



**Lexington-Fayette Urban County Government**  
**Pam Miller, Mayor**

July 1, 2002

Dear Residents of Lexington-Fayette County:

This ***Budget in Brief*** provides concise information on the budget process, sources of revenue, and expenditures of your tax dollars for the 2002 – 2003 fiscal year.

I hope you will find this publication a useful tool for your understanding of and participation in the Lexington-Fayette Urban County Government.

Sincerely,

A handwritten signature in black ink that reads "Pam Miller". The signature is fluid and cursive, with the first letters of "Pam" and "Miller" being capitalized and prominent.

Pam Miller  
Mayor

## Budget In Brief

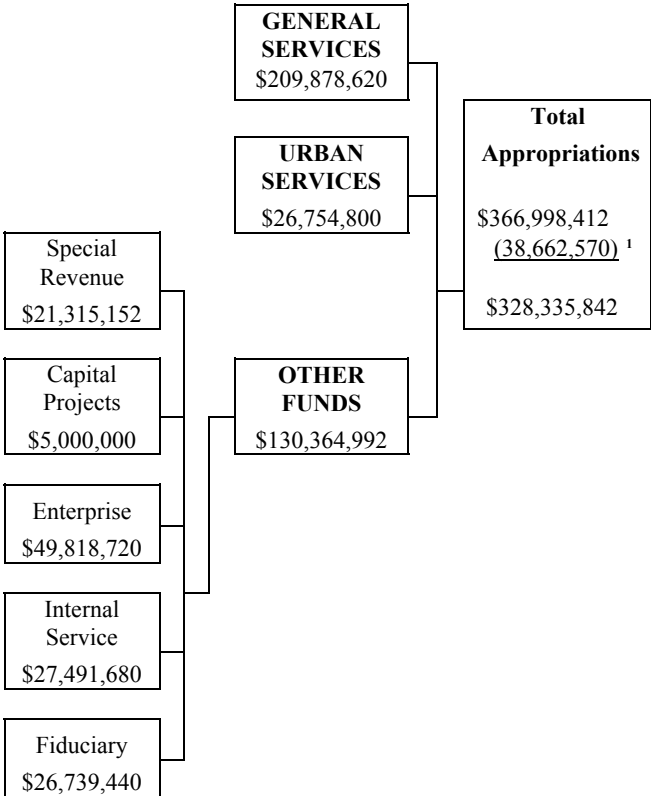
## Budget In Brief

# Table of Contents

Section	Page
Organization of the Total Budget By Fund .....	4
Introduction to the Budget.....	5
FY 2003 Budget Highlights .....	7
General Services District Fund.....	11
Outside Agencies.....	20
Urban Services Districts Fund.....	33
Other Funds .....	39
Special Revenue Funds.....	40
Capital Projects Funds.....	43
Enterprise Funds.....	43
Sanitary Sewers .....	43
Landfill .....	45
Extended School Program .....	46
Enhanced 911 .....	46
Public Corporations .....	47
Internal Service Funds.....	49
Fiduciary Funds.....	50
FY 2002 - 2003 Budget Formulation Calendar .....	52
Profile of Lexington-Fayette County.....	53

## Budget In Brief

### Organization of the Total Budget By Fund



<sup>1</sup> Interfund transfers. This figure includes grant match (approximately \$2 million in FY 2003) that was not considered in previous interfund transfer calculations.

## Budget In Brief

### Introduction to the Budget

The Lexington-Fayette Urban County Council voted to ratify the Mayor's Proposed Budget for 2002-2003 on June 11, 2002. The approved budget for the General Services Fund is \$209,878,620, which includes changes made on June 11<sup>th</sup> and June 25<sup>th</sup>. (See pages 8 - 10 for a detailed listing of these changes.) The total budget for all funds combined (net of interfund transfers) is \$328,335,842.

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 111, the **General Services District Fund**, supports basic services such as police, fire, planning and zoning, parks and recreation, libraries, public transit, and other community services.<sup>2</sup> This fund is financed primarily by employee withholdings/net profits license fees and property taxes.
- Fund 115, 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.

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<sup>2</sup> Due to Medicaid reporting requirements, the *Family Care Center Health Services Fund* (112) is accounted for separately. However, it is essentially a part of the General Services Fund and is included in the General Services totals reported in this document.

## Budget In Brief

- **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted for specified expenditures; such as *state and federal grant revenues, Municipal Aid Program, and County Aid Program* funds.
- **Capital Projects Funds** account for the receipt and disbursement of resources used in construction projects, such as the *FY 2003 Bond Projects Fund*.
- **Enterprise Funds** are self-supporting through charges for services. LFUCG enterprise funds include *Sanitary Sewers, Landfill, Extended School Program, Enhanced 911, and Public Corporations*.
- **Internal Service Funds** account for the financing of services by one fund to other funds of the government. Included here are the government's *self-insurance funds*.
- **Fiduciary Funds** are used to 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 In Brief

### FY 2003 Budget Highlights

Lexington-Fayette County continues to experience economic growth, although at a slower rate than was achieved in previous years. At the *Budget Call* meeting on December 3, 2001, government Commissioners and Division Directors were asked to prepare budgets that would incorporate a ten percent cut to variable operating accounts. New position requests and capital requests were to be limited.

The over-all goals of these budget cuts were:

- ✓ A balanced budget with no reductions in basic services
- ✓ A pay raise for government employees
- ✓ Funding for Council priorities

As a result of the cooperation from all Commissioners and Division Directors, the Mayor's Proposed Budget continued basic services; provided for a three percent pay raise for government employees receiving a score of two or better on their performance appraisal; provided a five percent increase to the pay structure (employees who were at or near the minimum of their pay grade would receive up to an additional two percent); and addressed most of the priorities submitted by the Urban County Council to Mayor Miller on February 26, 2002.

#### Council Priorities versus Mayor's Proposed Budget

- *Employee Raises* – The Mayor's Proposed Budget included a three percent pay raise and a five percent structure move.
- *Internal Audit Unit* – Funding included, to start September 9, 2002.
- *Code Enforcement Officers (3)* – Funding included, starting December 30, 2002.

## Budget In Brief

- *4<sup>th</sup> Police Sector (18 officers)* – Funding included for 8 Police Corps officers, to start December 2, 2002.
- *EMS Unit and Staffing (12 officers)* – EMS replacement unit only.
- *Maintain Storm Water Funding Level* – Total funding of \$3.2 million, which includes debt service of \$1.3 million.
- *Parks Capital Funding of \$1 million* – One-time provision for FY 2003 to use \$682,490<sup>3</sup> in park impact fees for parks operations, maintenance, improvements, and land acquisition.
- *Road Improvements* – \$1.5 million included for road improvements and \$1.3 million for street resurfacing.

### Late-Item Changes

“Late-item” changes are reviewed during the budget ratification process, which usually takes place about ten days prior to first reading of the budget ordinance. These changes include:

- Budget amendments that have been passed (or are in process) since April 30<sup>th</sup>.
- New business items passed by Council since submission of the Mayor’s Proposed Budget.
- Divisional requests (corrections and/or new requests).

A listing of changes to the Mayor’s Proposed Budget that have a budgetary impact appears on page 9.

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<sup>3</sup> Includes the FY 2003 revenue estimate of \$475,000 plus fund balance.



