<b>(16,604,690)</b>	<b>(9,316,930)</b>	<b>7,287,760</b>	
<b>Office of the CAO</b>	<b>814,381</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Office of Policy and Budget</b>	<b>559,003</b>	<b>523,640</b>	<b>662,290</b>	<b>138,650</b>	<b>7.0</b>
Office of Policy and Budget	-	-	136,670	136,670	1.0
Budgeting	559,003	523,640	525,620	1,980	6.0
<b>Internal Audit</b>	<b>341,152</b>	<b>667,790</b>	<b>416,440</b>	<b>(251,350)</b>	<b>4.0</b>
<b>Office of the Chief Information Officer</b>	<b>6,457,520</b>	<b>7,680,250</b>	<b>7,837,280</b>	<b>157,030</b>	<b>81.2</b>
Office of the Chief Information Officer	666,080	1,300,300	1,048,210	(252,090)	1.0
Government Communications	1,349,417	1,863,950	1,642,480	(221,470)	33.2
Computer Services	4,442,022	4,516,000	5,146,590	630,590	47.0
<b>Office of the Senior Advisor</b>	<b>176,246</b>	<b>403,380</b>	<b>281,840</b>	<b>(121,540)</b>	<b>2.0</b>
Office of the Senior Advisor	-	266,570	167,750	(98,820)	1.0
Office of Economic Development	176,246	136,810	114,090	(22,720)	1.0
<b>Law</b>	<b>2,199,587</b>	<b>2,404,260</b>	<b>2,641,700</b>	<b>237,440</b>	<b>26.9</b>
<b>Finance and Administration</b>	<b>14,071,028</b>	<b>18,151,040</b>	<b>16,448,090</b>	<b>(1,702,950)</b>	<b>118.5</b>
Commissioner's Office	628,642	711,000	432,480	(278,520)	3.0
Accounting	716,634	794,020	1,195,200	401,180	17.0
Revenue	2,352,490	2,619,050	2,505,080	(113,970)	37.0
Purchasing	416,346	508,650	485,190	(23,460)	7.0
Community Development	866,707	917,330	973,800	56,470	16.0
Human Resources	2,767,397	3,355,430	2,716,650	(638,780)	29.5
Risk Management	6,322,812	9,245,560	8,139,690	(1,105,870)	9.0

## Budget Summary

### General Services District Fund - Expenditures by Department

Departments/Divisions	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Difference	FTE
<b>Public Works and Development</b>	<b>\$ 17,981,944</b>	<b>\$ 20,464,560</b>	<b>\$ 17,889,720</b>	<b>(2,574,840)</b>	<b>225.0</b>
Commissioner's Office	755,546	403,630	400,430	(3,200)	3.0
Engineering	3,383,415	3,871,380	1,335,880	(2,535,500)	16.0
Streets, Roads, and Forestry	3,857,039	4,259,470	3,940,140	(319,330)	68.0
Traffic Engineering	4,022,718	4,510,610	4,246,480	(264,130)	40.0
Capital Projects Management	-	-	1,353,470	1,353,470	20.0
Historic Preservation	361,957	463,070	375,140	(87,930)	5.0
Planning	1,929,863	2,788,140	2,352,330	(435,810)	30.0
Purchase of Development Rights	1,103,185	1,237,880	1,195,090	(42,790)	2.0
Building Inspection	2,568,223	2,930,380	2,690,760	(239,620)	41.0
<b>Environmental Quality</b>	<b>3,228,706</b>	<b>1,061,260</b>	<b>488,270</b>	<b>(572,990)</b>	<b>-</b>
Commissioner's Office	-	93,280	78,170	(15,110)	-
Compliance Office	-	340,720	38,380	(302,340)	-
Water and Air Quality	3,228,706	627,260	371,720	(255,540)	-
<b>Public Safety</b>	<b>137,429,428</b>	<b>153,484,850</b>	<b>146,532,410</b>	<b>(6,952,440)</b>	<b>1,722.5</b>
Commissioner's Office/Pension	3,567,090	3,867,220	(1,786,130)	(5,653,350)	3.5
DEEM\Enhanced 911	4,291,564	5,214,370	3,749,690	(1,464,680)	86.5
Detention Centers	27,841,676	30,626,670	30,365,520	(261,150)	375.0
Police	49,781,464	57,419,880	57,426,650	6,770	687.5
Fire	50,378,172	54,579,620	55,100,150	520,530	546.0
Code Enforcement	1,569,462	1,777,090	1,676,530	(100,560)	24.0
<b>Social Services</b>	<b>9,153,961</b>	<b>9,221,630</b>	<b>7,264,880</b>	<b>(1,956,750)</b>	<b>129.6</b>
Commissioner's Office	1,194,210	1,319,610	828,390	(491,220)	16.3
Adult and Tenant Services	1,276,112	1,338,660	1,215,950	(122,710)	20.0
Family Services	2,717,673	3,368,570	3,289,430	(79,140)	75.1
Youth Services	2,702,742	3,194,790	1,931,110	(1,263,680)	18.2
Mayor's Training Center	1,263,223	-	-	-	-
<b>General Services</b>	<b>28,946,765</b>	<b>32,666,090</b>	<b>31,125,570</b>	<b>(1,540,520)</b>	<b>380.3</b>
Commissioner's Office	3,308,016	3,470,020	3,149,010	(321,010)	10.0
Facilities and Fleet Management	7,466,876	8,073,750	9,792,010	1,718,260	157.7
Parks and Recreation	18,171,873	21,122,320	18,184,550	(2,937,770)	212.6
<b>Partner Agencies</b>	<b>15,748,976</b>	<b>16,487,650</b>	<b>16,934,960</b>	<b>447,310</b>	<b>-</b>
Library	11,741,422	12,267,790	13,126,690	858,900	-
Other Agencies	4,007,554	4,219,860	3,808,270	(411,590)	-
<b>Total General Services Fund</b>	<b>\$ 269,464,452</b>	<b>\$ 280,535,220</b>	<b>\$ 273,683,710</b>	<b>(6,851,510)</b>	<b>2,778.2</b>

## **Budget Summary**

### **Family Care Center Health Services Fund (#1102)**

**\$2,257,400      16.9 FTE**

The revenue and expenditures of the Family Care Center's Health Clinic are accounted for here. This fund is specifically separated from the General Services Fund due to Medicaid reporting and accountability requirements. The annual financial statements, however, combine the two funds.

	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Change</b>	<b>% Change</b>
<b>Revenue</b>					
Intergovernmental	\$ 1,398,201	\$ 2,049,790	\$ 1,959,000	\$ (90,790)	-4.4%
Other Financing Sources	40	-	-	-	
Other Income	652,960	27,000	41,000	14,000	51.9%
Total Revenue	\$ 2,051,201	\$ 2,076,790	\$ 2,000,000	\$ (76,790)	-3.7%
Fund Balance, July 1	262,415	88,490	264,630	176,140	199.1%
Total Funds Available	\$ 2,313,617	\$ 2,165,280	\$ 2,264,630	\$ 99,350	4.6%
<b>Appropriations</b>					
Operating Expenditures					
Personnel	\$ 849,674	\$ 869,390	\$ 902,580	\$ 33,190	3.8%
Operating	1,171,639	1,250,890	1,354,820	103,930	8.3%
Total Operating	\$ 2,021,313	\$ 2,120,280	\$ 2,257,400	\$ 137,120	6.5%
Capital Expenditures					
CIP Capital	\$ -	\$ -	\$ -	\$ -	
Operating Capital	76,058	45,000	-	(45,000)	-100.0%
Total Capital	\$ 76,058	\$ 45,000	\$ -	\$ (45,000)	-100.0%
Total Appropriations	\$ 2,097,371	\$ 2,165,280	\$ 2,257,400	\$ 92,120	4.3%
Fund Balance, June 30	\$ 216,246	\$ -	\$ 7,230	\$ 7,230	

# **Budget Summary**

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

**\$39,816,980    259.9 FTE**

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

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.

