



Lexington-Fayette Urban County Government
Pam Miller, Mayor

July 1, 2001

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 coming 2001-2002 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 cursive script that reads "Pam Miller".

Pam Miller
Mayor

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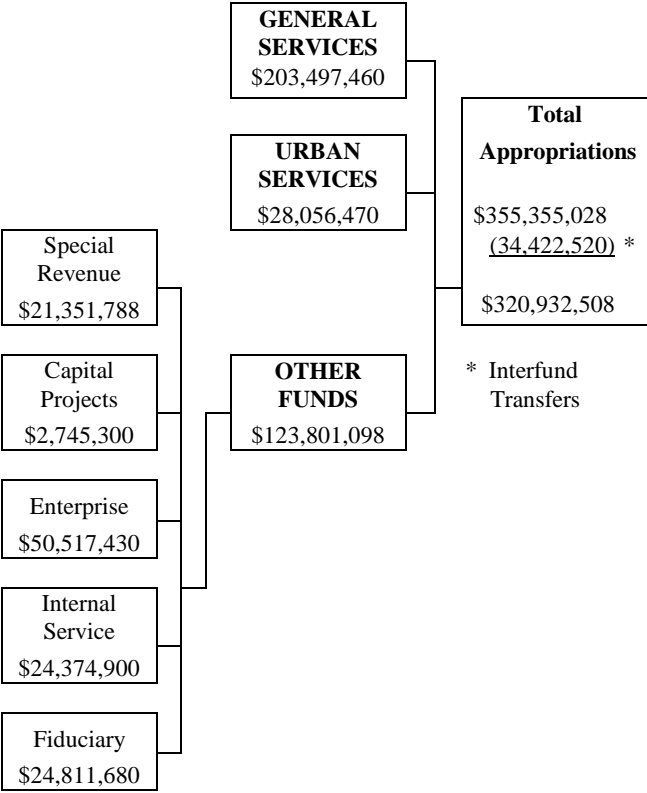
Lexington-Fayette Urban County Government

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Organization of the Total Budget By Fund

Budget In Brief



Introduction to the Budget

The Lexington-Fayette Urban County Council voted to ratify the Mayor's Proposed Budget for 2001-2002 on June 19, 2001. The approved budget for the General Services Fund is \$203,497,460, which includes changes made on June 19th. (See pages 8 and 9 for a detailed listing of these changes.) The total budget for all funds combined (net of interfund transfers) is \$320,932,508.

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.¹ 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.

¹ 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 *Cultural and Entertainment Facilities Fund* and the *FY 2002 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*.

FY 2002 Budget Highlights

A slowdown in the local economy during the fourth quarter of 2000 had a significant impact on the FY 2002 budget. Revenue shortfalls of approximately \$8 million were expected in the employee withholdings and net profits accounts (which account for almost 70% of the total General Fund budget). To address this problem, budget cuts were made in March and spending controls were imposed for the remainder of FY 2001. Many of the FY 2002 budget requests could not be funded, and reductions were made to the proposed budget during the “late-item” process.

“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 May 1st.
- New business items passed by Council since submission of the Mayor’s Proposed Budget.
- Divisional requests (corrections and/or new requests).
- Early reappropriation requests.

Additional changes this year included a reduction in revenue estimates for FY 2002 (based on the slower FY 2001 growth) and corresponding expenditure reductions. In addition to other reductions, the proposed operating budgets for LFUCG divisions and most of the outside agencies were cut by 6%. A detailed listing of the changes to the Mayor’s Proposed Budget appears on pages 8 and 9.

Budget In Brief

Changes to the Mayor's Proposed Budget General Services Fund - June 19, 2001

Description	Amount
Fund Balance Per Mayor's Proposed Budget	\$300,000
Divisional Changes	
Late Items*	(\$389,030)
Revenue/Lapse/Budget Amendments	267,960
Fund Balance After Divisional Changes	\$178,930
Other Changes	
Adjust Employee Withholding Revenue	(\$2,177,000)
Mediation Program	10,000
CAO Planning Consultant	25,000
Community Reinvestment Alliance (50% Cut)	7,750
Vine Street Government Center Contingency	25,000
Debt – Courthouse Plaza	41,750
Debt – Government Center Renovations	33,810
Debt – EAMP Boulevard	69,580
Downtown Clerical Position	32,160
Engineering – Infrastructure Projects	100,000
Engineering – Survey Equipment	10,000
Airport Board	28,000
Risk Management Operating (6% Cut)	9,970
Mayor's Training Center Computers	16,000
First Link of the Bluegrass (50% Cut)	15,650
Parks – Copier	3,750
Shakespeare in the Park	4,000
Speakout	25,000
YMCA (Not Required for FY 2002)	50,000
Elder Craftsmen (6% Cut)	1,180
History/Art Museum (6% Operating Cut)	1,800
Lexington Area Sports Authority (6% Cut)	2,400
Martin Luther King Celebration	5,000
Roots and Heritage Festival/NIA Day Camp (6% Cut)	2,400
Sister Cities (6% Cut)	2,510
Staff Assistance – Race Relations (6% Cut)	1,200
Streets and Roads – Snow Removal Equipment	15,000
Traffic Engineering – Traffic Calming	50,000
Traffic Engineering – Copier	13,000
UCG Divisions (6% Cut to Adjusted Operating)	775,630
Outside Agencies (6% Cut)	772,060
1% Cut to Seasonal Salaries	36,190
1% Cut to Temporary Salaries	5,430
Fund Balance After Other Changes	\$193,150