## Budget In Brief

### Late Item Changes General Services Fund - June 11, 2002

#### Changes to Available Funds

Mayor's Training Center – Agreement with Community Action Council	\$50,000
Good Samaritan Foundation Grant	43,560
Medicaid – Medical and Dental Revenue	30,000
Family Services – Transportation Revenue	18,500
Outside Counsel – Water Company Issue	(45,000)

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<b>Total Changes to Available Funds</b>	<b>\$97,060</b>
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#### Changes to Expenditures

Family Care Center – Create Additional Positions for the Good Samaritan Grant	\$66,200
Building Maintenance – Correct Personnel Budget	40,830
Family Services – Transportation	18,500
Council Office – Abolish One Position of Staff to Council II and Create Two Positions of Staff to Council I	12,490
Community Reinvestment Alliance Funding	7,360
Parks – Abolish One Position of Recreation Manager Senior and Create One Position of Parks and Recreation Superintendent	5,070
Immigrant Services – Additional Costs for the Social Worker Senior for the Cardinal Valley Center	2,570
County Judge Executive – Salary Increase	1,710
Police – Additional Grant Match	540
Youth Services – Additional Grant Match	290
Family Care Center – Position Reclassification	(2,070)
Property Management – Abolish One Position of Custodial Worker and Create Two Positions of Custodial Worker - Part-time	(5,400)
Zero Percent Unemployment Rate	(22,360)
Engineering – Add Recovery From Landfill Fund	(58,060)

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<b>Total Changes to Expenditures</b>	<b>\$67,670</b>
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<b>Total Late Changes</b>	<b>\$29,390</b>
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## Budget In Brief

### Council Late Item Changes

In addition to the preceding changes, the Council made other changes totaling \$39,860.

### **Council Changes General Services Fund – June 11, 2002**

Item	Amount
Humane Society – Increase Appropriation to FY 2002 Amount	\$33,380
Community Reinvestment Alliance Funding	6,480
Total Council Changes	\$39,860
Total Late Item and Council Changes	(\$10,470)

### Other Council Changes

At the Special Council Meeting scheduled for first reading of the budget ordinance (June 25, 2002), the Council voted to adjust the pay raise proposal that was in the Mayor's Proposed Budget. The salaries of current full-time employees would be increased by 2.5 percent plus \$310 (for those employees receiving a score of two or better on their performance appraisals). This change kept the overall cost of the pay increase within the funds provided in the Mayor's Proposed Budget, and provided a pay increase of 3.5 – 4.7 percent for those employees making less than \$30,000.

**FY 2003**

**General Services District Fund**

## Budget In Brief

### General Services District Fund Summary of Revenue and Appropriations

Category	FY 2002	FY 2003	Difference
<i>Revenue</i>			
Ad Valorem Taxes	\$13,379,300	\$13,987,000	\$607,700
Licenses and Permits	163,085,670	170,865,770	7,780,100
Services	12,327,470	13,335,000	1,007,530
Fines and Forfeitures	361,900	280,600	(81,300)
Intergovernmental	1,330,800	1,432,000	101,200
Detention Centers	5,695,000	4,917,000	(778,000)
Miscellaneous	1,967,070	2,613,560	646,490
Total Revenue	\$198,147,210	\$207,430,930	\$9,283,720
Fund Balance, July 1 (Estimated)	5,543,400	2,800,440	(2,742,960)
Total Available Funds	\$203,690,610	\$210,231,370	\$6,540,760
<i>Appropriations</i>			
Personnel	\$120,163,480	\$126,656,360	\$6,492,880
Agency Services	22,500,530	23,400,430	899,900
Debt Service	19,268,900	19,790,110	521,210
Insurance	2,970,650	4,830,630	1,859,980
Other Operating	30,416,510	29,176,430	(1,240,080)
Transfers To\ (From) Other Funds	2,641,880	1,978,200	(663,680)
Total Operating	\$197,961,950	\$205,832,160	\$7,870,210
<i>Capital</i>			
CIP Capital	\$4,974,250	\$3,564,020	(\$1,410,230)
Operating Capital	561,260	482,440	(78,820)
Total Capital	\$5,535,510	\$4,046,460	(\$1,489,050)
Total Appropriations	\$203,497,460	\$209,878,620	\$6,381,160
Fund Balance, June 30 (Estimated)	\$193,150	\$352,750	\$159,600

## Budget In Brief

### 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 2003 appropriations in the General Services District Fund are \$209.9 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.

### Expenditures by Category

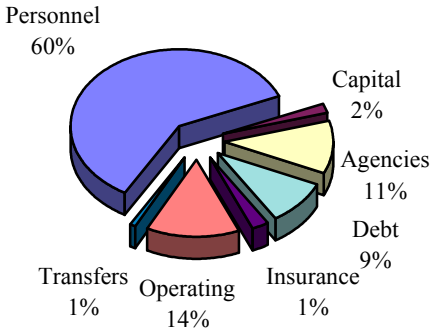
**Personnel (\$126,656,360)** accounts for 60 percent of the total General Services budget. This category includes *wages, overtime, and fringe benefits*. The change in this category over last year is due mainly to

- A pay increase of 2.5 percent plus \$310.
- A 17 percent increase in health insurance costs.
- An increase of \$762,250 for Adult Detention overtime.
- New positions.

**Outside Agencies (\$23,400,430)** are non-governmental programs such as the Library, Health Department, LexTran, and various social service organizations that receive full or partial funding from the LFUCG. (See page 21 for a complete list of agencies.)

## Budget In Brief

### Expenditures by Category \$209,878,620



### Expenditures by Category FY 2003 vs. FY 2002 (\$000 omitted)

Category	FY 2002	FY 2003	\$ Change	% Change
Personnel	\$120,163	\$126,656	\$6,493	5.4%
Agencies	22,500	23,400	900	4.0%
Debt Service	19,269	19,790	521	2.7%
Operating	30,416	29,176	(1,240)	-4.1%
Transfers	2,642	1,978	(664)	-25.1%
Insurance	2,971	4,831	1,860	62.6%
Capital	5,536	4,047	(1,489)	-26.9%
<b>Total</b>	<b>\$203,497</b>	<b>\$209,878</b>	<b>\$6,381</b>	<b>3.1%</b>

## Budget In Brief

**Debt Service (\$19,790,110)** is payment on long- and short-term debt incurred to finance public projects. Total debt service payments have increased by \$521,210, due mainly to the Purchase of Development Rights (PDR) and Government Center HVAC/Elevators bond issues.

**Insurance (\$4,830,630)** 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. The FY 2003 payment has increased by \$1,859,980 because the FY 2002 claims budget was partially funded by using a \$2 million administrative fund balance in the Workers' Compensation and General Insurance Fund.

**Other Operating (\$29,176,430)** includes the day-to-day expenditures needed to run the various departments, such as office supplies, telephone expenses, fuel, and utilities. Also included are professional services for medical, legal, engineering, and other professional fees. The reduction in many of these accounts reflects the FY 2003 budget directive for a 10 percent cut to variable operating accounts.

**Transfers To/From Other Funds (\$1,978,200)** represents the transfer of resources from one fund to another. FY 2003 transfers are \$663,680 less than FY 2002, due mainly to the \$1.5 million transfer from the MAP (Road) Fund for salaries in the Division of Streets and Roads.