<b>Category</b>	<b>FY 2007 Actual</b>	<b>FY 2008 Budget</b>	<b>FY 2009 Proposed</b>	<b>Difference</b>	<b>% Change</b>
<b>Revenue</b>					
Ad Valorem Taxes	\$ 29,831,056	\$ 31,291,000	\$ 33,527,400	\$ 2,236,400	7.1%
Licenses and Permits	1,095,200	1,160,000	1,435,000	275,000	23.7%
Services	12,610	6,000	6,000	-	
Property Sales	319,536	120,000	30,000	(90,000)	-75.0%
Investments	1,223,586	1,333,000	322,000	(1,011,000)	-75.8%
Other Income	1,438,649	980,000	1,230,000	250,000	25.5%
<b>Total Revenue</b>	<b>\$ 33,920,636</b>	<b>\$ 34,890,000</b>	<b>\$ 36,550,400</b>	<b>\$ 1,660,400</b>	<b>4.8%</b>
Fund Balance, July 1	24,143,480	16,450,000	23,790,020	7,340,020	44.6%
<b>Total Funds Available</b>	<b>\$ 58,064,116</b>	<b>\$ 51,340,000</b>	<b>\$ 60,340,420</b>	<b>\$ 9,000,420</b>	<b>17.5%</b>
<b>Appropriations</b>					
<b>Operating Expenditures</b>					
Personnel	\$ 12,171,674	\$ 13,495,920	\$ 14,982,020	\$ 1,486,100	11.0%
Debt Service	198,830	191,540	165,460	(26,080)	-13.6%
Insurance	1,080,000	1,012,800	1,330,600	317,800	31.4%
Operating	12,546,820	14,201,950	15,858,490	1,656,540	11.7%
Transfers To\ (From) Other Funds	681,891	612,420	567,910	(44,510)	-7.3%
<b>Total Operating</b>	<b>\$ 26,679,215</b>	<b>\$ 29,514,630</b>	<b>\$ 32,904,480</b>	<b>\$ 3,389,850</b>	<b>11.5%</b>
<b>Capital Expenditures</b>					
CIP Capital	\$ 1,983,596	\$ 1,010,000	\$ 3,450,000	\$ 2,440,000	241.6%
Operating Capital	2,769,289	3,583,910	3,462,500	(121,410)	-3.4%
<b>Total Capital</b>	<b>\$ 4,752,885</b>	<b>\$ 4,593,910</b>	<b>\$ 6,912,500</b>	<b>\$ 2,318,590</b>	<b>50.5%</b>
<b>Total Appropriations</b>	<b>\$ 31,432,100</b>	<b>\$ 34,108,540</b>	<b>\$ 39,816,980</b>	<b>\$ 5,708,440</b>	<b>16.7%</b>
Fund Balance, June 30	\$ 26,632,016	\$ 17,231,460	\$ 20,523,440	\$ 3,291,980	19.1%

## **Budget Summary**

### **Summary of Revenue and Appropriations By Service – FY 2009**

<b>Category</b>	<b>Refuse Collection</b>	<b>Street Lights</b>	<b>Street Cleaning</b>
Revenue			
Ad Valorem Taxes	\$ 28,092,490	\$ 3,883,480	\$ 1,551,430
Other	2,731,900	207,970	83,130
Total Revenue	\$ 30,824,390	\$ 4,091,450	\$ 1,634,560
Fund Balance, July 1	18,347,530	3,909,830	1,532,660
Total Funds Available	\$ 49,171,920	\$ 8,001,280	\$ 3,167,220
Appropriations			
Direct Expenditures			
Personnel	\$ 12,506,220	\$ -	\$ 812,250
Operating	7,471,090	3,901,000	315,250
Capital	6,612,500	300,000	-
Other Costs	6,993,510	551,600	353,560
Total Appropriations	\$ 33,583,320	\$ 4,752,600	\$ 1,481,060
Fund Balance, June 30	\$ 15,588,600	\$ 3,248,680	\$ 1,686,160

The increase in **insurance** is due to an increase in the insurance allocation to the Urban Services Fund for FY 2009.

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

An **indirect cost** payment is made to the General Services Fund (\$3,710,960) for administrative costs not directly charged to this fund (such as accounting, budgeting, purchasing, payroll, etc.).

**Contingency** includes the budgets for termination pay (\$485,000 for unused sick and vacation hours) and the 27<sup>th</sup> pay period contingency (\$27,000).

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

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

## Budget Summary

### Urban Services Fund Expenditures By Department or Function

Department/Function	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change
Insurance	\$ 1,457,350	\$ 1,361,760	\$ 1,682,900	\$ 321,140
Contract Debt	198,830	191,540	165,460	(26,080)
Indirect Cost/Contingency	2,117,962	1,963,300	4,222,960	2,259,660
Government Communications	480,173	468,320	474,540	6,220
Personnel Programs	14,489	14,000	14,000	-
Annual Audit\PeopleSoft	135,762	108,150	9,000	(99,150)
CIO\PeopleSoft	-	-	91,570	91,570
<b>Public Works and Development</b>	<b>\$ 5,153,561</b>	<b>\$ 4,879,230</b>	<b>\$ 5,337,000</b>	<b>\$ 457,770</b>
Administration	35,507	4,000	8,500	4,500
Street Cleaning	1,049,057	1,059,230	1,127,500	68,270
Street Lights	4,068,998	3,816,000	4,201,000	385,000
<b>Environmental Quality</b>	<b>\$ 20,038,021</b>	<b>\$ 22,614,420</b>	<b>\$ 25,506,740</b>	<b>\$ 2,892,320</b>
Administration	-	83,000	647,080	564,080
Compliance	-	-	525,460	525,460
Refuse Collection	20,038,021	22,531,420	24,334,200	1,802,780
<b>General Services</b>	<b>\$ 1,835,953</b>	<b>\$ 2,507,820</b>	<b>\$ 2,312,810</b>	<b>\$ (195,010)</b>
Facilities and Fleet Services	1,468,169	1,045,110	1,812,200	767,090
Vacuum Leaf Collection	367,784	1,462,710	500,610	(962,100)
<b>Total Urban Services</b>	<b>\$ 31,432,100</b>	<b>\$ 34,108,540</b>	<b>\$ 39,816,980</b>	<b>\$ 5,708,440</b>

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

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

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

## Budget Summary

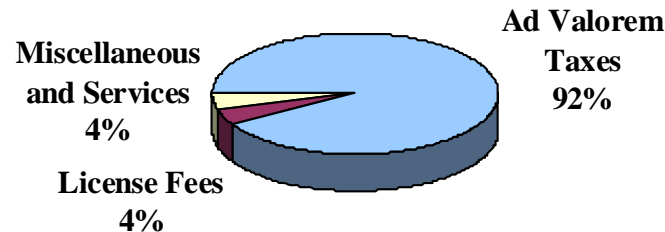
Approximately 600 additional *street lights* are installed in Fayette County annually. This budget includes \$300,000 for installation of these additional street lights. The utility cost is budgeted at \$3,900,000, a \$485,000 increase over FY 2008. The increase reflects the cost for additional street lights.