*See following page for detail.

Divisional Late Item Changes

Budget In Brief**General Services Fund - June 19, 2001**

Description	Amount
Grant Recovery – FHWA Planning	\$ 2,540
Various Personnel Reclassifications	(10,590)
Grant Recovery – Mobility Program	1,000
Grant Recovery and Match – FTA Section 5303	900
Peers Educating Peers Grant	(110)
Delete Multiple Response Grant	(220)
Child Abuse and Neglect Grant	(5,960)
Mayor’s Training Center – Four Client Assessment Counselor Positions	(16,270)
Parks – Concession Contract	(17,940)
New Chance Grant	(23,710)
Detention – Detox Program	(267,720)
Reappropriate Historic Corridor Plan Funds	(10,000)
Sidewalks – End of Courthouse to the New Arts Center	(25,000)
Planning – Reappropriate FY 2001 Downtown Plan Funds for Two Small Area Plans	(100,000)
1. Between UK and Downtown	
2. Warehouse Area Off South Broadway	
Reappropriate STEPS Contributions	(26,190)
Reduce Dedicated Golf Course Improvement Funds for Debt Payment	125,240
Reduce New Century Lexington	5,000
Fire – Increase Medical Director Contract	(20,000)
Total	(\$389,030)

FY 2002

General Services District Fund

Budget In Brief**General Services District Fund****Summary of Revenue and Appropriations**

Category	FY 2001	FY 2002	Difference
<i>Revenue</i>			
Ad Valorem Taxes	\$14,674,000	\$13,379,300	(\$1,294,700) ²
Licenses and Permits	161,642,370	163,085,670	1,443,300
Services	12,167,380	12,327,470	160,090
Fines and Forfeitures	358,900	361,900	3,000
Intergovernmental	1,694,500	1,330,800	(363,700)
Detention Centers	7,415,000	5,695,000	(1,720,000)
Miscellaneous	2,528,400	1,967,070	(561,330)
Total Revenue	\$200,480,550	\$198,147,210	(\$2,333,340)
Fund Balance, July 1 (Estimated)	12,108,160	5,543,400	(6,564,760)
Total Available Funds	\$212,588,710	\$203,690,610	(\$8,898,100)
<i>Appropriations</i>			
Personnel	\$119,878,410	\$120,163,480	\$285,070
Agency Services	23,852,830	22,500,530	(1,352,300) ²
Debt Service	17,707,880	19,268,900	1,561,020
Insurance	4,340,730	2,970,650	(1,370,080)
Other Operating	30,060,900	30,416,510	355,610
Transfers To/(From) Other Funds	5,809,730	2,641,880	(3,167,850)
Total Operating	\$201,650,480	\$197,961,950	(\$3,688,530)
<i>Capital</i>			
CIP Capital	\$8,010,570	\$4,974,250	(\$3,036,320)
Operating Capital	1,927,660	561,260	(1,366,400)
Total Capital	\$9,938,230	\$5,535,510	(\$4,402,720)
Total Appropriations	\$211,588,710	\$203,497,460	(\$8,091,250)
Fund Balance, June 30 (Estimated)	\$1,000,000	\$193,150	(\$806,850)

² The decrease in ad valorem revenues reflects a change in the method of accounting for property tax commissions due to the Sheriff. The offsetting expenditure reduction is in the Agency Services category. The Sheriff is no longer included as an "outside agency."

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 2002 appropriations in the General Services District Fund are \$203.5 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

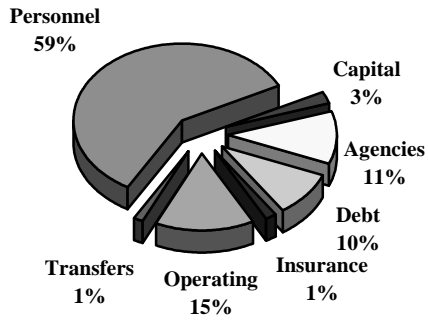
Personnel (\$120,163,480) accounts for 59% of the total General Services budget. This category includes *wages, overtime, and fringe benefits*. The change in this category over last year is due mainly to (1) an increase in planned personnel lapse (vacancy credit) to the level actually lapsed last year; (2) a 1% wage adjustment for LFUCG employees, to begin December 2001 at a cost of \$542,630; and (3) an increase of \$720,470 for health insurance costs.