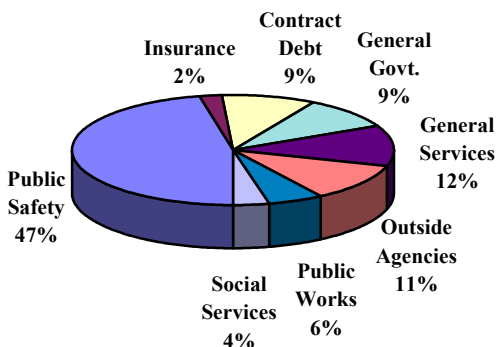
**Capital (\$4,046,460)** includes payments for capital improvement projects such as storm drainage, the PDR program, and operating capital such as telephone line cards, computer software, and copier leases.

## Budget In Brief

### 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 \$209,878,620



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

Department	FY 2002	FY 2003	Difference
Public Safety	\$ 93,034	\$ 98,068	\$5,034
General Services	24,709	24,945	236
Outside Agencies	22,500	23,400	900
Contract Debt	19,269	19,790	521
General Government	20,194	19,521	( 673)
Public Works	13,497	11,629	(1,868)
Social Services	7,323	7,694	371
Insurance	2,971	4,831	1,860
<b>Total</b>	<b>\$203,497</b>	<b>\$209,878</b>	<b>\$6,381</b>



## Budget In Brief

### Public Safety

**\$98,067,990**

**1,647.1 FTE**

The largest department in the General Services Fund is Public Safety, accounting for 47 percent of the FY 2003 budget. Alcohol Beverage Control, Building Inspection, Code Enforcement, Enhanced 911, Community Corrections, Environmental and Emergency Management (DEEM), Fire and Emergency Services, and Police are included in this department.

A funding increase of \$5 million is included, with most of that increase earmarked for a pay increase, an increase in Community Corrections overtime, matching funds for eight Police Officers under the state's Police Corps program, three new Code Enforcement Officers, increased training incentive pay for the Division of Fire, and increased health and vision insurance costs.

<b>Program</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>Change</b>
Police	\$34,711,890	\$36,063,690	\$1,351,800
Fire/Emergency	32,276,400	33,072,310	795,910
Comm. Corrections	20,172,180	21,399,390	1,227,210
Commissioner	1,924,990	2,566,090	641,100
Bldg. Inspection	2,044,460	2,113,790	69,330
Code Enforcement	1,420,000	1,509,610	89,610
Enhanced 911	0	892,510	892,510
DEEM	469,380	435,940	(33,440)
ABC <sup>4</sup>	14,310	14,660	350
<b>Department Total</b>	<b>\$93,033,610</b>	<b>\$98,067,990</b>	<b>\$5,034,380</b>

<sup>4</sup> The ABC (Alcohol Beverage Control) budget includes funds for the part-time ABC Administrator position only. The remainder of the budget is included in the Division of Police.

## Budget In Brief

Public Safety budgets include:

- ✓ The 2.5 percent plus \$310 pay increase for all but seasonal employees and the 2.5 percent pay structure increase.
- ✓ An increase in overtime in Community Corrections of \$769,410.
- ✓ Matching funds for eight Police Officers under the state's Police Corps program effective December 2, 2002.
- ✓ Funds for three new positions of Code Enforcement Officer effective December 30, 2002.
- ✓ Increased health and vision insurance costs.
- ✓ A training incentive pay increase for Division of Fire sworn employees from 12 percent to 13 percent. This benefit, combined with state training incentive pay, provides Firefighters a pay supplement equal to 13 percent of their base salary. This year's increase continues the ongoing plan to bring Fire training incentive pay up to the same percentage paid to Police Officers (14 percent).
- ✓ Funds are included in this budget for the first of three payments on the 2002 equipment notes issued to purchase 86 replacement police vehicles, one replacement fire truck, and one replacement EMS unit.

Operating costs have decreased as required in the budget process (divisions were required to cut variable operating accounts by 10 percent).

## Budget In Brief

### General Services

**\$24,944,820**

**377.1 FTE**

Funding for the Department of General Services is \$236,210 more than FY 2002, with most of the change due to increases in personnel costs.

<b>Program</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>Change</b>
Parks and Recreation	\$14,147,490	\$14,203,980	\$56,490
Property Management	3,139,990	3,256,560	116,570
Building Maint./Const.	2,782,270	3,027,770	245,500
Fleet Services	2,891,270	2,666,150	(225,120)
Commissioner's Office	1,747,590	1,790,360	42,770
<b>Department Total</b>	<b>\$24,708,610</b>	<b>\$24,944,820</b>	<b>\$236,210</b>

The ***Commissioner's Office*** oversees the management of the government's telephone system, utilities, parking facilities, rental facilities, pool vehicle fleet, and special events.

***Fleet Services*** includes funds for vehicle repair and maintenance.

***Property Management*** includes increased funding for mowing and custodial contracts and security at the Phoenix building (LFUCG office building located on Vine Street).

***Building Maintenance*** costs have increased because a vacancy credit of \$140,710 for asbestos removal positions was included in last year's budget. This budget includes \$775,060 for roof repairs and other maintenance expenses. A debt service payment of \$325,830 is included in the FY 2003 budget for a \$2.3 million bond issue for elevator and HVAC system improvements in the Government Center.

Approximately \$14 million is budgeted for ***Parks and Recreation***, which is responsible for over 4,150 acres of public parks, playgrounds, swimming pools, and public golf courses.

## Budget In Brief

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. FY 2003 includes a one-time provision to use a portion of the current park land acquisition fund balance and the projected FY 2003 revenues (\$475,000) to fund park maintenance and development costs. A portion of the FY 2003 revenues (\$319,820) is transferred to the ***PFC Parks Projects Fund*** for various parks projects, and the remainder (\$155,180) will stay in the General Fund to cover operating accounts.

### Outside Agencies

**\$23,400,430**

Outside agencies account for approximately 11 percent of all General Services District expenditures. Funding for outside agencies has increased by \$899,900. This is due mainly to the mandated increase of \$511,840 for the Library and the use of a \$540,000 reserve account last year from the Lexington Center.

The ***Lexington Public Library*** receives over one-third of the total outside agency funding (\$9.2 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.

Two new agencies have been added this year: the *Downtown Arts Center* and the *Downtown Development Authority*, both funded at \$150,000. Funding for most agencies has been reduced by five percent, except for those that received more drastic cuts in FY 2002 than other agencies.

