



**Mayor Jim Newberry**

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**

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## Mayor's Proposed Budget - Fact Sheet

### **TIGHT BUDGET**

- Mayor's Proposed 08-09 General Fund budget is a \$274 million spending plan, down from \$281 million in 07-08.
- At least \$35 million shortfall if we operate in FY 09 at the same level as FY 08.
  - 13.5 million structural imbalance -- One-time money, carried over from FY 07 to FY 08, is not available in FY 09.
  - Flat revenue projection -- project growth of only .3 percent.
  - Increased fuel and utility costs.

### **OBLIGATIONS**

- \$3.4 million for storm sewer projects and programs as required this year by U.S. Environmental Protection Agency consent decree. (*Pillar: Protecting the Environment*)
- \$6.5 million increased personnel costs to meet collective bargaining agreements in police, fire and corrections.
- \$2 million to \$6 million employee retirement payouts.
- \$70 million bond to address unfunded liability in Police and Fire Pension (annual cost \$5.4 million).

### **BELT-TIGHTENING**

- Reduce workforce by 180 employees through attrition and retirement by end of calendar year 2008. Overall savings \$11.1 million in FY 2010.
- 10% reduction in FY08 operating expenses, subject to adjustments in selected divisions, a savings of \$1.5 million.
- 10% reduction in overtime and seasonal employee expenses, other than fire, corrections and parks, a savings of \$330,000.

- 10% reduction for most partner agencies, other than the Social Service partner agencies, a savings of approximately \$426,000.
- A reduction of \$432,000 by transferring the Day Treatment Center operations to the Fayette County Public Schools. In all other Kentucky counties, similar programs are operated by the school system. (*Management Audit*)

### **NEW REVENUE**

- Institute a \$100 minimum business license fee, per application. Businesses that owe \$100 or more in local taxes will receive a \$100 credit on local taxes. \$2.7 million.
- Increase EMS fees to bring Lexington's rates in line with those charged in surrounding counties. Generally, this will not affect senior citizens who have Medicare. \$1.2 million. (*Pillar: Effective Government / Management Audit*)
- Increase E-911 fees by 79 cents per telephone line per month to bring fees in line with those charged in surrounding communities and to make the program self-supporting. \$1 million. (*Pillar: Effective Government / Management Audit*)
- Increase most parks and recreation fees to make programs self-supporting. \$814,000. (*Pillar: Effective Government / Management Audit*)

### **INITIATIVES**

- \$500,000 Lexington First Scholarship. Estimated private investment \$250,000. (*Pillar: Promoting Economic Development*)
- 2 percent salary increase for eligible city workers who are not covered by collective bargaining agreements, effective Jan. 1, 2009.
- \$250,000 parks parity.
- \$2.4 million – a 23 % increase -- for Purchase of Development Rights farmland preservation program to maximize federal matching funds. (*Pillar: Promoting Economic Development / Protecting the Environment*)
- \$100,000 improved security Government Center.
- \$50,000 matching funds for neighborhood environmental projects. (*Pillar: Protecting the Environment*)
- New animal control officers (6) and staff (3); three vehicles, \$300,000.
- Living wage, \$44,000 (affects 24 employees).
- Funds to complete Destination 2040 visioning process, \$40,000. (*Pillar: Developing Community Vision*)
- Campaign for the Arts, \$350,000; matching grant, \$100,000. (*Pillar: Promoting Economic Development*)

### **CAPITAL INITIATIVES**

- \$6 million Lyric Theater renovation.
- \$20.9 million Emergency Operations Center construction. (*Pillar: Effective Government*)
- \$9.9 million upgrade emergency radio system so police and fire can communicate during emergencies. (*Pillar: Enhanced Communications*)
- \$1 million - trails.
- \$3.5 million - fire and police vehicles and equipment.

