

2007-2008

Lexington-Fayette Urban County Government

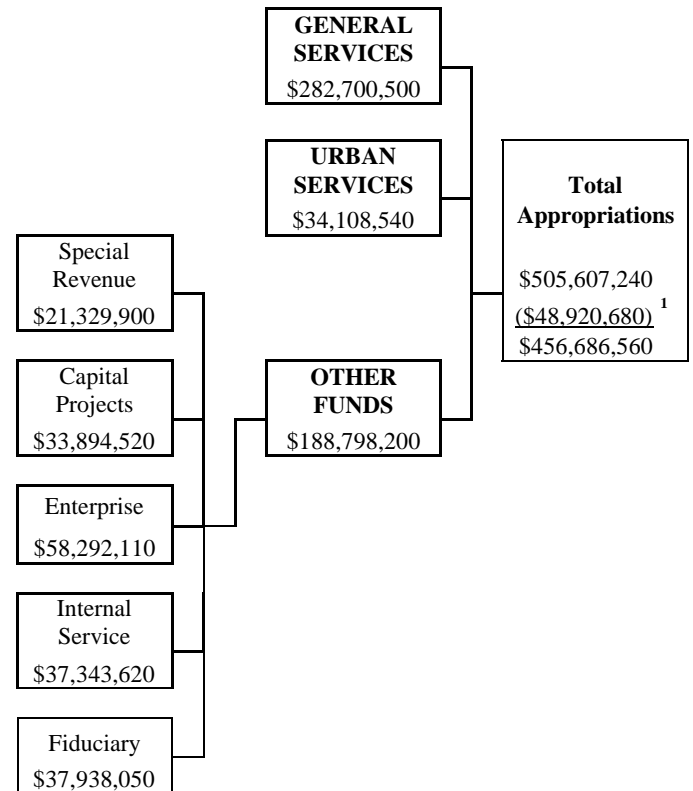
Budget In Brief



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Organization of the Total Budget by Fund



¹ Interfund transfers.

Introduction to the Budget

As shown on the prior page, the total budget for all funds combined, net of interfund transfers, is \$458,760,490. This is \$60,644,540 more than the FY 2007 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.² This fund is financed primarily by employee withholdings/net profits license fees and property taxes.
- 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, and Public Safety* funds.

² Due to Medicaid reporting requirements, the *Family Care Center Health Services Fund* (1102) is accounted for separately. However, it is essentially a part of the General Services Fund and is included in the General Services Fund totals reported in this document.

- **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*.

FY 2008 Budget Highlights

The Lexington-Fayette Urban County Council voted to adopt the Mayor's Proposed Budget for fiscal year 2007-2008, as amended, on June 12, 2007. The approved expenditure budget for the General Services Fund is \$282,700,500, which includes late item changes made by the Council on June 12, 2007. The total budget for all funds combined, net of interfund transfers, is \$458,760,490.

A two day budget retreat and budget call meetings were held on January 11 – 12, 2007. The Mayor asked Commissioners and Directors to submit a continuation of basic services budget with careful consideration of any new or expanded positions and programs.

Changes to the Mayor's Proposed Budget

After the Mayor's Proposed Budget is presented, the Council is required to hold a public hearing on the contents of the proposed budget. The Council may amend the proposed annual operating budget submitted by the Mayor, except that the budget, as amended and adopted, shall provide for all expenditures required by law or by other provisions of the Charter, and for all debt service requirements for the next fiscal year. The following changes to the Mayor's Proposed Budget were made or accepted by the Council for the General Fund on June 12, 2007:

Late Item Changes

Changes to Available Funds:

Traffic Engineering – fees per agreement with the state	300,000
Risk Management – Adjust for reclassifications	340
Family Services – Medicaid revenues	<u>9,790</u>

Increase to Resources 310,130

Changes to Expenditures:

Various grants – Changes in the amount of personnel recovery and/or match	14,070
Various divisions – Adjust the salaries of nine employees pursuant to the pay equity ordinance	31,330
Government Communications (LexCall) – Position reclassification approved by Council	1,860
Revenue – Position reclassifications	7,380
Engineering – Maxwell Street Bike/Ped. grant match	28,000
Traffic Engineering – Agreement with state for electrical control devices on the state primary road system	300,000
DEEM and Fire – Reallocate DEEM Program Manager and new Community Service Program Manager position in Fire	19,460
Community Corrections – Position reclassification	4,670
Community Corrections, Police, and Fire – Standby pay for computer operators	63,510
Police – S.A.N.E. grant match	26,340
Adult Services – Add part-time salaries inadvertently omitted from request	5,390
Family Services – Position reclassification	9,790
General Services – Reallocate Security Officer positions	112,150
Fleet Services – Position reclassifications	6,600
Parks and Recreation – Position reclassification	<u>22,070</u>

Increase to Expenditures 652,620

Net Decrease to Budgeted Fund Balance 342,490

Budget In Brief

Council Changes

Changes to Available Funds:

Adjust July 1 Estimated Fund Balance 800,000

Increase to Resources 800,000

Changes to Expenditures:

Coroner's Office – Operating 15,380

County Attorney – Two additional attorneys 150,000

Veteran's Parade 6,500

Fifth floor conference room equipment 4,200

Citizens' Advocate Office – funding for hosting the 2008 Ombudsmen National Conference 3,500

Mayor's Office – Lobbying -25,000

Economic Development – Business loan program -25,000

Reduce funding for studies – Visioning, Performance Metric, and Government Center -350,000

Neighborhood Match Grant Program 25,000

Senior Advisor – For facilities consultation -25,000

LexCall – Reduction in upgrades to GTV3, expand Lexcall (extended hours), and content management software for website -18,940

Historic Preservation – Fund design review guidelines 25,000

Human Resources – Remove funding for three new positions -195,800

Human Resources – YMCA membership supplement for employees 70,000

Human Resources – Written test and advertisement for Community Corrections hiring 3,000

Human Resources – Computerized testing for Police hiring 2,200

Human Resources – Employee assistance program 29,000

Lexington-Fayette Urban County Government

Budget In Brief

Human Resources – Employee wellness and health fair 25,600

Human Resources – Employee immunizations 36,400

Law – Electronic imaging 60,000

Engineering – Rain gauge network w/ USGS 25,000

Engineering – Greenways, including mowing, planting, etc. 40,000

Streets, Roads and Forestry – Downtown street trees 8,500

Traffic Engineering – Enhanced street signs 46,000

Environmental Quality – Increase in ICLEI Membership dues 2,500

DEEM – Mercury analyzer 20,000

Police – Increase initial uniform allowance from \$3,200 to \$5,000 per officer 90,000

Police – Replace holsters for 270 officers 51,000

Police – 50 tasers for the new officers being hired 50,000

Community Reinvestment Alliance of Lexington -40,000

Hope Center – Increase to request 18,770

Salvation Army 10,000

Moveable Feast 30,000

YMCA – New Hamburg facility 100,000

Kentucky Humanities 25,000

Lexington Center – BELCAN parking funding 50,000

Human Rights Commission 68,500

Increase to Expenditures 411,310

Net Increase to General Fund Budgeted Fund

Balance 388,690

Total Council and Late Item Changes **\$46,200**

Lexington-Fayette Urban County Government

Budget In Brief**Summary of General Services District Changes**

	Mayor's Proposed	Adopted	Difference
Funds Available	\$281,821,650	\$282,931,780	\$1,110,130
Expenditures	281,636,570	282,700,500	1,063,930
Budgeted Fund Balance	\$185,080	\$231,280	\$46,200

Changes to Other Funds

Various late item changes were made to other funds during Council Committee of the Whole meeting on June 7, 2007. The impact to fund balance by fund is as follows:

Decreases:

Urban Services Fund (\$198,300)

Increases:

County Road Aid Fund 0
Sanitary Sewer Fund 43,810
Capital Projects Funds 3,425,000

Budget In Brief

FY 2008**General Services District Fund****General Services District Fund**

The Charter creating the merged Lexington-Fayette Urban County Government (LFUCG) divided the county into geographical taxing districts—the General Services District and the Urban Services Districts. The **General Services District** covers the entire county and includes most of the basic services provided to residents (police, fire, parks, housing, etc.). FY 2008 appropriations in the General Services District Fund are \$282.7 million.