# Budget In Brief

## Outside Agencies

Organization	FY 2002	FY 2003	Difference
Airport Board	\$130,300	\$123,780	(\$6,520)
Baby Health Service	17,860	16,970	(890)
Bluegrass Area Development Dist.	21,140	21,140	0
Bluegrass Community Services.	18,800	17,860	(940)
Board of Health	4,589,260	4,359,800	(229,460)
Carnegie Literacy Center	274,060	259,800	(14,260)
Center for Women, Children, and Families	24,440	23,220	(1,220)
Children's Museum	305,500	290,220	(15,280)
Christian Church Homes	245,420	241,840	(3,580)
CityLife	4,700	4,460	(240)
Community Action Council	145,980	138,680	(7,300)
Comprehensive Care Center	226,210	214,900	(11,310)
Downtown Arts Center	0	150,000	150,000
Downtown Development Authority	0	150,000	150,000
Downtown Lexington Corporation	103,400	111,620	8,220
Environmental Commission	2,970	2,820	(150)
Fayette County Conservation Dist.	27,060	25,710	(1,350)
Fayette County Extension Service	271,710	258,120	(13,590)
First-Link	15,650	27,950	12,300
Group Home	81,950	77,850	(4,100)
Hope Center	278,050	264,150	(13,900)
Human Rights	165,050	156,800	(8,250)
Humane Society	667,530	667,530	0
Legal Aid/Public Defender	106,100	100,790	(5,310)
Lexington United	82,900	89,300	6,400
Library Board	8,737,870	9,249,710	511,840
Manchester Center	19,510	18,530	(980)
Operation Read	30,540	29,010	(1,530)
Rape Crisis Center	54,520	51,790	(2,730)
Salvation Army	101,520	96,440	(5,080)
Tenant Services	138,570	131,640	(6,930)
Transit Authority (LexTran)	3,583,180	3,583,180	0
World Trade Center	201,160	191,100	(10,060)
YWCA - Spouse Abuse Center	63,920	60,720	(3,200)
Subtotal	\$20,736,830	\$21,207,430	\$470,600
Lexington Center Corporation			
LFUCG Subsidy	\$343,700	\$343,000	(\$700)
From Room Tax Proceeds	1,960,000	1,850,000	(110,000)
Reserve - Lexington Center	(540,000)	0	540,000
Subtotal Lexington Center	\$1,763,700	\$2,193,000	\$429,300
Total All Agencies	\$22,500,530	\$23,400,430	\$899,900

## Budget In Brief

### General Government

**\$19,521,070**

**368.6 FTE**

General Government programs include: Council Office, Office of the Mayor, Special Projects, Administrative Services, Constitutional and Judicial Officers, Contingency, Finance, and Law.

- The Council Office budget includes partial-year funding for an Internal Audit Office.
- The FY 2002 budget for the Economic Development Office included \$575,000 in grant match for two economic development projects (downtown high-tech center and LexMark project). No grant match is required in FY 2003.
- Contingency and Indirect Cost budgets include a \$400,000 increase in termination pay (expected increase in retirements during FY 2003).
- Constitutional and Judicial Officers budgets include the costs for two elections in FY 2003 versus one in FY 2002.
- The Finance Department includes funds for a new Database Administrator position in Computer Services and \$50,000 for computer software that will enable access to IRS filing data, which will help the Division of Revenue to identify non-filing taxpayers.
- The Special Projects budget is detailed in the following chart.

## Budget In Brief

### Special Projects

Program	FY 2002	FY 2003	Change
Arts Program	300,000	285,000	(15,000)
YMCA	100,000	150,000	50,000
Neighborhood Match	75,000	70,000	(5,000)
Corridors Program	0	50,000	50,000
Sports Authority	37,600	37,600	0
Roots & Heritage	37,600	35,720	(1,880)
Sister Cities	39,300	35,370	(3,930)
Boxing Program	24,000	29,880	5,880
Public Art	0	25,000	25,000
Bluegrass State Games	25,000	25,000	0
Eldercrafters	18,460	18,470	10
Race Relations	18,800	16,920	(1,880)
Sweet 16	20,000	16,000	(4,000)
Shakespeare in the Park	16,000	15,200	(800)
MLK Celebration	10,000	9,000	(1,000)
History/Art Museum	\$ 528,200	\$ 0	(\$528,200)
Downtown Projects <sup>5</sup>	225,000	0	(225,000)
Embry's/Lowenthal <sup>6</sup>	150,000	0	(150,000)
New Century Lexington	5,000	0	(5,000)
Total	\$1,629,960	\$ 819,160	(\$810,800)

**General Government** budgets also include funding for:

- ✓ \$1.6 million for the Purchase of Development Rights (PDR) operating budget. With the inclusion of debt service, a total of \$2,145,220 is included in the General Services Fund for the PDR program. The FY 2003 budget includes the first debt service payment (\$562,780) on \$7.5 million bonds issued for this program.
- ✓ \$75,900 for Youth Violence Prevention.
- ✓ \$10,000 for Minority Business Development Support.

<sup>5</sup> CAO budget includes \$100,000 for downtown improvements.

<sup>6</sup> Funds for administration of the Downtown Art Center (\$150,000) are in the Outside Agencies budget.

## Budget In Brief

- ✓ \$50,000 for Damaged Trees in neighborhoods.
- ✓ \$100,000 for Downtown Improvements.
- ✓ \$50,000 for the Vacant Lot program.
- ✓ \$120,000 for Council Neighborhood Development Funds (NDF).
- ✓ \$20,000 for the Downtown Façade program.
- ✓ \$13,840 for Community Reinvestment Alliance.
- ✓ \$5,000 for the Stone Wall Preservation program.

### **Public Works**

**\$11,629,130**

**185.5 FTE**

Public Works is comprised of five divisions providing public services in the areas of Engineering, Solid Waste, Streets and Roads, Traffic Engineering, and Sanitary Sewers.<sup>7</sup>

<b>Program</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>Change</b>
Engineering	\$5,800,230	\$5,072,450	(\$727,780)
Traffic Engineering	3,577,130	3,772,670	195,540
Streets and Roads	3,641,960	2,270,530	(1,371,430)
Commissioner	478,100	513,480	35,380
<b>Department Total</b>	<b>\$13,497,420</b>	<b>\$11,629,130</b>	<b>(\$1,868,290)</b>

The Commissioner's Office includes \$25,000 for the Wayfinder Signs grant match.

Engineering includes \$27,900 in grant match for two storm water grants. Approximately \$3.2 million is budgeted for storm water management projects. This includes \$1,340,420 for the debt payment on the \$10.6 million storm water bonds issued last year, and \$1,840,000

<sup>7</sup> Sanitary sewer, street lights, street cleaning, refuse collection, and refuse disposal services are accounted for in other funds.



## Budget In Brief

for other storm water projects (detailed in the table below). The FY 2002 budget included funds that were carried over from the prior year's budget year that would not be spent by June 30, 2001 (\$2.3 million). The FY 2003 budget does not use prior year funds.

### General Fund Storm Water Projects

Capital Projects	\$ 500,000
Watershed Models	300,000
Storm Drain Rehab./Reconstruction	250,000
Detention/Retention Basin, Facility Maintenance	195,000
Water Quality Capital Improvements	182,100
Storm Water Monitoring	150,000
Floodproofing	100,000
Rain Gauge Program	85,000
GIS Projects	50,000
Grant Match	27,900
<b>Total</b>	<b>\$1,840,000</b>

The Streets and Roads budget includes a transfer of \$1.5 million from the Municipal Aid Program Fund (MAP) for personnel costs. A total of \$228,000 is included for roadway salt. The MAP Fund includes \$1,290,680 for resurfacing, of which \$290,680 is for resurfacing on Man O' War Boulevard.

Funding is included in the division of Traffic Engineering for:

- \$15,000 for signs for the State "Road Swap" program.
- \$40,000 for the Neighborhood Traffic Management (Traffic Calming) program.
- \$35,000 for the Traffic Signal System.
- \$32,500 for one Traffic Signal (grant match).
- \$40,000 for Fiber Optic Cabling.

## Budget In Brief

### Social Services

**\$7,694,440**

**180.5 FTE**

The Department of Social Services consists of the Divisions of Adult Services, Family Services, and Youth Services.