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

### Urban Services Revenue Sources

Total resources available for FY 2009 expenditures in the Urban Services Fund include a projected beginning fund balance of \$23.8 million and revenues of \$36.55 million. The largest single category of revenue to the Urban Services Districts Fund is *ad valorem*, or property taxes. Property taxes account for 92 percent of the total revenues, and are estimated at \$33.5 million for the 2008 tax year (FY 2009).

### Urban Services Districts Fund Revenues \$36,550,400



Category	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change	Percent Change
Ad Valorem Taxes	\$ 29,831,056	\$31,291,000	\$33,527,400	\$ 2,236,400	7.1%
Licenses and Permits	1,095,200	1,160,000	1,435,000	275,000	23.7%
Services	12,610	6,000	6,000	-	-
Miscellaneous	2,981,771	2,433,000	1,582,000	(851,000)	-35.0%
<b>Total Revenue</b>	<b>\$33,920,636</b>	<b>\$34,890,000</b>	<b>\$36,550,400</b>	<b>\$ 1,660,400</b>	<b>4.8%</b>

## **Budget Summary**

### **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 2008 after preparation of this budget. The current rates per \$100 of assessed value on real property are:

<b>Service</b>	<b>Current Rate</b>
Refuse Collection	15.90 cents
Street Lights	02.10 cents
Street Cleaning	00.94 cents
<b><i>Full Urban Rate</i></b>	<b>18.94 cents</b>

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

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. During FY 2008 the refuse collection rate was reduced from 1.6 to 1.59 cents. The adopted budget for FY 2009 maintains this reduced taxing level.

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

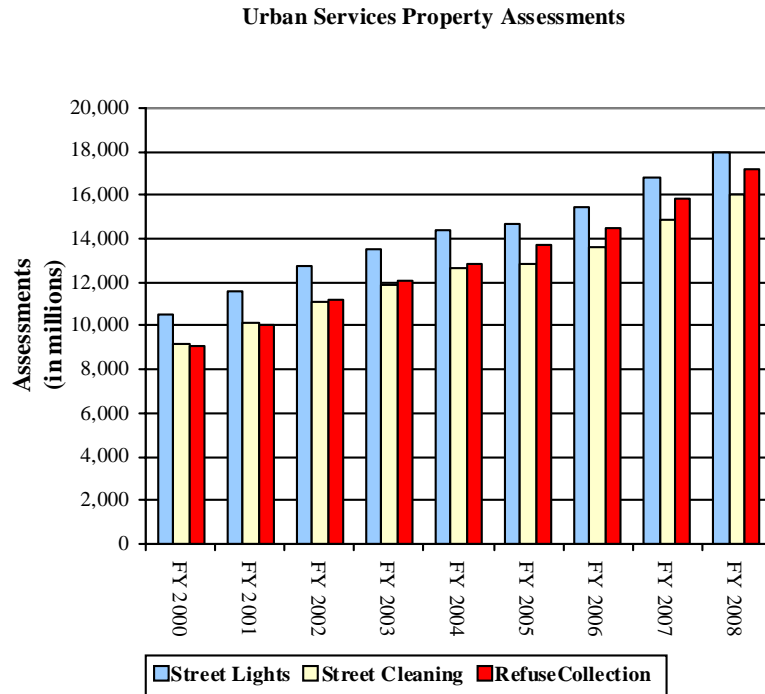
Property assessments have increased significantly in recent years. As illustrated in the table on the next page, assessments increased only 4.1 to 5.5 percent in FY 1995. However, they have averaged almost seven percent from FY 1995 – FY 2008.

Before FY 2001, vacuum leaf collection was provided twice per year to certain properties in the general services tax district (generally based on the age of the street trees in the easement). The Urban County Council voted to expand the refuse collection service to include vacuum leaf collection (once per year) effective in the fall of 2000. In order to continue this service, neighborhoods that used to receive vacuum leaf collection but did not receive LFUCG's refuse collection service petitioned to begin receiving refuse collection service. This contributed to the increase in assessments in FY 2001 and FY 2002.



# Budget Summary

## Urban Services Property Assessments



Fiscal Year	Refuse Collection	Percent Change	Street Lights	Percent Change	Street Cleaning	Percent Change
FY 1994	6,284,625,670		7,430,379,670		6,287,546,930	
FY 1995	6,602,241,161	5.05%	7,738,241,861	4.14%	6,632,456,761	5.49%
FY 1996	6,972,766,200	5.61%	8,192,871,261	5.88%	7,008,812,161	5.67%
FY 1997	7,394,442,940	6.05%	8,656,857,751	5.66%	7,430,656,451	6.02%
FY 1998	7,821,971,292	5.78%	9,145,259,503	5.64%	7,865,688,953	5.85%
FY 1999	8,327,404,637	6.46%	9,677,837,137	5.82%	8,370,325,937	6.42%
FY 2000	9,109,472,500	9.39%	10,551,742,800	9.03%	9,153,578,500	9.36%
FY 2001	10,058,730,028	10.42%	11,576,906,328	9.72%	10,100,216,698	10.34%
FY 2002	11,167,268,430	11.02%	12,694,535,630	9.65%	11,063,222,530	9.53%
FY 2003	12,040,928,098	7.82%	13,530,052,518	6.58%	11,914,529,018	7.69%
FY 2004	12,812,885,679	6.41%	14,341,410,169	6.00%	12,648,294,679	6.16%
FY 2005	13,678,384,300	6.75%	14,619,092,100	1.94%	12,859,839,700	1.67%
FY 2006	14,446,778,602	5.62%	15,418,333,453	5.47%	13,590,889,000	5.68%
FY 2007	15,849,244,300	9.71%	16,772,856,500	8.79%	14,904,260,300	9.66%
FY 2008	17,136,318,600	8.12%	17,975,413,800	7.17%	16,023,589,300	7.51%

## License Fees

*Bank franchise fees* account for 3.9 percent of Urban Services Fund revenue, and are estimated at \$1,435,000 for FY 2009. Prior to FY 1996, financial institutions paid an ad valorem tax based on the taxable cash value of bank shares. The state legislature enacted a bill during the 1996 session that replaced the ad valorem tax with a license fee. The Urban County Government is allowed to assess a five percent fee on the deposits of financial institutions. Per ordinance number 244-96, half of this revenue is allocated to the General Services District Fund and the other half to the Urban Services Districts Fund.

## **Budget Summary**

### **Services**

Services revenue accounts for a small percentage of the Urban Services Fund revenue. Only *dumpster permit fees* are budgeted in this category for FY 2009.