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.

Budget In Brief

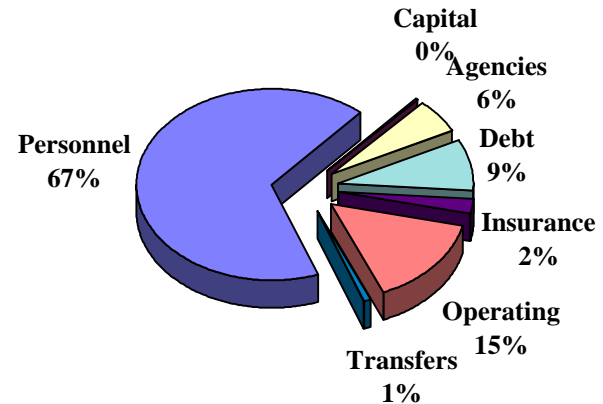
General Services District Fund Summary of Revenue and Appropriations

Category	FY 2007	FY 2008	Change
Revenue			
Ad Valorem Taxes	\$17,918,540	\$18,795,000	\$876,460
Licenses and Permits	209,129,970	224,319,970	15,190,000
Services	17,625,270	18,908,000	1,282,730
Fines and Forfeitures	70,000	382,000	312,000
Intergovernmental	2,592,560	2,624,790	32,230
Property Sales	1,100,000	420,000	(680,000)
Investments	920,000	2,023,000	1,103,000
Other Sources	786,140	727,330	(58,810)
Other Income	1,754,200	1,143,200	(611,000)
Total Revenue	\$251,896,680	\$269,343,290	\$17,446,610
Fund Balance, July 1	7,000,000	13,588,490	6,588,490
Total Funds Available	\$258,896,680	\$282,931,780	\$24,035,100
Appropriations			
Operating Expenditures			
Personnel	\$173,536,290	\$189,335,210	\$15,798,920
Partner Agencies	15,186,440	16,487,650	1,301,210
Debt Service	25,392,740	24,815,980	(576,760)
Insurance	3,750,000	6,330,000	2,580,000
Operating	35,547,770	42,608,010	7,060,240
Transfers	3,908,670	2,499,250	(1,409,420)
Total Operating	\$257,321,910	\$282,076,100	\$24,754,190
Capital Expenditures			
CIP Capital	\$1,201,550	\$430,570	\$(770,980)
Operating Capital	250,880	193,830	(57,050)
Total Capital	\$1,452,430	\$624,400	\$(828,030)
Total Appropriations	\$258,774,340	\$282,700,500	\$23,926,160
Fund Balance, June 30	\$122,340	\$231,280	\$108,940

Lexington-Fayette Urban County Government

Budget In Brief

Expenditures by Category \$282,700,500



Expenditures by Category FY 2007 vs. FY 2008 (\$000 omitted)

Category	FY 2007	FY 2008	\$ Change	% Change
Personnel	\$173,536	\$189,335	\$15,799	9.1%
Agencies	15,186	16,488	1,301	8.6%
Debt Service	25,393	24,816	(577)	-2.3%
Operating	35,548	42,608	7,060	19.9%
Transfers	3,909	2,499	(1,409)	-36.1%
Insurance	3,750	6,330	2,580	68.8%
Capital	1,452	625	(827)	-57.0%
Total	\$258,774	\$282,701	\$23,927	9.2%

Lexington-Fayette Urban County Government

Expenditures by Category

Personnel (\$189,335,210) accounts for 67 percent of the total General Services 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 3.9 percent in July for most non-sworn personnel.
- Continuation of the ten-step pay system for sworn personnel in Police and Fire, including a five percent change in the scale, as well as other items negotiated by the bargaining groups.
- A 2.98 percent increase in the non-hazardous CERS pension rate.
- A 1.0 percent increase in the Police and Fire pension rate beginning in July and another 1.0 percent increase in January 2008.
- The creation of additional positions:
 - a. Internal Audit – Two Internal Auditors and one Deputy Director.
 - b. Police – Fifty additional Police Officers (25 to begin in June and 25 to begin in May).
 - c. Fire – One Fire Captain, two Fire Lieutenants, and nine Firefighters.
 - d. CIO – One Senior Advisor/CIO and other positions to be determined based on available funds.

Partner Agencies (\$16,487,650) 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 21-22 for a complete list of agencies.) The total amount of funding to agencies is increased by \$1,301,210.

Debt Service (\$24,815,980) is for payment on long-term and short-term debt incurred to finance public projects³.

Insurance (\$6,330,000) 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 increased by \$2,580,000 from FY 2007. The large increase brings current year funding in line with actuarial requirements.

Operating (\$42,608,010) 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 increase of \$7,060,240 reflects increases in professional services, utilities, training, equipment, repair and maintenance costs, vehicle fuel and repairs, and grant match.

Transfers To/From Other Funds (\$2,499,250) represent the transfer of resources from one fund to another. FY 2008 transfers are \$1,409,420 less than FY 2007, largely due to a change in accounting for the overhead recovery budget for Fleet Services (formerly a reduction of operating costs). (See table on opposite page.)

Capital (\$624,400) 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.

³ In addition to the Contract Debt program budget, the PDR program includes \$935,330 for debt payments for debt issued to purchase development rights. The payments are for a \$7.5 million bond issue (2001), a \$3 million bond issue (2005), and a \$2 million bond issue (2006).

Budget In Brief

Transfers To or From Other Funds

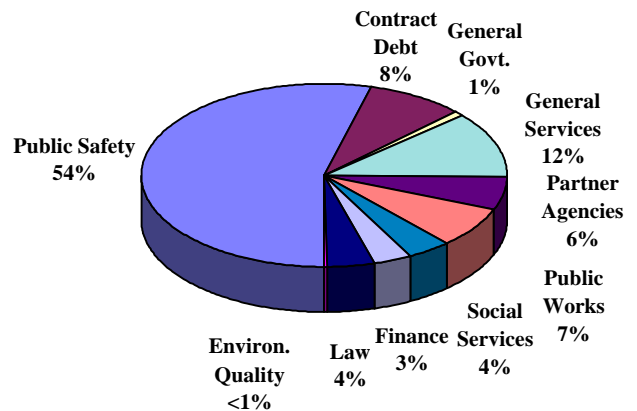
Transfer	FY 2007	FY 2008	Difference
CEP – Administrative	\$700	\$700	\$0
CEP - Retirees' Insurance	79,830	76,600	(3,230)
Golf Course Improvements	101,600	101,600	-
Indirect Cost	(166,830)	(175,170)	(8,340)
LexCall Recovery	(40,680)	(20,220)	20,460
Park Impact Fees	590,000	566,000	(24,000)
Public Safety Fund Transfer	(490,000)	(290,000)	200,000
P & F Pension – Administrative	197,420	68,510	(128,910)
P & F Pension - Retirees' Insurance	2,449,600	2,380,000	(69,600)
Fleet Services Recoveries	-	(1,041,830)	(1,041,830)
Snow Removal Costs – Sewers	10,000	10,350	350
Streets, Roads, and Forestry Salaries	(880,000)	(880,000)	-
ERP - Stars	666,080	500,300	(165,780)
Enhanced 911	843,350	655,010	(188,340)
Economic Contingency	600,000	600,000	-
Computer Services	(52,400)	(52,600)	(200)
Total Transfers	\$3,908,670	\$2,499,250	(\$1,409,420)

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.