<b>Program</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>Change</b>
Family Services	\$3,389,930	\$3,650,200	\$260,270
Youth Services	2,092,540	2,183,520	90,980
Adult Services	1,069,650	1,036,810	(32,840)
Commissioner	771,410	823,910	52,500
<b>Department Total</b>	<b>\$7,323,530</b>	<b>\$7,694,440</b>	<b>\$370,910</b>

- ***Adult 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 repair. The division also operates the Lexington Senior Citizens Center. The decrease in funding is due to the Domestic Relations program, including three positions, being transferred to the Division of Revenue during FY 2002.
- ***Family Services*** provides childcare, education, health, and social services at the Family Care Center, a program geared 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 in excess of \$820,000 is expected from the state Medicaid program to offset the cost of providing health and dental care services during FY 2003.
- ***Youth Services*** provides social and counseling services for children and their families. The division also oversees the application of the juvenile justice

## Budget In Brief

system in Fayette County. Funds of \$5 million are included in FY 2003 bond projects for a new Day Treatment building.

- 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.
  - Coleman House Emergency Shelter, for children up to age 18 who need to be removed from their homes due to neglect, abuse, status offenses, or pre-delinquency.
  - Day Treatment Center, a community-based treatment program for teenage youths.

## Budget In Brief

### General Services District Fund

#### Expenditures by Department<sup>8</sup>

<b>Departments/Divisions</b>	<b>FY 2003</b>	<b>FTE</b>
<b>Council Office</b>	<b>\$1,650,740</b>	<b>34.0</b>
<b>Citizens' Advocate</b>	<b>120,040</b>	<b>2.0</b>
<b>Council Clerk</b>	<b>520,010</b>	<b>5.0</b>
<b>Office of the Mayor <sup>9</sup></b>	<b>2,066,020</b>	<b>23.8</b>
<b>Mayor's Training Center</b>	<b>1,075,750</b>	<b>21.8</b>
<b>Special Projects</b>	<b>819,160</b>	<b>0.0</b>
<b>Office of the CAO</b>	<b>2,622,950</b>	<b>10.5</b>
<b>Administrative Services</b>	<b>7,281,890</b>	<b>130.0</b>
Budgeting	389,980	6.0
Government Communications	962,740	26.6
Human Resources	2,722,130	33.0
Historic Preservation	343,850	6.0
Community Development	875,560	20.0
Planning	1,987,630	38.4
<b>Insurance</b>	<b>4,830,630</b>	<b>0.0</b>
<b>Contract Debt</b>	<b>19,790,110</b>	<b>0.0</b>
<b>Contingency/Indirect Cost</b>	<b>(7,316,960)</b>	<b>0.0</b>
<b>Constitutional Officers and Judicial</b>	<b>2,407,990</b>	<b>20.0</b>
<b>Finance</b>	<b>6,627,860</b>	<b>100.8</b>
Commissioner's Office	588,200	6.4
Accounting	542,410	10.0
Computer Services	3,077,590	36.0
Revenue	1,988,410	40.4
Purchasing	431,250	8.0
<b>Public Works</b>	<b>11,629,130</b>	<b>185.5</b>
Commissioner's Office	513,480	6.0
Engineering	5,072,450	61.0
Streets and Roads	2,270,530	76.0
Traffic Engineering	3,772,670	42.5
<b>Law</b>	<b>1,645,620</b>	<b>20.7</b>

<sup>8</sup> See pages 16-26 for comparisons to prior year.

<sup>9</sup> Includes \$733,930 for Programs for the Elderly, Economic Development Office, and Youth Programs.

## Budget In Brief

### General Services District Fund

#### Expenditures by Department

<b>Departments/Divisions</b>	<b>FY 2003</b>	<b>FTE</b>
<b>Public Safety</b>	<b>98,067,990</b>	<b>1,647.1</b>
Commissioner's Office/Pension	2,566,090	3.0
DEEM	435,940	8.5
Community Corrections	21,399,390	364.0
Police <sup>10</sup>	36,063,690	686.6
Fire <sup>11</sup>	33,072,310	517.0
Communications (Enhanced 911)	892,510	0.0
Code Enforcement	1,509,610	25.5
Building Inspection	2,113,790	42.0
Alcohol Beverage Control	14,660	0.5
<b>Social Services</b>	<b>7,694,440</b>	<b>180.5</b>
Commissioner's Office	823,910	16.0
Adult Services	1,036,810	17.0
Family Services	2,395,860	77.6
Health Care Services	1,254,340	12.2
Youth Services	2,183,520	57.7
<b>General Services</b>	<b>24,944,820</b>	<b>377.1</b>
Commissioner's Office	1,790,36	10.0
Fleet Services	2,666,150	59.7
Property Management	3,256,560	76.0
Building Maintenance	3,027,770	52.0
Parks and Recreation	14,203,980	179.4
<b>Outside Agencies</b>	<b>23,400,430</b>	<b>0.0</b>
Library	9,249,710	0.0
Health Department	4,359,800	0.0
LexTran	3,583,180	0.0
Other Agencies	6,207,740	0.0
<b>Total General Services District</b>	<b>\$209,878,620</b>	<b>2,758.8</b>

<b>FTE = Full-time equivalent positions</b>
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<sup>10</sup> 490 FTE sworn, 196.6 non-sworn

<sup>11</sup> 475 FTE sworn, 42 non-sworn

## Budget In Brief

### General Services District Revenue

General Services Fund revenues are estimated at \$207,430,930 for FY 2003, or a 4.7 percent increase from FY 2002 budgeted revenues (see page 12).

Category	FY 2003 Budget
Licenses and Permits	\$170,865,770
Ad Valorem Taxes	13,987,000
Services	13,335,000
Detention Centers Revenue *	4,917,000
Miscellaneous *	2,613,560
Intergovernmental *	1,432,000
Fines and Forfeitures *	280,600
Total Revenue	\$207,430,930
July 1, 2002, Estimated Fund Balance	2,800,440
Total Available Funds	\$210,231,370

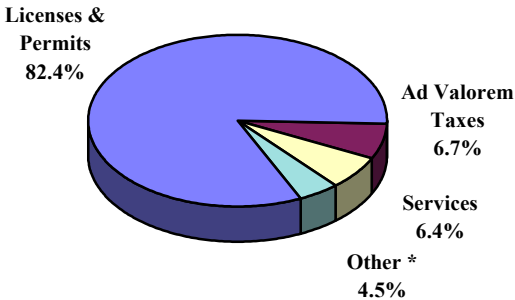
\* Compiled as "Other" on chart on page 31.

***Licenses and permits*** revenue is the largest single category of revenue in the General Services District Fund, accounting for 82.4 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 (6.7 percent) comes from ***ad valorem*** taxes (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 (see page 35).

## Budget In Brief

### General Services District Revenue by Category \$207,430,930



The FY 2003 budget maintains the General Services property tax rate on real property at **7.90 cents per \$100 assessed value** (personal property rate 8.67; motor vehicle rate 8.10).

*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 2003 appropriation to the Library is \$9,249,710. Total ad valorem revenues are forecast to be \$13,987,000.*

Additional sources of General Services revenues are **services** (golf course fees, EMS fees, etc.), **fin**es, **detention**, **intergovernmental**, and **miscellaneous** revenues, and an estimated \$2.8 million carry-over of funds from the prior year.

## 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 usually results in the recognition of additional funds that are carried over to the following budget year as a *beginning fund balance*.