### **Miscellaneous**

Miscellaneous revenue accounts for 4.3 percent of the Urban Services Fund revenue.

- *Interest* income on investments is estimated at \$322,000 for FY 2009.
- *Bluegrass Regional Recycling Center* revenue (reflecting the sale of recyclable materials) is estimated at \$1,200,000 for FY 2009. This revenue reflects the sale of recyclables since converting to the “one-sort plus glass” system.
- *Penalties and interest* (on delinquent taxes) is estimated at \$30,000 for FY 2009.
- *Sales of surplus equipment* are estimated at \$30,000 for FY 2009, based upon the number of surplus vehicles for sale in FY 2009.

## **Budget Summary**

### **Special Revenue Funds**

Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted for specified expenditures. The proposed budget includes six special revenue funds. The County Road Aid Fund will be included as a late item. In addition, state and federal grants are also considered special revenue funds.

#### **Police Confiscated – Federal (#1131)** **\$417,600**

	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Revenue					
Intergovernmental	\$ 351,938	\$ -	\$ 351,940	\$ 351,940	
Investments	23,090	-	20,700	20,700	
Total Revenue	\$ 375,028	\$ -	\$ 372,640	\$ 372,640	
Fund Balance, July 1	700,285	-	145,040	145,040	
Total Funds Available	\$ 1,075,314	\$ -	\$ 517,680	\$ 517,680	
Appropriations					
Operating Expenditures					
Operating	\$ 249,585	\$ -	\$ 387,600	\$ 387,600	
Total Operating	\$ 249,585	\$ -	\$ 387,600	\$ 387,600	
Capital Expenditures					
CIP Capital	\$ -	\$ -	\$ -	\$ -	
Operating Capital	334,093	-	30,000	30,000	
Total Capital	\$ 334,093	\$ -	\$ 30,000	\$ 30,000	
Total Appropriations	\$ 583,678	\$ -	\$ 417,600	\$ 417,600	
Fund Balance, June 30	\$ 491,635	\$ -	\$ 100,080	\$ 100,080	

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

## Budget Summary

### Police Confiscated – State (#1132) \$135,000

	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change	Percent Change
Revenue					
Intergovernmental	\$ 202,212	\$ -	\$ 278,150	\$ 278,150	
Investments	4,830	-	4,400	4,400	
Total Revenue	\$ 207,041	\$ -	\$ 282,550	\$ 282,550	
Fund Balance, July 1	81,357	-	388,260	388,260	
Total Funds Available	\$ 288,398	\$ -	\$ 670,810	\$ 670,810	
Appropriations					
Operating Expenditures					
Operating	\$ 16,906	\$ -	\$ 135,000	\$ 135,000	
Total Operating	\$ 16,906	\$ -	\$ 135,000	\$ 135,000	
Capital Expenditures					
CIP Capital	\$ -	\$ -	\$ -	\$ -	
Operating Capital	400	-	-	-	
Total Capital	\$ 400	\$ -	\$ -	\$ -	
Total Appropriations	\$ 17,306	\$ -	\$ 135,000	\$ 135,000	
Fund Balance, June 30	\$ 271,093	\$ -	\$ 535,810	\$ 535,810	

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

## **Budget Summary**

### **Public Safety (#1133)** **\$550,000**

	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Revenue					
Intergovernmental	\$ 695,353	\$ 275,000	\$ 520,000	\$ 245,000	89.1%
Investments	23,836	15,000	30,000	15,000	100.0%
Total Revenue	\$ 719,189	\$ 290,000	\$ 550,000	\$ 260,000	89.7%
Fund Balance, July 1	52,881	-	-	-	
Total Funds Available	\$ 772,071	\$ 290,000	\$ 550,000	\$ 260,000	89.7%
Appropriations					
Operating Expenditures					
Transfers To\ (From) Other Funds	\$ 778,070	\$ 290,000	\$ 550,000	\$ 260,000	89.7%
Total Appropriations	\$ 778,070	\$ 290,000	\$ 550,000	\$ 260,000	89.7%
Fund Balance, June 30	\$ (6,000)	\$ -	\$ -	\$ -	

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 2009. The transfer is to the General Fund for use by police to purchase needed equipment for the officers.

## **Budget Summary**

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

**\$42,000**

	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Revenue					
Licenses and Permits	\$ -	\$ 30,380	\$ -	\$ (30,380)	-100.0%
Services	13,043	-	42,000	42,000	
Intergovernmental	-	2,500	-	(2,500)	-100.0%
Investments	91	120	-	(120)	-100.0%
Total Revenue	\$ 13,134	\$ 33,000	\$ 42,000	\$ 9,000	27.3%
Fund Balance, July 1	2,049	-	6,300	6,300	
Total Funds Available	\$ 15,182	\$ 33,000	\$ 48,300	\$ 15,300	46.4%
Appropriations					
Operating Expenditures					
Operating	\$ 8,880	\$ 33,000	\$ 42,000	\$ 9,000	27.3%
Total Appropriations	\$ 8,880	\$ 33,000	\$ 42,000	\$ 9,000	27.3%
Fund Balance, June 30	\$ 6,302	\$ -	\$ 6,300	\$ 6,300	

The Spay and Neuter Fund was established to account for revenues and expenses per updated animal ordinances that require all Lexington-Fayette County dogs and cats to be licensed annually. Also, the fund accounts for grants that allow qualified no- or low-income Lexington-Fayette County residents to have access to pet spay and neuter services. Requiring that all dogs and cats in Lexington-Fayette County be licensed assures citizens that animals are properly vaccinated for rabies. It also provides incentives to spay and neuter in order to reduce the number of homeless, unwanted, and abandoned animals in the county.

## **Budget Summary**

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

**\$4,715,430**

Fayette County receives a share of the state gasoline tax revenues (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.

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

	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Revenue					
Intergovernmental	\$ 4,037,633	\$4,061,000	\$4,782,600	\$ 721,600	17.8%
Investments	291,277	316,000	85,000	(231,000)	-73.1%
Other Financing Sources	-	-	-	-	
Total Revenue	\$ 4,328,909	\$ 4,377,000	\$ 4,867,600	\$ 490,600	11.2%
Fund Balance, July 1	7,151,616	-	1,825,580	1,825,580	
Total Funds Available	\$ 11,480,526	\$ 4,377,000	\$ 6,693,180	\$ 2,316,180	52.9%
Appropriations					
Operating Expenditures					
Personnel	\$ 13,112	\$ 21,540	\$ 18,930	\$ (2,610)	-12.1%
Operating	334,428	5,300	6,500	1,200	22.6%
Transfers To\ (From) Other Funds	880,000	880,000	880,000	-	
Total Operating	\$ 1,227,539	\$ 906,840	\$ 905,430	\$ (1,410)	-0.2%
Capital Expenditures					
CIP Capital	\$ 4,199,583	\$3,470,160	\$3,810,000	\$ 339,840	9.8%
Total Capital	\$ 4,199,583	\$ 3,470,160	\$ 3,810,000	\$ 339,840	9.8%
Total Appropriations	\$ 5,427,122	\$ 4,377,000	\$ 4,715,430	\$ 338,430	7.7%
Fund Balance, June 30	\$ 6,053,404	\$ -	\$ 1,977,750	\$ 1,977,750	

The FY 2009 budget includes a transfer of \$880,000 of MAP funds to the General Fund for eligible personnel costs in the Division of Streets, Roads, and Forestry, the same as for FY 2008.