Budget In Brief

Expenditures by Department \$282,700,500



Expenditures by Department or Service Area (\$000 omitted)

Department	FY 2007	FY 2008	Difference
Public Safety	\$139,045	\$153,485	\$14,440
General Services	29,003	32,666	3,663
Contract Debt	24,607	23,881	(726)
Public Works	18,417	20,465	2,048
Partner Agencies	15,186	16,488	1,302
Law	8,846	11,650	2,804
Social Services	12,285	11,387	(898)
Finance	8,114	8,905	791
General Government	2,768	2,713	(55)
Environmental Quality	503	1,061	558
Total	\$258,774	\$282,701	\$23,927

Budget In Brief

Public Safety

\$153,484,850
1,853.3 FTE

The largest department in the General Services Fund is Public Safety, accounting for 54 percent of the FY 2008 budget. Code Enforcement, Community Corrections, Enhanced 911, Environmental and Emergency Management (DEEM), Fire and Emergency Services, and Police are included in this department.

Division	FY 2007	FY 2008	Change
Public Safety Admin.	\$3,853,160	\$3,867,220	\$14,060
DEEM	661,110	753,220	92,110
Comm. Corrections	29,697,350	30,626,670	929,320
Police	52,764,800	57,419,880	4,655,080
Enhanced 911	874,550	4,461,150	3,586,600
Fire/Emergency	49,525,340	54,579,620	5,054,280
Code Enforcement	1,668,800	1,777,090	108,290
Department Total	\$139,045,110	\$153,484,850	\$14,439,740

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.
- ✓ A 3.9 percent pay increase for most civil service employees.
- ✓ Increased health and vision insurance costs.
- ✓ An increase in LFUCG's pension contribution rate for sworn positions in the Divisions of Police and Fire (from 25 percent to 26 percent in July 2007 and from 26 to 27 percent in January 2008).
- ✓ Addition of fifty Police Officer positions (25 in July 2007 and 25 in May 2008).

Budget In Brief

- ✓ Addition of twelve Fire positions (one Fire Captain, two Fire Lieutenants, and nine Firefighters).

The increase in the Enhanced 911 Division reflects the transfer of Police and Fire communications employees to Enhanced 911.

General Services

\$32,666,090
380.1 FTE

This is the second largest department comprising 12 percent of the FY 2008 General Fund budget. The FY 2008 budget represents a \$3.6 million increase over FY 2007.

Division	FY 2007	FY 2008	Change
Parks and Recreation	\$18,427,050	\$21,122,320	\$2,695,270
Building Maint./Const.	4,594,230	5,414,730	820,500
Commissioner's Office	2,861,770	3,470,020	608,250
Fleet Services	3,119,570	2,659,020	(460,550)
Department Total	\$29,002,620	\$32,666,090	\$3,663,470

Over \$21 million is budgeted for *Parks and Recreation*, which is responsible for over 4,200 acres of public parks, playgrounds, swimming pools, and public golf courses. The FY 2008 budget includes additional funds for maintenance (\$500,000), beautification (\$50,000), and increased operating costs (\$400,800).

Building Maintenance includes additional funding for maintenance (\$500,000), The Black and Williams Center (\$12,500), and the Charles Young Center (\$20,000).

Fleet Services includes funds for vehicle repair and maintenance.

Budget In Brief

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 2008 budget includes additional funding for professional services contracts.

Partner Agencies

\$16,487,650

Partner agencies account for approximately six percent of all General Services District expenditures. Funding for partner agencies has increased by \$1,301,210. This is the result of increases to various agencies, including the Library, Commerce Lexington, and The Hope Center for Men.

New funding is provided for the Urban League, Moveable Feast, YMCA, Kentucky Humanities, Lexington Heritage Classic, and the Mary Todd Lincoln House.

The *Lexington Public Library* receives 74 percent of the total partner agency funding (\$12.3 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 property value certifications.

Partner Agencies

Organization	FY 2007	FY 2008	Difference
Commerce Lexington	\$90,490	\$661,500	\$571,010
Downtown Arts Center	128,250	128,250	-
Downtown Lexington Corporation	50,000	60,000	10,000
Kentucky World Trade Center	105,000	115,000	10,000
Reach, Inc.	4,000	4,000	-
Community Reinvestment Alliance	40,000	-	(40,000)
Urban League	-	100,000	100,000
Chrysalis House	40,000	40,000	-
Road to Homeownership, Inc.	-	37,500	37,500
Baby Health Service	16,000	16,000	-
Bluegrass Area Dev District	71,810	98,000	26,190
Bluegrass Community Action	20,000	20,000	-
Bluegrass Domestic Violence	66,530	70,000	3,470
Bluegrass Technology Center	2,370	2,370	-

Lexington-Fayette Urban County Government

Budget In Brief

Partner Agencies (Continued)

Organization	FY 2007	FY 2008	Difference
Cntr for Women Children & Fam.	35,100	35,100	-
Community Action Council	163,260	170,000	6,740
Comprehensive Care Center	234,750	234,750	-
Environmental Commission	2,680	2,680	-
Hope Center for Men	493,770	718,770	225,000
Manchester Center	14,250	-	(14,250)
Metro Group Homes	152,000	152,000	-
Nursing Home Ombudsman Prog.	45,000	45,000	-
Operation Read	27,550	27,550	-
Rape Crisis Center	67,500	70,000	2,500
Salvation Army	140,820	160,000	19,180
YWCA - Phillis Wheatley Center	10,000	-	(10,000)
Family Counseling Service	32,500	32,500	-
EMMAUS	55,000	55,000	-
Moveable Feast Lexington, Inc.	-	40,000	40,000
YMCA of Central Kentucky	-	100,000	100,000
Kentucky Humanities	-	25,000	25,000
Fayette County Legal Aid	108,540	108,540	-
Human Rights Commission	125,210	193,710	68,500
Lexington Center Corporation	675,000	50,000	(625,000)
Airport Board	50,000	50,000	-
Lexington Public Library	11,648,180	12,267,790	619,610
Explorium of Lexington	237,500	237,500	-
Carnegie Literacy Center	53,500	53,500	-
Downtown Development Authority	179,880	285,640	105,760
Lexington Heritage Classic, Inc.	-	10,000	10,000
Mary Todd Lincoln House	-	10,000	10,000
Total Agencies	\$15,186,440	\$16,487,650	\$1,301,210

General Government

\$2,713,230

174.7 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).

Lexington-Fayette Urban County Government

Budget In Brief

Department\Division	FY 2007	FY 2008	Change
Council Office	\$2,019,650	\$2,303,670	\$284,020
Citizens' Advocate	172,000	178,500	6,500
Council Clerk's Office	695,850	729,440	33,590
Internal Audit Office	383,750	667,790	284,040
Mayor's Office	1,670,340	2,242,550	572,210
Special Projects	837,010	1,154,140	317,130
Senior Advisor	340,630	403,380	62,750
Policy and Budget	541,940	523,640	(18,300)
Contingency\Indirect	(13,916,740)	(16,604,690)	(2,687,950)
Constitutional\Judicial	2,606,500	3,434,560	828,060
CAO	871,390	0	(871,390)
CIO	6,545,520	7,680,250	1,134,730
Total	\$2,767,840	\$2,713,230	(\$54,610)

The *Council Office* budget for Council Neighborhood Development Funds (NDF) is \$150,000, which is the same as for FY 2007.

The *Mayor's Office* budget includes \$350,000 for three studies: Visioning, Performance Metric, and a Government Center study.