The following table illustrates the computation of the July 1, 2002, estimated fund balance of \$2,800,440. Expenditure lapses (unspent funds at year end) are carried forward to the following budget year as a source of available funds.

FY 2002 Estimated Operating Lapse	\$4,500,000
FY 2002 Budgeted Fund Balance	584,870
FY 2002 Estimated Revenue Shortfall	(2,284,430)
<b>7/01/02 Estimated Fund Balance</b>	<b>\$2,800,440</b>



**FY 2003**

**Urban Services Districts Fund**

## Budget In Brief

### Urban Services Districts Fund

#### Summary of Revenue and Appropriations

Category	FY 2002	FY 2003	Difference
<i>Revenue</i>			
Ad Valorem	\$23,694,000	\$25,614,000	\$1,920,000
Licenses and Permits	796,000	820,000	24,000
Services	37,500	38,000	500
Miscellaneous	1,014,000	789,660	(224,340)
Total Revenue	\$25,541,500	\$27,261,660	\$1,720,160
Fund Balance, July 1 (Estimated)	5,701,000	5,611,750	(89,250)
Total Available Funds	\$31,242,500	\$32,873,410	\$1,630,910
<i>Appropriations</i>			
Personnel	\$10,018,010	\$10,732,480	\$714,470
Debt Service	342,130	340,970	(1,160)
Insurance	437,160	708,490	271,330
Other Operating	9,616,470	9,627,460	10,990
Transfers To\ (From)			
Other Funds	193,150	143,770	(49,380)
Total Operating	\$20,606,920	\$21,553,170	\$946,250
<i>Capital</i>			
CIP Capital	\$2,460,000	\$1,310,000	(\$1,150,000)
Operating Capital	4,989,550	3,891,630	(1,097,920)
Total Capital	\$7,449,550	\$5,201,630	(\$2,247,920)
Total Appropriations	\$28,056,470	\$26,754,800	(\$1,301,670)
Fund Balance, June 30 (Estimated)	\$3,186,030	\$6,118,610	\$2,932,580

## 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.

### Urban Services Fund Expenditures By Department or Function

Department/Function	FY 2002	FY 2003	Difference
Insurance	\$437,160	\$708,490	\$271,330
Contract Debt	342,130	340,970	(1,160)
Indirect Cost/Contingency	1,720,530	1,398,150	(322,380)
Government Communications <sup>12</sup>	338,280	315,420	(22,860)
Annual Audit	10,500	22,400	11,900
Personnel Programs	75,460	78,100	2,640
<b>Public Works</b>	<b>21,751,530</b>	<b>22,385,160</b>	<b>633,630</b>
Street Cleaning	805,150	802,030	(3,120)
Refuse Collection	17,985,380	18,522,130	536,750
Street Lights	2,961,000	3,061,000	100,000
<b>General Services</b>	<b>3,380,880</b>	<b>1,506,110</b>	<b>(1,874,770)</b>
Administration	6,480	10,500	4,020
Vehicles	3,132,700	1,190,700	(1,942,000)
Vacuum Leaf Collection	230,010	293,000	62,990
Building Maintenance	11,690	11,910	220
<b>Total Urban Services</b>	<b>\$28,056,470</b>	<b>\$26,754,800</b>	<b>(\$1,301,670)</b>

- A total of 272.0 full-time equivalent positions are authorized for the Urban Services Districts Fund.

Division	FTE
Human Resources	1.0
Street Cleaning	14.0
Refuse Collection	257.0
<b>Total</b>	<b>272.0</b>

<sup>12</sup> LexCall was included in the CAO's budget prior to FY 2003.

## Budget In Brief

**Government Communications** includes the budgets for LexCall<sup>13</sup> and Public Information. Program costs for LexCall are allocated among three funds based on actual calls received. Sixty-eight percent of the total cost is allocated to the Urban Services Fund. Public Information will provide public education services for the refuse collection, street light, and street cleaning programs.

The increase in **insurance** is due to the recognition, in FY 2002, of administrative fund balance that had accumulated in the Risk Management Fund.

An **indirect cost** payment is made to the General Services Fund (\$1,384,750) for administrative costs not directly charged to this fund (such as accounting, purchasing, payroll, etc.).

The **contingency** budget also includes the budgets for termination pay (\$170,000 for unused sick and vacation hours); the 27<sup>th</sup> pay period contingency (\$40,700); vacancy credit (\$819,000); and funds to transfer solid waste workers from non-hazardous to hazardous coverage with the County Employees Retirement System (\$621,700). Kentucky Retirement Systems' Board of Trustees denied this request, and the appeal is pending in the Franklin Circuit Court.

The \$78,100 budget for **personnel programs** provides for a literacy program and certain required medical exams for employees in the Urban Services Fund.

**Refuse collection** is provided twice each week to approximately 69,000 households via roll carts called "**Herbies.**" Business, institutional, and other non-residential waste is collected through the dumpster program. The recyclables of over 43,000 households are collected via roll carts called "**Rosies.**" The FY 2003 budget includes funds to continue the transition from the

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<sup>13</sup> LexCall was included in the CAO's budget prior to FY 2003.

## Budget In Brief

current five-sort recycling system to a “one-sort plus glass” system. Yard waste containers (“*Lennies*”) and bags are provided to residents receiving LFUCG trash collection services.

The Division of Property Management administers the *vacuum leaf collection* program. This service is provided only to those properties within the Urban Services Districts that have LUCG refuse collection service.

Approximately 700 *street lights* are installed in Fayette County annually. This budget includes \$460,000 for installation of additional street lights. The utility expense is budgeted at \$2,600,000, a \$100,000 increase over FY 2002.

The Division of Streets and Roads provides *street cleaning* in the urban services area. FY 2003 includes funding for an additional position and street sweeping machine.

*Contract debt* provides debt payments for the FY 2000 equipment notes (two street sweepers) and the sanitation building.

### Urban Services Revenue Sources

Total resources available for FY 2003 expenditures in the Urban Services Fund include a projected beginning fund balance of \$5.6 million and revenues of \$27.3 million. The largest single category of revenue to the Urban Services Districts Fund is *ad valorem*, or property, taxes. Property taxes account for 94 percent of the total revenues, and are estimated at \$25.6 million for the 2002 tax year (FY 2003).

## Budget In Brief

Urban Services property taxes are determined by a separate rate established for each service available. The tax rates will be adopted in September of 2002. 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.***

<b>Service</b>	<b>Current Rate</b>
Refuse Collection	17.50 cents
Street Lights	03.11 cents
Street Cleaning	00.94 cents
<b><i>Full Urban Rate</i></b>	<b>21.55 cents</b>

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 2003**

**Other Funds**

## Budget In Brief

### Special Revenue Funds

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

<b>Municipal Aid Fund (MAP)</b>	<b>\$4,336,990</b>
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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 2002	FY 2003	Difference
<i>Revenue</i>			
State MAP Funds	\$3,771,330	\$4,207,350	\$436,020
Interest Income	238,000	69,000	(169,000)
<i>Total Revenue</i>	<i>\$4,009,330</i>	<i>\$4,276,350</i>	<i>\$267,020</i>
Fund Balance, July 1 (Estimated)	229,880	60,640	(169,240)
<i>Total Available</i>	<i>\$4,239,210</i>	<i>\$4,336,990</i>	<i>\$97,780</i>
<i>Expenditures</i>			
Engineering	\$2,239,210	\$1,546,310	(\$692,900)
Streets and Roads	2,000,000	1,290,680	(709,320)
Transfer To General Fund	0	1,500,000	1,500,000
<i>Total Expenditures</i>	<i>\$4,239,210</i>	<i>\$4,336,990</i>	<i>\$97,780</i>
Fund Balance, June 30 (Estimated)	\$0	\$0	\$0

Due to budgetary constraints in the General Fund, \$1.5 million in MAP funds are designated for eligible personnel costs in the Division of Streets and Roads.