MAP projects for FY 2009 include \$2,000,000 for resurfacing and \$1,780,000 for the following road projects.

## Budget Summary

### Municipal Aid Program Summary of Projects

Project	Grant	FY 2009 Local Funds	State and Federal Grant Funds	Total Local and Grant Funds	
Brighton East Trail, Phase 2	Yes	\$ 25,000	\$ 100,000	\$ 125,000	c
Capital Construction Project Testing		25,000		25,000	
Clays Mill Road, Harrodsburg Road to New Circle Road	Yes	30,000	120,000	150,000	c
Small Projects- Bike/Pedestrian		50,000		50,000	c
Polo Club Blvd Connection to Todds Road		60,000		60,000	c
Sidewalk Ramp Program		60,000		60,000	c
Seventh St.- Reconst. from Winchester to Royal		80,000		80,000	c
Bridge Repair/Reconstruction		100,000		100,000	c
Clays Mill Road, Section 2A (Keithshire-Higbee Mill)	Yes	100,000	400,000	500,000	u
Clays Mill Road, Section 2B (Higbee Mill-Twain Ridge)	Yes	100,000	400,000	500,000	c
Richmond Road Trail	Yes	100,000	400,000	500,000	u,c
Rose Street Bike Lane	Yes	100,000	400,000	500,000	
Small Projects - Roadway		100,000		100,000	c
South Elkhorn Trail, Phase 2	Yes	100,000	400,000	500,000	
Intersection Pavement Reconst.		250,000		250,000	
Clays Mill Road, Section 2C (New Circle to Keithshire)	Yes	500,000	2,000,000	2,500,000	
Total		\$1,780,000	\$4,220,000	\$6,000,000	

Key: c = construction, u = utilities



# **Budget Summary**

## **County Road Aid Fund (#1137)**

**\$0.00**

The fund will be added as a late item for consideration by the Urban County Council prior to adoption because the information is not received until the first week in June.

## **Storm Water (#1140)**

**\$3,371,720      12.0 FTE**

This is a new fund proposed for FY 2009. It will be a restricted special revenue fund established to account for the receipts from a storm water fee and the costs associated with storm water management.

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

<b>Category</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>
Revenue				
Services	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Other Financing Sources	-	-	2,371,720	2,371,720
Total Revenue	\$ -	\$ -	\$ 3,371,720	\$ 3,371,720
Fund Balance, July 1	-	-	-	-
Total Funds Available	\$ -	\$ -	\$ 3,371,720	\$ 3,371,720
Appropriations				
Operating Expenditures				
Personnel	\$ -	\$ -	\$ 1,018,310	\$ 1,018,310
Operating	-	-	2,353,410	2,353,410
Total Operating	\$ -	\$ -	\$ 3,371,720	\$ 3,371,720
Capital Expenditures				
Operating Capital	\$ -	\$ -	\$ -	\$ -
Total Capital	\$ -	\$ -	\$ -	\$ -
Total Appropriations	\$ -	\$ -	\$ 3,371,720	\$ 3,371,720
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

# **Budget Summary**

## **Capital Projects Funds**

### **Bond Projects (#2508, #2514, and #2518)**

**\$56,057,910**

General obligation bonds will be issued for the following capital projects and equipment totaling \$55,426,910. In addition, transfers from the General, Urban Services, and Sanitary Sewer Funds of \$631,000 will continue implementation of PeopleSoft.

<b>Division</b>	<b>Item</b>	<b>Amount</b>	<b>Division</b>	<b>Item</b>	<b>Amount</b>
<b><i>Purchase of Development Rights</i></b>			<b><i>Public Safety Administration</i></b>		
	Prof Svc - Finance	\$ 66,280		Telecommunications	\$ 9,920,000
	Land Acquisition - Real Estate	2,400,000		Construction-Building Non-Res	20,900,000
<b><i>CIO</i></b>				Van	84,300
	Prof Svc - Information Service	500,000	<b><i>DEEM/Enhanced 911</i></b>		
	Rent/Lease - Buildings	69,000		Software	30,000
	Landline Phones	1,000		Software	41,000
	Required Certification/Training	61,000	<b><i>Fire</i></b>		
<b><i>Elections - County Court Clerk</i></b>				Equipment	2,000,000
	Buildings	500,000		Generators Stationary Repairs	48,000
<b><i>County Attorney</i></b>				Maintenance Parking Lot	35,000
	Computer Equipment	55,630		Remodeling	20,000
	Desktops and Laptops	4,000		Roofing/Gutter/Downspout Maint	45,000
<b><i>Coroner</i></b>			<b><i>Adult and Tenant Services</i></b>		
	Remodeling	30,000		Street-Paving/Resurfacing	35,000
<b><i>Mayor's Office</i></b>			<b><i>Commissioner of General Services</i></b>		
	Buildings	6,000,000		Telephone Systems	70,000
<b><i>Finance Administration</i></b>				Security Systems & Equipment	48,700
	Software	5,500,000	<b><i>Fleet and Facilities Management</i></b>		
<b><i>Computer Services</i></b>				Equipment	633,500
	Software	25,000		Automobiles Except Police	288,000
	Desktops and Laptops	175,000		Automobiles Police	744,000
	Network Components	185,000		Truck-Dump	320,000
	Servers	250,000		Truck-Light Duty	441,000
<b><i>Public Works Administration</i></b>				Truck-Medium Duty	185,000
	Traffic Device Non-Elec	100,000		Truck-SUV	342,000
<b><i>Engineering</i></b>				Van	225,500
	Construction-Street	150,000		Bus	70,000
				HVAC Maintenance Services	130,000

## **Budget Summary**

<b>Division</b>	<b>Item</b>	<b>Amount</b>
<i><b>Water and Air Quality</b></i>		
	Construction-Storm Drainage	375,000
<i><b>Streets, Roads, and Forestry</b></i>		
	Construction-Sidewalk/Driveway	110,000
	Construction-Street	100,000
	Concrete Equipment	120,000
<i><b>Traffic Engineering</b></i>		
	Traffic Signal Equipment	390,000
	Construction-Street	200,000

<b>Division</b>	<b>Item</b>	<b>Amount</b>
<i><b>Parks and Recreation</b></i>		
	Construction-Hike/Bike Trails	1,000,000
	Construction-Park Area	490,000
	Construction-Tennis/Sport Court	410,000
	Remodeling	135,000
	<b>Total</b>	<b>\$ 56,057,910</b>

### **Enterprise Funds**

Enterprise funds are those in which operations are supported primarily by charges for services.

#### **Sanitary Sewers Operating and Construction Funds (#4002 and #4003)** **\$72,986,420    161.5 FTE**

The Division of Water and Air Quality's 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 United States Environmental Protection Agency (EPA). Since July 1, 1995, the Kentucky-American Water Company has billed and collected sewer user fees for the government.