The *Special Projects* budgets are detailed on the next page. Funding for the arts is increased by \$150,000 for FY 2008. Additional funding has been added for the 4th of July festivities. Uniformed Services includes \$6,500 for the Veterans Day parade. The Kentucky League of Cities received funding in FY 2007 to support the Kentucky League of Cities convention.

The *CAO's Office* has been replaced by the *Senior Advisor's Office* as part of reorganization. This office includes the Office of Economic Development.

Contingency and Indirect Cost budgets include a more accurate estimation of personnel credit savings from vacant positions.

Budget In Brief

Special Projects

Program	FY 2007	FY 2008	Difference
Arts Program	\$350,000	\$500,000	\$150,000
Bluegrass State Games	22,500	22,500	-
Corridor Program	51,500	110,000	58,500
Elder Craftsman Program	18,020	-	(18,020)
Lexington Area Sports Auth.	15,000	15,000	-
Martin Luther King Celebration	10,000	10,000	-
Neighborhood Match	25,000	60,000	35,000
Lex. Comm. On Race Relations	15,230	15,230	-
Roots & Heritage Festival	43,720	43,720	-
Shakespeare in the Park	12,500	-	(12,500)
Sister Cities	44,000	44,000	-
Special Projects - Other	20,000	150,000	130,000
Kentucky League of Cities	40,000	-	(40,000)
Special Events Administration	9,540	9,690	150
Uniformed Services Events	35,000	9,000	(26,000)
Community Tree Lighting	3,500	3,500	-
Kentucky Christmas Chorus	43,500	43,500	-
Downtown Improvements	50,000	65,000	15,000
Sweet 16 Hospitality	18,000	18,000	-
Diversity Festival	10,000	10,000	-
4th of July	-	25,000	25,000
Total	\$837,010	\$1,154,140	\$317,130

Budget In Brief**Finance****\$8,905,480**
114.5 FTE

The **Finance Department** includes the Revenue, Accounting, Purchasing, Human Resources, and Community Development budgets.

Division	FY 2007	FY 2008	Change
Commissioner's Office	\$579,300	\$711,000	\$131,700
Accounting	711,260	794,020	82,760
Revenue	2,456,390	2,619,050	162,660
Purchasing	463,560	508,650	45,090
Community Development	979,290	917,330	(61,960)
Human Resources	2,924,630	3,355,430	430,800
Department Total	\$8,114,430	\$8,905,480	\$791,050

Law**\$11,649,820**
38.7 FTE

The **Law Department** includes Corporate Counsel, Litigation, and the Division of Risk Management.

Division	FY 2007	FY 2008	Change
Risk Management	\$6,539,899	\$9,245,560	\$2,705,661
Law	1,943,328	2,404,260	460,932
Department Total	\$8,483,227	\$11,649,820	\$3,166,593

Law includes funding for document scanning (\$60,000).

Risk Management includes an increase in the budget for claims (\$2,580,000).

Budget In Brief**Public Works****\$20,464,560**
246.0 FTE

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

Division	FY 2007	FY 2008	Change
Traffic Engineering	\$3,802,080	\$4,510,610	\$708,530
Streets, Roads, and Forestry	3,941,540	4,259,470	317,930
Engineering	3,618,590	3,871,380	252,790
Building Inspection	2,758,770	2,930,380	171,610
Planning	2,214,740	2,788,140	573,400
Purchase of Dev. Rights	1,084,940	1,237,880	152,940
Historic Preservation	386,020	463,070	77,050
Commissioner	610,590	403,630	(206,960)
Department Total	\$18,417,270	\$20,464,560	\$2,047,290

Engineering's budget includes funding for continuation of their current programs.

Funding in the division of **Traffic Engineering** includes:

- \$80,000 for Fiber Optic Cabling grant match
- \$98,000 additional grant match for traffic signal upgrades and other improvements.

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 In Brief

Environmental Quality

\$1,061,260
23.0 FTE

The Department of Environmental Quality is new for FY 2008. In addition to the divisions in the table below, this department includes the Division of Waste Management (formerly Solid Waste, see page 38).

Division	FY 2007	FY 2008	Change
Environmental Quality Admin.	\$15,330	\$93,280	\$77,950
Compliance	-	340,720	340,720
Water and Air Quality	487,660	627,260	139,600
Department Total	\$502,990	\$1,061,260	\$558,270

The new Compliance Office includes the transfer of programs and some employees from other divisions:

- Administration – from Public Works Administration
- Environmental Compliance – from Risk Management.
- Environmental Inspector – from DEEM.
- Environmental Planning – from Planning.

The Division of Water and Air Quality (formerly Sanitary Sewers) includes the transfer of Storm Water Management from the Division of Engineering and the Air Quality program from the Division of Planning.

Budget In Brief

Social Services

\$11,386,910
193.9 FTE

The Department of Social Services consists of the Divisions of Adult Services, Family Services, and Youth Services. The Mayor's Training Center has been abolished as of FY 2008.

Program	FY 2007	FY 2008	Change
Family Services	\$5,393,560	\$5,533,850	\$140,290
Youth Services	3,013,820	3,194,790	180,970
Adult and Tenant Services	1,307,610	1,338,660	31,050
Commissioner	1,304,730	1,319,610	14,880
Training Center	1,265,020	-	(1,265,020)
Department Total	\$12,284,740	\$11,386,910	(\$897,830)

- **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. As a result of the Kentucky Children's Health Insurance Plan (K-CHIP), greater numbers of children are being seen at the clinic. Reimbursement of over \$2 million is expected from the state Medicaid program to offset the cost of providing health and dental care services during FY 2008. The FY 2008 budget includes funding for Dental equipment (\$45,000).
- **Youth Services** provides social and counseling services for children and their families.
- **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.
- In addition to departmental administrative support, the **Commissioner's Office** includes domestic violence prevention, the Summer Teen Employment Program, the

Budget In Brief

Eldercrafters Program, and immigrant and aging services.

- Federal grant funds continue to be available to provide staffing for the following social services programs:
 - Lexington Senior Citizens Center, a centralized facility providing social services to the elderly.
 - Day Treatment Center, a community-based treatment program for teenage youths.

Budget In Brief

General Services District Fund Expenditures by Department⁴

Departments/Divisions	FY 2008	FTE
Council Office	\$2,303,670	35.0
Citizens' Advocate	178,500	2.0
Council Clerk	729,440	7.5
Office of the Mayor	2,242,550	21.8
Mayor's Office	2,053,750	20.8
Youth Programs	188,800	1.0
Special Programs	1,154,140	0.0
Office of the Senior Advisor	403,380	3.0
Office of Policy and Budget	523,640	6.0
Budgeting	523,640	6.0
Office of Internal Audit	667,790	7.0
Office of the CIO	7,680,250	71.4
Office of the CIO	1,300,300	1.0
Government Communications	1,863,950	30.4
Computer Services	4,516,000	40.0
Office of the CAO	0	1.0
Contract Debt	23,880,650	0.0
Non-Departmental	(16,604,690)	0.0
Constitutional & Judicial Officers	3,434,560	20.0
Circuit Judges	247,130	4.0
County Clerk	421,400	0.0
Board of Elections	899,950	2.0
Commonwealth Attorney	68,960	0.0
County Judge Executive	18,090	4.0
County Attorney	728,760	0.0
Coroner	700,270	10.0
Property Valuation Admin.	350,000	0.0
Finance and Administration	8,905,480	114.5
Finance Administration	711,000	5.0
Accounting	794,020	11.0
Revenue	2,619,050	37.0
Purchasing	508,650	8.0
Community Development	917,330	17.0
Human Resources	3,355,430	36.5

⁴ See pages 18-29 for comparisons to prior year.