## Budget In Brief

MAP projects for FY 2003 include **\$1,290,680 for resurfacing** (including \$290,680 for Man O' War) and the following road projects:

Project	Local	Grant	Grant <sup>14</sup>
Alumni Drive Turn Lane at Nicholasville Road	\$36,000	\$180,000	SLX
Bridge Repair/Reconstruction	25,000		
Brighton Trail	90,000	600,000	TE\SLX
Capital Construction Project Testing	20,000		
Citation Blvd., Alexandria Drive to Georgetown Road	520,000	2,080,000	SLX
Clays Mill Road, Harrodsburg Road to New Circle Road	92,000	368,000	SLX
Clays Mill Road, New Circle Road to Man O' War Boulevard	70,000	280,000	SLX
Handicap Ramp Program	30,000		
Loudon Avenue, Oak Hill Drive to Winchester Road	500,000	2,400,000	SLX
Newtown Pike	20,000		
Richmond Road Trail	15,000	100,000	SLX
Small Projects	52,000		
South Elkhorn Trail	30,000	260,000	SLX
<b>Total</b>	<b>\$1,500,000</b>	<b>\$6,268,000</b>	

### County Road Aid

**\$408,760**

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.

<sup>14</sup> SLX (Surface Transportation Program - Lexington), TE (Transportation Enhancement Projects), and REC (Regional Trails Program Projects) projects are included in the FY 2003 - 2006 Transportation Improvement Program for the Lexington Area Metropolitan Planning Organization. Local funds (generally 20 percent) are budgeted to match the federal funds.

## Budget In Brief

### Grant Funds

**\$16,569,402**

State and federal grant funds of approximately \$13.7 million are anticipated for FY 2003. The LFUCG will provide nearly \$3 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 2003 Annual Budget document. Additional grants will be budgeted throughout the year as they are awarded.

Grant	Federal & State Funds	Local & Other Funds	Total Grant
CDBG	\$ 2,724,000	\$ 276,000	\$ 3,000,000
Training Incentive – Police	1,737,450	0	1,737,450
Training Incentive – Fire	1,712,220	0	1,712,220
HOME	1,498,000	501,800	1,999,800
Chrysalis House Relapse Prevention	498,605	0	498,605
Early Childhood Violence Prevention	350,000	0	350,000
New Chance	328,480	24,780	353,260
Fiber Optic Cable Installation – CMAQ	320,000	80,000	400,000
Local Law Enforcement Block Grant	304,870	33,880	338,750
FHWA Transportation Planning	258,280	45,580	303,860
ITS Plan Implementation – CMAQ	240,000	60,000	300,000
Home Network	228,000	45,560	273,560
Street Sales Enforcement	302,280	218,990	521,270
Urban League Construction Training	193,445	64,485	257,930
Intelligent Transportation /Congestion Management – SLX	184,000	46,000	230,000
Firefighter Investment and Response Enhancement Act.	183,555	78,670	262,225
Day Treatment	153,717	200,550	354,267
Child Abuse Prevention and Permanency Program	143,890	10,860	154,750
Traffic Signal Upgrades – SLX	128,000	32,000	160,000
COPS In Schools	122,070	0	122,070
Storm Water	113,800	7,900	121,700
Wayfinder Signs	100,000	25,000	125,000
Other Grants	1,876,855	1,115,830	2,992,685
<b>Total</b>	<b>\$13,701,517</b>	<b>\$2,867,885</b>	<b>\$16,569,402</b>

## **Budget In Brief**

### **Capital Projects Funds**

<b>Bond Projects</b>	<b>\$5,000,000</b>
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The Capital Projects Fund includes \$5,000,000 to build a new Day Treatment facility for Youth Services.

### **Enterprise Funds**

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

<b>Sanitary Sewers</b>	<b>\$22,698,050</b>
<b>Operating and Construction Funds</b>	<b>152.0 FTE</b>

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

During FY 2001, \$25.2 million in bonds were sold 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. Capital construction, engineering, and land purchase costs for FY 2003 through FY 2008 are anticipated to exceed \$40 million. Sanitary sewer user fees provide the funding for the debt service on the bonds

## **Budget In Brief**

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. Over the next 20 years, total expenses for the 201 Plan and SSO Plan will approach \$169 million.

The FY 2003 budget includes \$1.4 million to continue the implementation of the SSO Plan (inflow and infiltration prevention). In FY 2003 the Division of Engineering will utilize \$200,000 in sanitary sewer user fee funds for the expansion of the sump pump redirect program to further reduce inflow into the LFUCG sanitary sewer system.

Sanitary Sewer Fund Revenue is projected at \$25,484,000 for FY 2003 and will come from the following sources:

- \$23,700,000 from User Fees
- \$1,080,000 from Tap-On Fees
- \$610,000 in Interest Earnings
- \$94,000 in Other Revenue

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. At the end of FY 2003, the reserve is estimated to be approximately \$6.9 million.

## Budget In Brief

### Landfill

**\$9,293,770**

**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 2003 total Landfill Fund revenues are projected at approximately \$7.7 million.

The FY 2003 *capital budget* includes \$30,000 for the corrective action plan for the closed *Raven Run* landfill, \$650,000 in post closure costs, \$30,000 for final closure costs at the *Old Frankfort Pike* landfill, and \$10,000 for roadway improvements at the *Haley Pike* landfill. Also included is \$2,800,000 for closure of the *Haley Pike* landfill per state regulations passed in 1990. Closure of the *Haley Pike* landfill will be in yearly increments, with the final increment planned for FY 2006.

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 can only be used to pay the costs of landfill closure or extraordinary operating expenses that exceed available revenues. At the end of FY 2001, the reserve was \$16,734,200.

## Budget In Brief

### Extended School Program

**\$1,304,150**  
**5.0 FTE**

The Extended School Program Fund was created in FY 1994 to account for the revenues and expenses of an after-school program administered by the Division of Parks and Recreation in the Fayette County Public Schools.

Fees are projected to provide approximately \$1,312,740 in FY 2003 for the operation of the program.

Participating schools include: *Stonewall Elementary, Deep Springs Elementary, Dixie Elementary, Meadowthorpe Elementary, Julia R. Ewan Elementary, Yates Elementary, Arlington Elementary, Jessie Clark Middle School, Northern Elementary, Millcreek Elementary, Linlee Elementary, Veterans Park Elementary, and Russell Cave Elementary.*

### Enhanced 911

**\$2,903,520**  
**3.0 FTE**

On January 1, 1996, a monthly fee of **95 cents per phone line** was applied to Fayette County residents' phone bills in order to provide funding for an ***Enhanced 911 (E-911) system***. 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 40 percent of the personnel costs for 911 emergency calltakers and dispatchers in the police and fire divisions (the balance of the personnel cost is paid by

## Budget In Brief

the General Services District Fund). The General Fund provides annual subsidies (based on projected expenses) to this fund when necessary. The FY 2003 budget includes a subsidy of \$892,510 from the General Fund.