Sanitary sewer user fees provide the funding for any non-bond funded sewer projects; the fees pay for the staff, maintenance, and operations of the two wastewater treatment plants and other facilities and services required to support the LFUCG 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 division's operations, staff, and equipment; and development of a work plan to eliminate those problems. EPA in the CD also requires LFUCG to assess sewer capacity and develop a capacity assurance program to ensure adequate capacity exists before new connections are made to the system.

## Budget Summary

### Sanitary Sewers Operating and Construction Funds Summary of Revenue and Appropriations

	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change	Percent Change
<b>Revenue</b>					
Services	\$26,002,410	\$26,202,000	\$36,345,000	\$ 10,143,000	38.7%
Property Sales	24,512	60,000	45,000	(15,000)	-25.0%
Investments	3,091,230	1,200,000	1,570,000	370,000	30.8%
Other Financing Sources	523,401	-	50,000,000	50,000,000	
Other Income	47,231	-	-	-	
Total Revenues	\$ 29,688,785	\$ 27,462,000	\$ 87,960,000	\$ 60,498,000	220.3%
July 1 Estimated Reserves	15,547,909	7,500,000	-	(7,500,000)	-100.0%
Total Available	\$ 45,236,694	\$ 34,962,000	\$ 87,960,000	\$ 52,998,000	151.6%
<b>Appropriations</b>					
Operating Expenditures					
Personnel	\$ 8,739,799	\$ 9,192,740	\$10,423,750	\$ 1,231,010	13.4%
Debt Service	1,992,913	5,504,060	9,438,480	3,934,420	71.5%
Insurance	1,170,000	1,097,200	1,442,900	345,700	31.5%
Operating	8,931,748	12,113,710	22,185,520	10,071,810	83.1%
Transfers To\From Other Funds	896,053	479,170	434,960	(44,210)	-9.2%
Total Operating	\$ 21,730,512	\$ 28,386,880	\$ 43,925,610	\$ 15,538,730	54.7%
Capital Expenditures					
CIP Capital	\$ 4,635,313	\$ 4,855,500	\$25,954,580	\$ 21,099,080	434.5%
Operating Capital	1,318,502	1,640,970	3,106,230	1,465,260	89.3%
Total Capital	\$ 5,953,815	\$ 6,496,470	\$ 29,060,810	\$ 22,564,340	347.3%
Total Operating and Capital	\$ 27,684,327	\$ 34,883,350	\$ 72,986,420	\$ 38,103,070	109.2%
June 30 Estimated Capital Improvement Reserves	17,552,367	78,650	14,973,580	14,894,930	18938.2%
Total Appropriations and Reserves	\$ 45,236,694	\$ 34,962,000	\$ 87,960,000	\$ 52,998,000	151.6%

The CD requires that work to fix the known problems begin immediately. EPA established deadlines during the next four years for requirements outlined in the CD. Failure to meet those deadlines could result in additional fines and in stipulated penalties. Fines included in the CD could have been much greater—as they have been in other communities - if LFUCG had not voluntarily agreed to undertake an assortment of projects which improve the quality of our local environment. These projects are described in the CD as Supplemental Environmental Projects (SEPs). To address known problems, a sewer user fee increase is needed to pay for required 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.

## **Budget Summary**

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. 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.

### **Landfill (#4121)** **\$8,410,500    4.0 FTE**

The Landfill Fund was established in 1995 to account for the revenues and expenses associated with the capping and closure of the landfills in Fayette County and the on-going costs of refuse disposal. State and federal regulations have mandated significant changes in the requirements for designing, constructing, operating, managing, maintaining, and closing landfills. The revised requirements have imposed extraordinary expenses on the government. A solid waste disposal fee was established to fund the increased cost of capping and closing the government's landfill and for the expense of a solid waste disposal contract. FY 2009 total Landfill Fund revenues are projected at approximately \$8.2 million.

## Budget Summary

### Landfill Fund Summary of Revenue and Appropriations

Category	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change	Percent Change
Revenue					
Services	\$ 7,870,293	\$ 7,846,000	\$ 7,955,000	\$ 109,000	1.4%
Investments	742,326	750,000	216,000	(534,000)	-71.2%
Other Income	-	9,000	9,000	-	
Total Revenue	\$ 8,612,618	\$ 8,605,000	\$ 8,180,000	\$ (425,000)	-4.9%
Fund Balance, July 1 (Reserve)	21,973,240	-	24,803,390	\$ 24,803,390	
Total Funds Available	\$ 30,585,859	\$ 8,605,000	\$ 32,983,390	\$ 24,378,390	283.3%
Appropriations					
Operating Expenditures					
Personnel	\$ 205,110	\$ 266,170	\$ 218,150	\$ (48,020)	-18.0%
Operating	5,702,688	5,944,320	5,705,450	(238,870)	-4.0%
Transfers To\ (From) Other Funds	4,007	3,740	2,003,740	2,000,000	53475.9%
Total Operating	\$ 5,911,806	\$ 6,214,230	\$ 7,927,340	\$ 1,713,110	27.6%
Capital Expenditures					
CIP Capital	\$ 4,529,967	\$ 512,410	\$ 483,160	\$ (29,250)	-5.7%
Operating Capital	-	-	-	-	
Total Capital	\$ 4,529,967	\$ 512,410	\$ 483,160	\$ (29,250)	-5.7%
Total Appropriations	\$ 10,441,773	\$ 6,726,640	\$ 8,410,500	\$ 1,683,860	25.0%
Fund Balance, June 30 (Reserve)	\$ 20,144,086	\$ 1,878,360	\$ 24,572,890	\$ 22,694,530	1208.2%

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 \$20.1 million at the end of FY 2007, and can only be used to pay the costs of landfill closure or extraordinary operating expenses that exceed available revenues.

# **Budget Summary**

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

**\$354,020    5.0 FTE**

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

Fees are projected to provide approximately \$352,000 in FY 2009 for the operation of the program.

### **Right of Way Fund Summary of Revenue and Appropriations**

<b>Category</b>	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Revenue</b>					
Licenses and Permits	\$ 413,705	\$ 408,000	\$ 352,000	\$ (56,000)	-13.7%
Investments	6,042	-	3,300	3,300	
Total Revenue	\$ 419,747	\$ 408,000	\$ 355,300	\$ (52,700)	-12.9%
Fund Balance, July 1	133,551	-	239,650	239,650	
Total Funds Available	\$ 553,297	\$ 408,000	\$ 594,950	\$ 186,950	45.8%
<b>Appropriations</b>					
<b>Operating Expenditures</b>					
Personnel	\$ 302,114	\$ 320,530	\$ 329,060	\$ 8,530	2.7%
Operating	6,082	30,000	24,960	(5,040)	-16.8%
Total Operating	\$ 308,196	\$ 350,530	\$ 354,020	\$ 3,490	1.0%
<b>Capital Expenditures</b>					
Operating Capital	\$ 58,508	\$ 11,000	\$ -	\$ (11,000)	-100.0%
Total Capital	\$ 58,508	\$ 11,000	\$ -	\$ (11,000)	-100.0%
Total Appropriations	\$ 366,704	\$ 361,530	\$ 354,020	\$ (7,510)	-2.1%
Fund Balance, June 30	\$ 186,593	\$ 46,470	\$ 240,930	\$ 194,460	418.5%