Budget In Brief

General Services District Fund Expenditures by Department

Departments/Divisions	FY 2008	FTE
Public Works and Development	20,464,560	246.0
Public Works Administration	403,630	3.0
Engineering	3,871,380	40.0
Streets, Roads, and Forestry	4,259,470	75.0
Traffic Engineering	4,510,610	41.0
Historic Preservation	463,070	6.0
Planning	2,788,140	34.0
Purchase of Development Rights	1,237,880	2.0
Building Inspection	2,930,380	45.0
Environmental Quality	1,061,260	23.0
Environmental Quality Admin.	93,280	3.0
Office of Compliance	340,720	4.0
Water and Air Quality	627,260	16.0
Law	11,649,820	38.7
Law	2,404,260	22.7
Risk Management	9,245,560	16.0
Public Safety	153,484,850	1,853.3
Public Safety Admin./Pension	3,867,220	3.0
Environmental and Emergency Mgt.	753,220	9.5
Community Corrections	30,626,670	404.3
Police	57,419,880	750.5
Enhanced 911 (E-911)	4,461,150	79.0
Fire	54,579,620	582.0
Code Enforcement	1,777,090	25.0
Social Services	11,386,910	193.9
Social Services Administration	1,319,610	19.5
Adult and Tenant Services	1,338,660	19.0
Family Services	3,368,570	82.2
Health Care Services	2,165,280	17.7
Youth Services	3,194,790	55.5
General Services	32,666,090	380.1
Commissioner's Office	3,470,020	34.0
Fleet Services	2,659,020	52.5
Building Maintenance	5,414,730	61.5
Parks and Recreation	21,122,320	232.1
Partner Agencies	16,487,650	-
Library	12,267,790	-
Other Agencies	4,219,860	-
Total General Services District	\$282,700,500	3,024.2

Lexington-Fayette Urban County Government

Budget In Brief

General Services District Revenue

General Services Fund revenues are estimated at \$269,343,290 for FY 2008, or a 6.9 percent increase over FY 2007 revenues (see page 13).

Category	FY 2008
Revenue	
Ad Valorem Taxes	\$18,795,000
Licenses and Permits	224,319,970
Services	18,908,000
Fines and Forfeitures *	382,000
Intergovernmental *	2,624,790
Property Sales *	420,000
Investments *	2,023,000
Other Financing Sources *	727,330
Other Income *	1,143,200
Total Revenue	\$269,343,290
Fund Balance, July 1	13,588,490
Total Funds Available	\$282,931,780

* Compiled as "Other" on chart on page 33.

Licenses and permits revenue is the largest single category of revenue in the General Services District Fund, accounting for 83 percent of all revenues. This category includes revenue from employee withholdings, franchise permits, insurance premium tax, and net profits license fee on businesses.

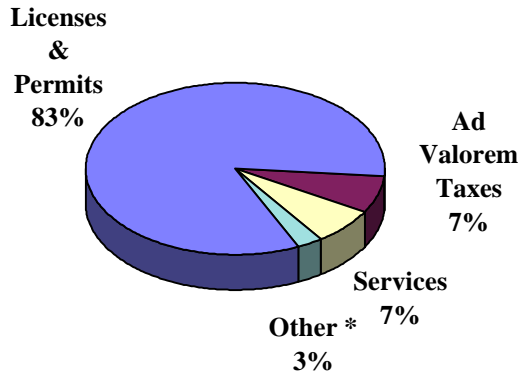
The second largest category of revenue in this fund (7 percent) comes from *ad valorem* (property) taxes. The LFUCG levies two categories of property taxes: (1) a county-wide tax (General Services District) for the support of the general operations of the government; and (2) an Urban Services Districts tax paid by residents receiving government

Lexington-Fayette Urban County Government

Budget In Brief

services of refuse collection, street lights, and street cleaning (see page 40).

General Services District Revenue by Category \$269,343,290



The FY 2008 budget assumes maintaining the General Services property tax rate on real property at **8.0 cents per \$100 assessed value** (personal property rate 9.9; motor vehicle rate 8.8).

NOTE: The LFUCG is required by law to provide funding for the Lexington Public Library at a level based on 5 cents per \$100 assessed value of property subject to taxation in Fayette County. The FY 2008 appropriation to the Library is \$12,267,790. Total ad valorem revenues are forecast to be \$18,795,000. Property tax, therefore, only provides \$6.53 million to the general operations of the government.

Additional sources of revenue in the General Fund are **services** (golf course fees, EMS fees, etc.), **finances**, **detention**, **intergovernmental**, and **miscellaneous** revenues.

Budget In Brief

Beginning Fund Balance

Revenues for a budget year are estimated 18 months in advance of total collections; therefore, conservative estimates are essential. Current year projections are revised during the budget process when better information is available. This may result in the recognition of additional funds that are carried over to the following budget year as a **beginning fund balance**.

The estimated beginning fund balance for FY 2008 of \$13,588,490 reflects a projection of unspent personnel and operating funds.

FY 2008

Urban Services Districts Fund

Urban Services Districts Fund

Summary of Revenue and Appropriations

Category	FY 2007	FY 2008	Difference
Revenue			
Ad Valorem Taxes	\$29,104,400	\$31,291,000	\$2,186,600
Licenses and Permits	950,000	1,160,000	210,000
Services	4,000	6,000	2,000
Property Sales	142,000	120,000	(22,000)
Investments	770,000	1,333,000	563,000
Other Income	880,000	980,000	100,000
Total Revenue	\$31,850,400	\$34,890,000	\$3,039,600
Fund Balance, July 1	12,089,750	16,450,000	4,360,250
Total Funds Available	\$43,940,150	\$51,340,000	\$7,399,850
Appropriations			
Operating Expenditures			
Personnel	\$15,126,240	\$13,495,920	\$(1,630,320)
Debt Service	198,830	191,540	(7,290)
Insurance	1,080,000	1,012,800	(67,200)
Operating	12,557,700	14,201,950	1,644,250
Transfers To(From)			
Other Funds	674,440	612,420	(62,020)
Total Operating	\$29,637,210	\$29,514,630	\$(122,580)
Capital Expenditures			
CIP Capital	\$2,671,500	\$1,010,000	\$(1,661,500)
Operating Capital	2,084,720	3,583,910	1,499,190
Total Capital	\$4,756,220	\$4,593,910	\$(162,310)
Total Appropriations	\$34,393,430	\$34,108,540	\$(284,890)
Fund Balance, June 30	\$9,546,720	\$17,231,460	\$7,684,740

Budget In Brief

Urban Services Districts Fund

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.

Summary of Revenue and Appropriations By Service

Category	Refuse Collection	Street Lights	Street Cleaning
Revenue			
Ad Valorem Taxes	\$26,220,260	\$3,622,940	\$1,447,800
Other	3,182,040	297,910	119,050
Total Revenue	\$29,402,300	\$3,920,850	\$1,566,850
Fund Balance, July 1	10,850,000	4,100,000	1,500,000
Total Funds Available	\$40,252,300	\$8,020,850	\$3,066,850
Appropriations			
Direct Expenditures			
Personnel	\$13,896,390	\$ -	\$829,730
Operating	6,953,480	3,416,000	229,500
Capital	3,797,260	400,000	230,000
Other Costs	3,586,260	482,960	286,960
Total Appropriations	\$28,233,390	\$4,298,960	\$1,576,190
Fund Balance, June 30	\$12,018,910	\$3,721,890	\$1,490,660

A total of 283.2 full-time equivalent positions are authorized for the Urban Services Districts Fund.