Total fund resources are \$2,011,010, with \$2,000,000 projected to come from **E-911** fees (including \$250,000 for wireless calls), and \$11,010 from interest income.

<b>Public Corporations</b>	<b>\$13,619,230</b>
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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** (\$11,049,210) 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.

Prior years included the debt payments for the equipment purchase program. The short-term (three-year) equipment purchase notes were issued to purchase replacement vehicles and other equipment. Since general obligation bonds can now be issued by the LFUCG, the debt payments for this program are accounted for directly in the affected funds.

The **Public Parking Corporation** (\$1,458,070) issued bonds to finance the construction of a downtown transit center, parking garage, and the Martin Luther King Boulevard construction project; and for the construction of

## Budget In Brief

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 Funds*** (\$483,040) account for the revenues and expenses associated with the financing and construction of the juvenile detention facility and a note issued to finance the land purchase for the new detention facility. Construction of the new adult detention facility is financed through general obligation bonds and is not included in the Public Facilities Fund.

FY 2002 included the final payment on the bonds for the Clark Street facility.

The ***Parks Projects Fund*** (\$628,910) accounts for the use of dedicated fees for acquisition of park land and golf course improvements. In prior fiscal years the fund has also included a transfer from the General Fund for park maintenance and development projects.

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. FY 2003 includes a one-time provision to use a portion of the current park land acquisition fund balance and the projected FY 2003 revenues (\$475,000) to fund park maintenance and development costs.

Dedicated revenues from golf fees are estimated at \$101,600 for FY 2003. 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.

<b>Health, Dental, Vision</b>	<b>\$21,004,070</b>
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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 2003 budget of \$21 million is funded through premiums paid by the government for single coverage 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.

Prior to FY 2002, Anthem was the only health care insurance included in the self-insurance fund.

<b>Workers' Compensation/Liability</b>	<b>\$ 6,487,610</b> <b>19.0 FTE</b>
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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. 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 2003 budget of approximately

## Budget In Brief

\$6.5 million is funded through premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund in proportion to risk exposure associated with the personnel and physical assets of each fund. Also included for FY 2003 is \$46,770 in administrative fund balance that has accumulated in the fund.

### Fiduciary Funds

Fiduciary funds account for assets held by a governmental unit in a trustee capacity. The LFUCG operates three fiduciary funds.

<b>City Employees' Pension</b>
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<b>\$ 2,250,900</b>
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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 City Employees' Pension Fund completed the process for transferring to the County Employees Retirement System in November 1992. The City Employees' Pension 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 two current employees remain with the CEPF.

The FY 2003 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$111,510). The government also pays certain other administrative costs.

## Budget In Brief

<b>Policemen's and Firefighters' Retirement</b>	<b>\$23,499,840</b> <b>1.0 FTE</b>
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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 contributions of 20 percent and 11 percent of salary, respectively.

The FY 2003 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$2,065,000). The government also pays certain other administrative costs.

<b>Public Library Corporation</b>	<b>\$ 988,700</b>
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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.

Public Library Notes were issued in 1996 to finance the construction of a new Beaumont Branch Library. FY 2001 included the first payment on bonds issued to finance the construction of a replacement for the Tates Creek Library branch.

## Budget In Brief

### FY 2002 - 2003 Budget Formulation Calendar

November	December	January
<ul style="list-style-type: none"> <li>Forms Mailed to Outside Agencies</li> </ul>	<ul style="list-style-type: none"> <li>Forms Distributed to Departments</li> </ul>	<ul style="list-style-type: none"> <li>Revenue Estimates Gathered</li> <li>Outside Agencies and Departments Submit Budget Requests</li> </ul>
February	March	April
<ul style="list-style-type: none"> <li>Budgeting Reviews All Budget Submissions</li> <li>Budgeting Prepares Revenue Estimates</li> </ul>	<ul style="list-style-type: none"> <li>Mayor's Budget Hearings</li> <li>Administrative Review Group Recommends Capital Improvement Plan</li> </ul>	<ul style="list-style-type: none"> <li>Proposed Budget Finalized</li> <li>Mayor's Budget Address</li> </ul>
May	June	July
<ul style="list-style-type: none"> <li>Council Budget Hearings</li> <li>Public Hearings</li> </ul>	<ul style="list-style-type: none"> <li>Budget Ratification</li> <li>1st and 2nd Readings of Budget Ordinance</li> </ul>	<ul style="list-style-type: none"> <li>Start of the New Fiscal Year</li> <li>New Budget Implemented</li> </ul>

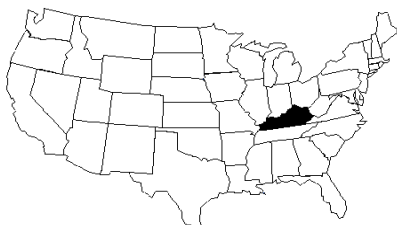
## Budget In Brief

### Profile of Lexington-Fayette County

#### 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 70 percent of the U.S. markets.

#### KENTUCKY



#### FAYETTE COUNTY

Square Miles	285.5
Average Temperature	54.9°F

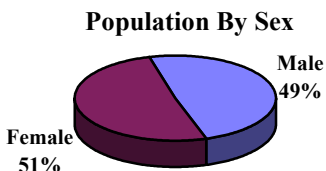
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## Budget In Brief

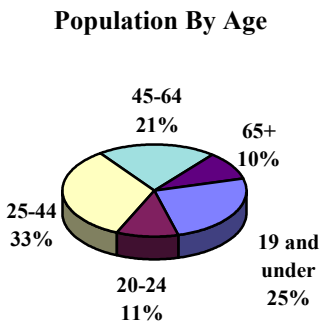
### Population

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%

Population by Sex 2000	
Male	127,905
Female	132,607
Total	260,512

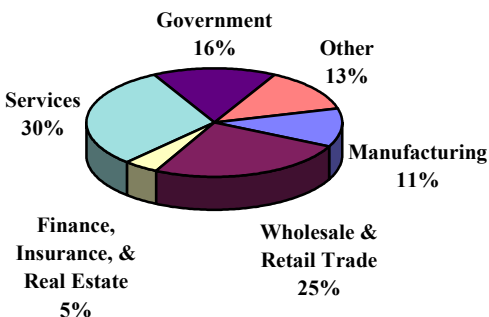


Population by Age 2000	
19 and under	65,226
20-24	28,355
25-44	86,366
45-64	54,391
65+	26,174
Total	260,512



## Budget In Brief

### Employment by Industry



Average Annual Employment by Industry Lexington-Fayette County – 2000	
All Industries	166,870
Manufacturing	18,799
Wholesale & Retail Trade	42,249
Finance, Insurance, & Real Estate	7,650
Services	50,253
Government	26,001
Other	21,918

Source: Kentucky Workforce Development Cabinet, "Average Monthly Employment 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 30 percent of Fayette County jobs. The **trade sector** is the second largest source of jobs, accounting for 25 percent.

## Budget In Brief

The Fayette County area is the retail center for the Lexington-Fayette Metropolitan Statistical Area (MSA). Also, the convergence of two major highways, Interstates 75 and 64, makes it ideally suited for the location of wholesale trade facilities.

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.

### 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 Mayor and 15-member legislative body administer the ***Lexington-Fayette Urban County Government***.