## Budget Summary

### Extended School Program (#4202)

**\$2,836,970    55.8 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.

### **Extended School Program Fund Summary of Revenue and Appropriations**

Category	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change	Percent Change
Revenue					
Services	\$ 2,220,509	\$ 2,414,130	\$ 2,700,000	\$ 285,870	11.8%
Investments	25,601	28,000	9,000	(19,000)	-67.9%
Total Revenue	\$ 2,246,110	\$ 2,442,130	\$ 2,709,000	\$ 266,870	10.9%
Fund Balance, July 1	576,978	352,010	535,530	183,520	52.1%
Total Funds Available	\$ 2,823,088	\$ 2,794,140	\$ 3,244,530	\$ 450,390	16.1%
Appropriations					
Operating Expenditures					
Personnel	\$ 1,500,160	\$ 2,046,410	\$ 2,056,260	\$ 9,850	0.5%
Operating	505,138	747,730	780,710	32,980	4.4%
Transfers To\ (From) Other Funds	3,920	-	-	-	
Total Operating	\$ 2,009,218	\$ 2,794,140	\$ 2,836,970	\$ 42,830	1.5%
Capital Expenditures					
Operating Capital	\$ -	\$ -	\$ -	\$ -	
Total Capital	\$ -	\$ -	\$ -	\$ -	
Total Appropriations	\$ 2,009,218	\$ 2,794,140	\$ 2,836,970	\$ 42,830	1.5%
Fund Balance, June 30	\$ 813,871	\$ -	\$ 407,560	\$ 407,560	

Fees are projected to provide approximately \$2,700,000 in FY 2009 for the operation of the program.

Participating schools include: Stonewall Elementary, Deep Springs Elementary, Dixie Elementary, Meadowthorpe Elementary, Julia R. Ewan Elementary, Yates Elementary, Athens Chilesburg Elementary, Jessie Clark Middle, Northern Elementary, Linlee Elementary, Veterans Park Elementary, Edythe J. Hayes Middle, Breckinridge Elementary, Crawford Middle, Booker T. Washington Elementary, and Maxwell Elementary.



## Budget Summary

**Enhanced 911 (#4204)**  
**\$2,994,450      5.0 FTE**

	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Revenue					
Services	\$ 2,383,332	\$ 2,307,000	\$ 3,400,000	\$ 1,093,000	47.4%
Investments	36,612	30,000	25,300	(4,700)	-15.7%
Other Financing Sources	1,047,050	655,010	-	(655,010)	-100.0%
Total Revenue	\$ 3,466,995	\$ 2,992,010	\$ 3,425,300	\$ 433,290	14.5%
Fund Balance, July 1	1,043,275	130,080	1,423,890	1,293,810	994.6%
Total Funds Available	\$ 4,510,270	\$ 3,122,090	\$ 4,849,190	\$ 1,727,100	55.3%
Appropriations					
Operating Expenditures					
Personnel	\$ 1,972,563	\$ 1,799,320	\$ 1,879,950	\$ 80,630	4.5%
Operating	1,313,206	1,091,760	968,200	(123,560)	-11.3%
Total Operating	\$ 3,285,769	\$ 2,891,080	\$ 2,848,150	\$ (42,930)	-1.5%
Capital Expenditures					
CIP Capital	\$ -	\$ -	\$ -	\$ -	
Operating Capital	722,865	101,000	146,300	45,300	44.9%
Total Capital	\$ 722,865	\$ 101,000	\$ 146,300	\$ 45,300	44.9%
Total Appropriations	\$ 4,008,634	\$ 2,992,080	\$ 2,994,450	\$ 2,370	0.1%
Fund Balance, June 30	\$ 501,636	\$ 130,010	\$ 1,854,740	\$ 1,724,730	1326.6%

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. The FY 2009 budget includes a proposed 79 cent increase in this rate to make to the fund self-sufficient.

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

This fund pays for 34 percent of the personnel costs for 911 emergency call takers and dispatchers (the balance of the personnel cost is paid by the General Services District Fund). Total fund resources are \$3,425,300, with \$3,400,000 projected to come from ***E-911*** fees and \$25,300 from interest income.

## Budget Summary

### LexVan (#4205) \$65,000

	FY 2007 Preliminary	FY 2008 Adopted	FY 2009 Proposed	Dollar Change	Percent Change
Revenue					
Services	\$ 26,609	\$ 27,500	\$ 65,000	\$ 37,500	136.4%
Investments	5,984	5,800	5,900	100	1.7%
Total Revenue	\$ 32,593	\$ 33,300	\$ 70,900	\$ 37,600	112.9%
Fund Balance, July 1	137,940	139,868	105,400	(34,468)	-24.6%
Total Funds Available	\$ 170,533	\$ 173,168	\$ 176,300	\$ 3,132	1.8%
Appropriations					
Operating Expenditures					
Operating	\$ 62,228	\$ 36,200	\$ 65,000	\$ 28,800	79.6%
Total Appropriations	\$ 62,228	\$ 36,200	\$ 65,000	\$ 28,800	79.6%
Fund Balance, June 30	\$ 108,305	\$ 136,968	\$ 111,300	\$ (25,668)	-18.7%

The LexVan Fund was established to account 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, fuel, and insurance is funded by the monthly fare paid by riders.

## **Budget Summary**

### **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)**

**\$1,997,920**

	<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Revenue					
Investments	\$ 3,739,826	\$ 1,800,000	\$ 2,065,000	\$ 265,000	14.7%
Other Financing Sources	76,766	76,600	80,800	4,200	5.5%
Pension Revenue	10,619	11,210	11,380	170	1.5%
Total Revenue	\$ 3,827,211	\$ 1,887,810	\$ 2,157,180	\$ 269,370	14.3%
Fund Balance, July 1	27,003,663	192,790	28,609,150	28,416,360	14739.5%
Total Funds Available	\$ 30,830,874	\$ 2,080,600	\$ 30,766,330	\$ 28,685,730	1378.7%
Appropriations					
Operating Expenditures					
Personnel	\$ 1,956,374	\$ 1,959,900	\$ 1,887,220	\$ (72,680)	-3.7%
Operating	72,559	120,700	110,700	(10,000)	-8.3%
Total Appropriations	\$ 2,028,933	\$ 2,080,600	\$ 1,997,920	\$ (82,680)	-4.0%
Fund Balance, June 30	\$ 28,801,941	\$ -	\$ 28,768,410	\$ 28,768,410	

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

The FY 2008 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$80,000). The government also pays certain other administrative costs.