Division	FTE
Government Communications	0.2
Street Cleaning	16.0
Refuse Collection	267.0
Total	283.2

Budget In Brief

Urban Services Fund Expenditures By Department or Function

Department/Function	FY 2007	FY 2008	Difference
Insurance	\$1,457,350	\$1,361,760	\$(95,590)
Contract Debt	198,830	191,540	(7,290)
Indirect Cost/Contingency	3,313,020	1,963,300	(1,349,720)
Government Communications	463,900	468,320	4,420
Personnel Programs	14,000	14,000	0
Annual Audit	129,710	108,150	(21,560)
Public Works	\$4,785,340	\$4,879,230	\$93,890
Administration	0	4,000	4,000
Street Cleaning	984,340	1,059,230	74,890
Street Lights	3,801,000	3,816,000	15,000
Environmental Quality	\$22,925,060	\$22,614,420	\$(310,640)
Administration	55,000	83,000	28,000
Waste Management	22,870,060	22,531,420	(338,640)
General Services	\$1,106,220	\$2,507,820	\$1,401,600
Administration	10,500	0	(10,500)
Vehicles	422,500	883,000	460,500
Vacuum Leaf Collection	521,620	1,462,710	941,090
Building Maintenance	151,600	162,110	10,510
Total Urban Services	\$34,393,430	\$34,108,540	\$(284,890)

The decrease in *insurance* is due to a decrease in the insurance allocation to the Urban Services Fund for FY 2008.

Contract debt provides debt payments for the sanitation building.

An *indirect cost* payment is made to the General Services Fund (\$3,417,660) for administrative costs not directly charged to this fund (such as accounting, purchasing, payroll, etc.).

Budget In Brief

Contingency includes the budgets for termination pay (\$100,000 for unused sick and vacation hours); vacancy credit (\$3,082,060); and funds to transfer solid waste workers from non-hazardous to hazardous coverage with the County Employees Retirement System (\$1,115,000). Kentucky Retirement Systems' Board of Trustees denied this request, and the appeal is pending in the Franklin Circuit Court.

Government Communications includes the budgets for LexCall and Public Information. Program costs for LexCall are allocated among three funds based on actual calls received. Sixty-nine 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.

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 58,000 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.

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.

Approximately 600 additional **street lights** are installed in Fayette County annually. This budget includes \$400,000 for installation of these additional street lights. The utility expense is budgeted at \$3,415,000, a \$65,000 increase over

Budget In Brief

FY 2007. 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 2008 expenditures in the Urban Services Fund include a projected beginning fund balance of \$16.5 million and revenues of \$34.9 million. The largest single category of revenue to the Urban Services Districts Fund is **ad valorem**, or property taxes. Property taxes account for 89.7 percent of the total revenues, and are estimated at \$31.3 million for the 2007 tax year (FY 2008).

Urban Services property taxes are determined by a separate rate established for each service available. The tax rates were adopted in August of 2007. The current rates per \$100 of assessed value on real property are:

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

Service	Current Rate
Refuse Collection	15.90 cents
Street Lights	02.10 cents
Street Cleaning	00.94 cents
Full Urban Rate	18.94cents

If **all** of the services are available, the property is located in the **Full Urban Services District**. If one or two of the services are available, the tax rate is based on the particular service(s) available.

FY 2008

Other Funds

Special Revenue Funds

Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted for specified expenditures. The government operates three special revenue funds. In addition, state and federal grants are also considered special revenue funds.

Municipal Aid Fund (MAP)	\$4,377,000
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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 Revenues and Appropriations Municipal Aid Fund

	FY 2007	FY 2008	Difference
<i>Revenue</i>			
State MAP Funds	\$4,288,000	\$4,061,000	\$(227,000)
Interest Income	240,000	316,000	76,000
<i>Total Revenue</i>	<i>\$4,528,000</i>	<i>\$4,377,000</i>	<i>\$(151,000)</i>
Fund Balance, July 1 (Estimated)	7,460	0	(7,460)
<i>Total Available</i>	<i>\$4,535,460</i>	<i>\$4,377,000</i>	<i>\$(158,460)</i>
<i>Expenditures</i>			
Engineering	\$1,979,950	\$1,896,840	\$(83,110)
Streets, Roads, and Forestry	1,619,130	1,551,130	(68,000)
Traffic Engineering	44,070	49,030	4,960
Transfer To General Fund	880,000	880,000	0
<i>Total Expenditures</i>	<i>\$4,523,150</i>	<i>\$4,377,000</i>	<i>\$(146,150)</i>
Fund Balance, June 30 (Estimated)	\$12,310	\$0	\$(12,310)

The FY 2008 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.

Budget In Brief

MAP projects for FY 2008 include \$1,551,130 for resurfacing and \$1,870,000 for the following road projects.

Project	FY 2008 Grant	Local Funds	State and Federal Grant Funds	Stage ⁵
Clays Mill Road, New Circle				
Road to MOW Blvd, Section 2B	Yes	\$600,000	\$2,400,000	c
Sidewalk Ramp Program		60,000		c
Capital Construction Project				
Testing		25,000		c
Fontaine Rd Turn Ln @ High				
Street		20,000		r, u
Bridge Repair/Reconstruction		100,000		c
Intersection Pavement Reconst.		250,000		c
Small Projects- Roadway		200,000		c
Small Projects- Bike/Ped		100,000		c
Mt. Tabor Road Improvements		125,000		r
Turn Lane Improvements		200,000		c
Citation Boulevard through				
Newtown Springs + Winburn				
Drive		70,000		d
Coldstream Research Bike Paths		70,000		d
Contingency		50,000		
<i>Total</i>		\$1,870,000	\$2,400,000	

County Road Aid \$569,590

Use of these state gasoline tax revenues is restricted to expenditures related to county roads. Projects include resurfacing, crack sealing, culvert and bridge repairs, guardrail installation, and other road repairs. FY 2008 includes \$386,850 for resurfacing and shouldering, \$173,160 for culvert repair, and \$9,580 for emergencies.

⁵ Key of project stages: d = design; r = right-of-way; u = utilities; c = construction; re = resident engineer.

Budget In Brief

Public Safety \$290,000

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 2008. The transfer is to the General Fund for use by the police department to purchase needed equipment for police officers.

Spay And Neuter Program \$33,000

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.

Grant Funds \$16,060,310

State and federal grant funds of approximately \$13 million are anticipated for FY 2008. The LFUCG will provide over \$3.0 million in matching funds for these grants. The following table lists information on some of the major grants that have been awarded to date. A more extensive list will be included in the FY 2008 Annual Budget document. Additional grants will be budgeted throughout the year as they are awarded.

Budget In Brief

Grant	Federal & State Funds	Local & Other Funds	Total Grant
Training Incentive - Police	\$2,226,420	\$-	\$2,226,420
Training Incentive - Fire	2,128,770	-	2,128,770
HOME/ADDI	1,420,260	601,690	2,021,950
Meadow/Northland/Arlington			
- Public Improvements	1,000,000	-	1,000,000
Assistance to Firefighters	560,000	140,000	700,000
Day Treatment	153,720	318,370	472,090
New Chance	328,040	123,360	451,400
Home Network	331,320	102,740	434,060
Street Sales Enforcement	300,000	100,000	400,000
Fiber Optic Cable Installation			
- CMAQ	320,000	80,000	400,000
FHWA Transportation			
Planning	319,680	56,420	376,100
Housing Rehabilitation - Loans	224,300	77,830	302,130
Housing Rehabilitation - Operations	127,830	172,170	300,000
Assistance to Firefighters/Fire Prevention	240,000	60,000	300,000
National School Lunch	39,000	205,980	244,980
Senior Citizens Center	82,600	154,120	236,720
ITS/CMS Improvements	184,000	46,000	230,000
Summer Food Service - Housing/Comm. Dev.	161,100	50,000	211,100
Justice Assistance	205,330	-	205,330
Maxwell Street			
Bike/Pedestrian Lane	153,000	49,000	202,000
Runaway Youth	173,460	17,340	190,800
Anti-Gang Initiative	180,030	-	180,030
South Limestone Multimodal Study	140,000	35,000	175,000
Traffic Signal Upgrades	128,000	32,000	160,000
CDBG Administration	160,000	-	160,000
Emergency Shelter	67,800	67,800	135,600
Child Care Food Program	59,000	72,900	131,900
Mobility Office (SLX)	96,000	24,000	120,000
Project Safe Neighborhood (Public Safety)	117,450	-	117,450
Other Grants	1,389,180	457,300	1,846,480
Total	\$13,016,290	\$3,044,020	\$16,060,310

Lexington-Fayette Urban County Government

Budget In Brief

Capital Projects Funds

Bond Projects	\$33,894,520
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General obligation bonds will be issued for the following capital projects and equipment totaling \$33,263,520:

Purchase of Development Rights	2,000,000
Replacement Vehicles	
Police Cars (69) and Equipment	966,000
Other Public Safety Cars (50)	1,165,000
Other Government Autos	420,300
Fire Lights, Sirens, Radios	36,000
Miscellaneous Equipment	48,500
Dump Trucks (3)	350,000
EMS Unit	175,100
Light Duty Trucks (22)	473,000
Medium Duty Truck	74,000
SUV's (20 Public Safety; 1 Public Works)	588,000
Police Motorcycles (14)	98,000
Coroner Vans (3)	84,000
Other Government Vans (10)	237,000
Bus	63,000
Off Road Construction Equip	116,000
Mowers (2)	19,200
Public Safety	
Community Corrections - Computer Equip.	19,500
DEEM - Radio and Siren Equipment	122,000
Police - Building Repairs	355,000
Police - Communications Technical Facility	1,645,000
Police - Mobile Data Communications	358,000
Police - Cars and Equip. for New Officers (50)	2,137,500
Fire - New Fire Station	750,000
Fire - ATV with Medical Bed	15,000
Fire - Building and Grounds Maintenance	558,000
Fire - Communications Equipment	287,000
Fire - Computer Equipment	97,100
Fire - EMS Unit	240,000

Lexington-Fayette Urban County Government

Budget In Brief

Fire - Ladder Truck	900,000
Fire - Protective Clothing	117,500
Fire - Rescue Equipment	125,000
Fire - Copier	7,000
Code Enforcement - Portable Computers	25,000
Coroner	
Coroner - Equipment	12,500
Coroner - Generator	140,000
Public Works	
Engineering - Mapping and Survey Equipment	36,050
Wayfinding Signs	375,000
Streets, Roads, Forestry - Small Projects	450,000
Resurfacing	3,000,000
Salt Barn	2,000,000
Snow Removal Equipment	30,000
Traffic Engineering - Signals	230,000
Infill and Development	2,000,000
Building Inspection - Portable Computers	90,000
Copier - Building Inspection	11,000
Social Services	
Family Services – HVAC	30,000
Senior Citizens Center - Architectural Design	400,000
General Services	
Energy Saving Equipment	45,000
Building Maintenance – Maintenance	75,000
Versailles Road Building – Improvements	125,000
Annex - Building and Garage Repairs	140,000
HVAC Filters	18,000
Fleet Services - Equipment	11,800
Masterson Station Indoor Arena	60,000
McConnell Springs Wetland Pond	250,000
Gainesway Pond and Trail	300,000
Park Trails	2,000,000
Parks - Golf Carts	365,000
Parks - HVAC	30,000
Parks - Other Projects	330,000
Parks - Paint Sprayer	5,000
Parks - Safety Projects	1,200,000

Lexington-Fayette Urban County Government

Budget In Brief

Parks - Tractors and Mowers	205,970
Parks - Raven Run	750,000
Environmental Quality	
Storm Water - Design and Construction	2,177,000
Storm Water – Software	7,000
Water and Air Quality - Dogwood Trace Proj.	90,000
Water and Air Quality - Small Projects	25,000
CIO	
Computer Replacements	400,000
Servers	100,000
Other	
Opera House Renovations	425,000
Telephone Systems	70,000
Security Equipment	32,500
Fiber Optic Cable	550,000

Transfers from the General, Urban Services, and Sanitary Sewer Funds of \$631,000 will continue implementation of STARS.

Enterprise Funds

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

Sanitary Sewers	\$34,883,350
Operating and Construction Funds	151.0 FTE

The Sanitary Sewer Fund accounts for the expenses associated with collecting, transporting, and treating all sanitary sewage in Fayette County and the Industrial Pre-treatment program. The fund is supported primarily by sewer user fees based on water consumption that were initiated in July 1982. These fees replaced property tax funding of the sanitary sewer system, as mandated by the Environmental Protection Agency. Since July 1, 1995, the Kentucky-American Water Company has billed and collected sewer user fees for the government.

Lexington-Fayette Urban County Government

Budget In Brief

During FY 2001, \$25.2 million in bonds were issued for rehabilitation projects outlined in the 20-year Sanitary Sewer Capital Improvement Plan. The capital plan includes two components: the 201 Plan and the Sanitary Sewer Overflow Plan.

Sanitary sewer user fees provide the funding for the debt service on the bonds and provide funding for any non-bond funded sewer projects. In addition, 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.

The 201 Plan is a federally-mandated/state-enforced capital improvement program for the LFUCG sanitary sewer system. The Sanitary Sewer Overflow Plan (SSO Plan) is a comprehensive sanitary sewer line/watershed rehabilitation program to address major sanitary sewer overflow problems. The SSO Plan requires the identification of all overflow locations within the collection system.

The FY 2008 budget includes \$450,000 to continue the implementation of the SSO Plan (inflow and infiltration prevention), \$7.2 million to expand the South Elkhorn pump station and construct a second parallel force main, \$2.0 million to design and construct improvements at the West Hickman Treatment Plant, and \$200,000 for improvements in the expansion area.

Sanitary Sewer Fund revenue is projected at \$27,462,000 for FY 2008 and will come from the following sources:

- \$24,702,000 from User Fees
- \$1,500,000 from Tap-On Fees
- \$1,200,000 from Interest Earnings
- \$60,000 from Other Revenue

Sanitary Sewer Fund revenues are restricted to current year operating and capital expenses. All funds remaining at year-

Budget In Brief

end are placed into a restricted reserve for capital improvements.

Landfill

\$6,726,640
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 2008 total Landfill Fund revenues are projected at approximately \$8.6 million.

The FY 2008 capital budget includes \$452,410 for post closure costs and \$30,000 each for monitoring at the closed Raven Run and Old Frankfort Pike landfills.

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 2006, and can only be used to pay the costs of landfill closure or extraordinary operating expenses that exceed available revenues.

Right of Way Program

\$361,530
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 \$408,000 in FY 2008 for the operation of the program.

Budget In Brief

Extended School Program	\$2,794,140 47.2 FTE
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The Extended School Program Fund was created in FY 1994 to account for the revenues and expenses of an after-school program administered by the Division of Parks and Recreation in various Fayette County Public Schools.

Fees are projected to provide approximately \$2,414,130 in FY 2008 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.

Enhanced 911	\$2,992,080 5.0 FTE
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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, where it remains today.

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 calltakers and dispatchers (the balance of the

Budget In Brief

personnel cost is paid by the General Services District Fund). The General Services District Fund must transfer \$655,010 to support this fund, as receipts from land line phones continue to decline.

Total fund resources are \$2,992,010, with \$2,307,000 projected to come from **E-911** fees, \$30,000 from interest income, and \$655,010 from the General Fund.

LexVan Program	\$36,200
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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.