## Budget Summary

### Policemen's and Firefighters' Retirement (#5003)

**\$44,034,320    1.0 FTE**

	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>		<b>Percent</b>
	<b>Preliminary</b>	<b>Adopted</b>	<b>Proposed</b>	<b>Dollar Change</b>	<b>Change</b>
Revenue					
Investments	\$ 49,249,433	\$ 25,500,000	\$ 32,000,000	\$ 6,500,000	25.5%
Investment Income	-	-	-	-	
Other Financing Sources	2,357,785	2,380,000	2,550,000	170,000	7.1%
Pension Revenue	20,764,209	23,021,800	24,530,000	1,508,200	6.6%
Other Income	164,795	50,000	50,000	-	
<b>Total Revenue</b>	<b>\$ 72,536,221</b>	<b>\$ 50,951,800</b>	<b>\$ 59,130,000</b>	<b>\$ 8,178,200</b>	<b>16.1%</b>
Fund Balance, July 1	371,048,194	-	425,026,570	425,026,570	
<b>Total Funds Available</b>	<b>\$ 443,584,415</b>	<b>\$ 50,951,800</b>	<b>\$ 484,156,570</b>	<b>\$ 433,204,770</b>	<b>850.2%</b>
Appropriations					
Operating Expenditures					
Personnel	\$ 31,211,188	\$ 33,286,520	\$ 34,931,320	\$ 1,644,800	4.9%
Operating	2,733,222	2,276,740	3,106,340	829,600	36.4%
Transfers To\ (From) Other Funds	-	-	5,996,660	5,996,660	
<b>Total Operating</b>	<b>\$ 33,944,409</b>	<b>\$ 35,563,260</b>	<b>\$ 44,034,320</b>	<b>\$ 8,471,060</b>	<b>23.8%</b>
Capital Expenditures					
CIP Capital	\$ -	\$ -	\$ -	\$ -	
Operating Capital	-	2,000	-	\$ (2,000)	-100.0%
<b>Total Capital</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>\$ (2,000)</b>	<b>-100.0%</b>
<b>Total Appropriations</b>	<b>\$ 33,944,409</b>	<b>\$ 35,565,260</b>	<b>\$ 44,034,320</b>	<b>\$ 8,469,060</b>	<b>23.8%</b>
Fund Balance, June 30	\$ 409,640,006	\$ 15,386,540	\$ 440,122,250	\$ 424,735,710	2760.4%

The Policemen's and Firefighters' 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 actuarially recommended government contribution rate for the fund is 18 percent of salary. Over the past five years this rate has been steadily increasing in order to relieve the unfunded liability of the pension system. In FY 2008 the rate increased from 25 to 26 percent of salary in July and from 26 to 27 percent of salary in January, while the employee contribution remained at 11 percent.

The FY 2009 proposed budget includes a recommendation to issue \$70 million in bonds to begin addressing the unfunded liability of the pension system. These bonds would be paid for by the General Fund. The government's contribution rate would be reduced to the recommended 18 percent and the difference between the current 27 percent and the actuarially approved 18 percent would be retained in the General Fund to offset the debt payment.

## **Budget Summary**

The FY 2009 proposed budget leaves the rate at 27 percent and records the difference as a transfer to the General Fund. If the recommendation is approved, this will be adjusted as a late item to reflect the 18 percent contribution rate with no transfer.

The FY 2009 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$2,550,000). The government also pays certain other administrative costs.

### **Public Library Corporation (#1181)** **\$289,560**

<b>FY 2007 Preliminary</b>	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>	<b>Percent Change</b>
Revenue					
Investments	\$ 81,867	\$ 20,400	\$ 27,000	\$ 6,600	32.4%
Other Income	291,140	291,190	288,560	(2,630)	-0.9%
Total Revenue	\$ 373,007	\$ 311,590	\$ 315,560	\$ 3,970	1.3%
Fund Balance, July 1	1,226,613	-	443,070	443,070	
Total Funds Available	\$ 1,599,620	\$ 311,590	\$ 758,630	\$ 447,040	143.5%
Appropriations					
Operating Expenditures					
Partner Agencies	\$ 604,363	\$ -	\$ -	\$ -	
Debt Service	288,435	291,190	288,560	\$ (2,630)	-0.9%
Operating	500,453	1,000	1,000	-	
Total Appropriations	\$ 1,393,251	\$ 292,190	\$ 289,560	\$ (2,630)	-0.9%
Fund Balance, June 30	\$ 206,369	\$ 19,400	\$ 469,070	\$ 449,670	2317.9%

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 2009 budget provides for payment on the bonds issued to finance the construction of a replacement of the Tates Creek Library branch.

# **Budget Summary**

## **Internal Service Funds**

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

### **Health, Dental, Vision (#6002)** **\$23,980,820**

	<b>FY 2008 Adopted</b>	<b>FY 2009 Proposed</b>	<b>Dollar Change</b>	<b>Percent Change</b>	<b>Percent Change</b>
Revenue					
Premiums	\$ 26,232,091	\$ 28,903,620	\$ 23,333,150	\$ (5,570,470)	-19.3%
Other Financing Sources	-	-	647,670	647,670	
Other Income	-	-	-	-	
Total Revenue	\$ 26,232,091	\$ 28,903,620	\$ 23,980,820	\$ (4,922,800)	-17.0%
Fund Balance, July 1	3,075	-	-	-	
Total Funds Available	\$ 26,235,166	\$ 28,903,620	\$ 23,980,820	\$ (4,922,800)	-17.0%
Appropriations					
Operating Expenditures					
Personnel	\$ 26,235,486	\$ 28,903,620	\$ 23,980,820	\$ (4,922,800)	
Total Appropriations	\$ 26,235,486	\$ 28,903,620	\$ 23,980,820	\$ (4,922,800)	-17.0%
Fund Balance, June 30	\$ (321)	\$ -	\$ -	\$ -	

The government offers health insurance options to LFUCG employees under self-insurance plans administered by various third parties. The FY 2009 budget of \$23.9 million is funded through premiums paid by the government for all full-time employees; premiums paid by employees with family coverage; and premiums paid by certain non-employee groups that are allowed to participate in this plan. This includes City Employees' Pension Fund retirees, Policemen's and Firefighters' Retirement Fund retirees, and employees of other affiliated agencies.

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

## Budget Summary

### Workers' Compensation/Liability (#6021) \$8,786,580

	<b>FY 2008</b>	<b>FY 2009</b>		<b>Percent</b>	<b>Percent</b>
	<b>Adopted</b>	<b>Proposed</b>	<b>Dollar Change</b>	<b>Change</b>	<b>Change</b>
Revenue					
Premiums	\$ 6,000,000	\$ 8,440,000	\$ 8,500,000	\$ 60,000	0.7%
Investments	383,326	-	286,580	286,580	
Other Income	11,663	-	-	-	
Total Revenue	\$ 6,394,989	\$ 8,440,000	\$ 8,786,580	\$ 346,580	4.1%
Fund Balance, July 1	1,707,373	-	-	-	
Total Funds Available	\$ 8,102,363	\$ 8,440,000	\$ 8,786,580	\$ 346,580	4.1%
Appropriations					
Operating Expenditures					
Operating	8,770,318	8,440,000	8,786,580	346,580	4.1%
Total Appropriations	\$ 8,770,318	\$ 8,440,000	\$ 8,786,580	\$ 346,580	4.1%
Fund Balance, June 30	\$ (667,955)	\$ -	\$ -	\$ -	

The government's Division of Risk Management administers the workers' compensation, property and casualty, and general liability insurance programs. The government reduces financial risks by purchasing reinsurance when feasible. Administration of these programs is combined with a risk management program designed to identify potential exposures to loss and reduce or eliminate risk and losses. The FY 2009 budget of \$8.7 million is funded through premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund.

The administrative costs and positions formerly budgeted in this fund were moved to the General Fund starting in FY 2007. The costs continue to be shared among the participating funds.