Public Corporations	\$10,498,170
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Due to prior state constitutional restrictions, the government did not issue general obligation bonds until FY 2000. Instead, mortgage revenue bonds were issued through various public corporations in order to finance public projects. "Lease payments" from the General Services District and Urban Services Districts Funds are combined with revenues generated by the operation of the projects in order to make debt service payments on these prior bond issues.

The **Public Facilities Corporation** (\$8,963,990) financed various projects through bank and mortgage notes and the issuance of revenue bonds. Projects included government buildings, parks, swimming pools, fire stations, and other public buildings.

The **Public Parking Corporation** (\$793,130) issued bonds to finance the construction of a downtown transit center,

Budget In Brief

parking garage, and the Martin Luther King Boulevard construction project; and for the construction of the Victorian Square parking structure. Obligations are paid from operations of the public parking facilities and from General Fund appropriations.

The *Fayette County Detention Center Corporation Fund* (\$73,450) accounts for the revenues and expenses associated with a note issued to finance the land purchase for the new detention facility. Construction of the current adult detention facility was financed through general obligation bonds and is not included in the Public Facilities Fund.

The *Parks Projects Fund* (\$667,600) accounts for the use of dedicated fees for acquisition of park land and golf course improvements.

A dedicated building permit fee was passed in 1983, and in 1995 the ordinance imposing this fee was clarified to restrict its use to park land acquisition. For FY 2008 this revenue source is estimated to provide \$566,000 for this purpose.

Dedicated revenues from golf fees are estimated at \$101,600 for FY 2008. These revenues are restricted to golf course improvements.

Budget In Brief

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	\$28,903,620
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The government offers health, dental, and vision care insurance options to LFUCG employees under self-insurance plans administered by various third parties. The FY 2008 budget of \$28.9 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. In addition, a subsidy of \$3.4 million is budgeted across all funds to underwrite the premiums charged to LFUCG employees.

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 health care costs, and managing all wellness issues.

Workers' Compensation/Liability	\$8,440,000
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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

Budget In Brief

exposures to loss and reduce or eliminate risk and losses. The FY 2008 budget of \$8.4 million is funded through premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund.

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	\$2,080,600
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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 (\$76,600). The government also pays certain other administrative costs.

Policemen's and Firefighters' Retirement	\$35,565,260 1.0 FTE
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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

Budget In Brief

contributions. For FY 2008 the government's contribution rate increases from 25 to 26 percent of salary in July and from 26 to 27 percent of salary in January, while the employee contribution remains at 11 percent.

The FY 2008 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$2,380,000). The government also pays certain other administrative costs.

Public Library Corporation	\$292,190
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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 2008 budget provides for payment on the bonds issued to finance the construction of a replacement of the Tates Creek Library branch.

FY 2007 - 2008 Budget Formulation Calendar

December	January	February
<ul style="list-style-type: none"> Budget Forms Prepared Budget guidelines developed for the next fiscal year Forms Distributed to Partner Agencies 	<ul style="list-style-type: none"> Forms Distributed to Departments Revenue Estimates Gathered Partner Agencies and Departments Submit Budget Requests 	<ul style="list-style-type: none"> Budgeting Reviews All Budget Submissions Budgeting Prepares Revenue Estimates Mayor's Budget Hearings Begin
March	April	May
<ul style="list-style-type: none"> Mayor's Budget Hearings Continue Commissioner group meets to review and make recommendations 	<ul style="list-style-type: none"> Proposed Budget Finalized Mayor's Budget Address Council Budget Hearings Begin 	<ul style="list-style-type: none"> Public Hearings Council Budget Hearings Continue
June	July	
<ul style="list-style-type: none"> Council Budget Hearings End Budget Ratification 1st and 2nd Readings of Budget Ordinance 	<ul style="list-style-type: none"> Start of the New Fiscal Year New Budget Implemented 	

Profile of Lexington-Fayette County
"Horse Capital of the World"

Location

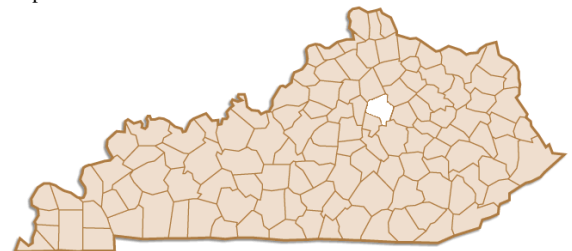
Lexington, located in the heart of central Kentucky's bluegrass region, is the state's second largest metropolitan area. The urbanized central city is surrounded by its scenic countryside of world-famous horse farms. Its central location and excellent transportation system have been major factors in the city's growth and development. Lexington's location at the intersection of two major interstate highways (Interstates 64 and 75) places it within a day's drive of 75 percent of the population of the United States.

KENTUCKY



FAYETTE COUNTY

Square Miles 285.5
 Average Temperature 54.9°F

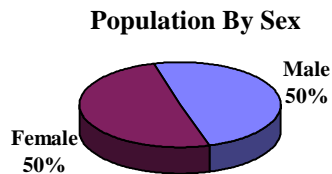


Budget In Brief

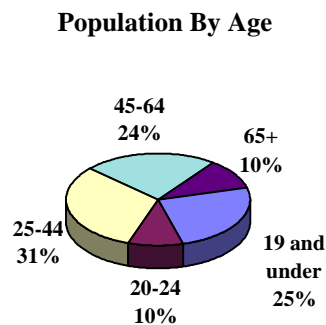
Population

Population Lexington-Fayette County			
Year	Population	Change	% Change
1970	174,323		
1980	204,165	29,842	17.1%
1990	225,366	21,201	10.4%
2000	260,512	35,146	15.6%
2005 Estimate	268,080	7,568	2.9%

Population by Sex 2000	
Male	132,795
Female	135,285
Total	268,080

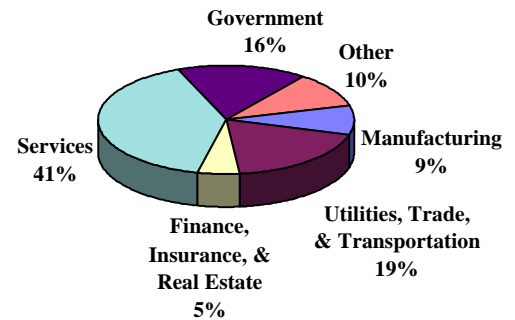


Population by Age 2000	
19 and under	66,179
20-24	26,005
25-44	84,489
45-64	63,442
65+	27,965
Total	268,080



Budget In Brief

Employment by Industry



Average Annual Employment by Industry Lexington-Fayette County – 2006	
All Industries	170,906
Manufacturing	14,644
Utilities, Trade, and Transportation	32,519
Finance, Insurance, and Real Estate	9,007
Services	68,890
Government	27,902
Other	17,944

Source: Kentucky Workforce Development Cabinet, "Average Monthly Employment Covered by Kentucky Unemployment Insurance Law by Industrial Division and by County".

The **service and trade sectors** are the primary sources of employment and income in Fayette County. The **service sector**, which is dominated by jobs in the professional services, such as legal and medical services, accounts for 41 percent of Fayette County jobs. The **trade sector** is the second largest source of jobs, accounting for 19 percent.

Budget In Brief

A stabilizing characteristic of the Lexington economy is its share of employment in the **government sector** (16 percent), of which the University of Kentucky is the largest component.

The Fayette County area is the retail center for the Lexington-Fayette Metropolitan Statistical Area (MSA). Also, the convergence of two major highways makes it ideally suited for the location of wholesale trade facilities.

Local Government

Lexington and Fayette County merged into a single ***urban county government*** on January 1, 1974. The merger was the culmination of an effort to develop a more efficient use of resources for joint programs in planning, parks, and public safety. A bipartisan Mayor and 15-member legislative body administers the ***Lexington-Fayette Urban County Government***.