Outside Agencies (\$22,500,530) 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.)

Expenditures by Category

Budget In Brief

\$203,497,460



Expenditures by Category FY 2002 vs. FY 2001 (\$000 omitted)

Category	FY 2001	FY 2002	\$ Change	% Change
Personnel	\$119,878	\$120,163	\$ 285	0.2%
Agencies	23,853	22,500	(1,353)	-5.7%
Debt Service	17,708	19,269	1,561	8.8%
Operating	30,061	30,416	355	1.2%
Transfers	5,810	2,642	(3,168)	-54.5%
Insurance	4,341	2,971	(1,370)	-31.5%
Capital	9,938	5,536	(4,403)	-44.3%
Total	\$211,589	\$203,497	(\$8,092)	-3.8%

Debt Service (\$19,268,900) is payment on long- and short-term debt incurred to finance public projects. Debt changes are due primarily to:

Lexington-Fayette Urban County Government

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- Total interest and principal payment for the Vine Street Government Center, Tates Creek Pool, and Douglass Pool.
- Interest payments for the Government Center's HVAC and elevator replacement.
- Total interest and principal payment for the \$10 million storm water improvements bonds.

Insurance (\$2,970,650) 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 funding requirement is reduced due to an accumulated fund balance in the Workers' Compensation and General Insurance Fund.

Other Operating (\$30,416,510) 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 increase in this category is due mainly to utilities and grant costs.

Transfers To/From Other Funds (\$2,641,880) represents the transfer of resources from one fund to another. FY 2002 transfers are \$3.0 million less than FY 2001 due mainly to decreased funding for parks projects and no General Fund subsidy of the MAP (Road) Fund.

Capital (\$5,535,510) includes payments for capital improvement projects such as storm drainage, the Purchase of Development Rights (PDR) program, and operating capital such as computer software and copiers.

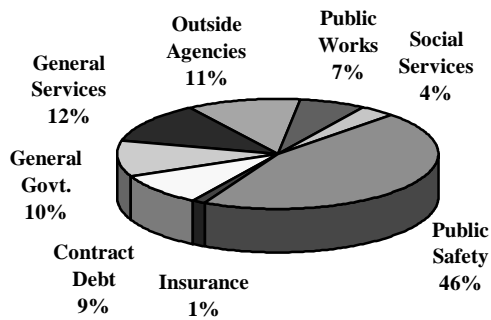
Expenditures by Department or Service Area

Governmental departments are unique units with specific responsibilities, generally defined in the LFUCG Charter.

Budget In Brief

The budget is explained along departmental lines in the following section.

Expenditures by Department \$203,497,460



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

Department	FY 2001	FY 2002	Difference
Public Safety	\$ 91,795	\$ 93,034	\$1,239
General Services	26,768	24,709	(2,059)
Outside Agencies	23,853	22,500	(1,353)
General Government	23,092	20,194	(2,898)
Contract Debt	17,708	19,269	1,561
Public Works	16,274	13,497	(2,777)
Social Services	7,758	7,323	(435)
Insurance	4,341	2,971	(1,370)
Total	\$211,589	\$203,497	(\$8,092)

Public Safety

\$93,033,610
1,631.7FTE

The largest department in the General Services Fund is Public Safety, accounting for 46% of the FY 2002 budget.

Budget In Brief

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 \$1.2 million is included, with most of that increase earmarked for expenditures related to a full year's cost of hazardous duty pension coverage for detention employees, additional costs of the new detention center, hiring ten additional Police Officers, and the government-wide 1% wage increase.

Program	FY 2001	FY 2002	Change
Police	\$34,173,960	\$34,711,890	\$537,930
Fire/Emergency	32,025,820	32,276,400	250,580
Comm. Corrections	19,374,500	20,172,180	797,680
Bldg. Inspection	2,121,980	2,044,460	(77,520)
Commissioner	2,004,890	1,924,990	(79,900)
Code Enforcement	1,402,750	1,420,000	17,250
DEEM ³	677,210	469,380	(207,830)
ABC ⁴	14,310	14,310	0
Department Total	\$91,795,420	\$93,033,610	\$1,238,190

Public Safety budgets include:

- Full-year cost of switching qualified Community Corrections employees from CERS pension system to CERS hazardous duty pension.

³ FY 2001 budget included \$100,000 for Fall Haul. The Hazardous Materials Program was moved to Fire and Emergency Services for FY 2002.

⁴ 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

- Increase in overtime and part-time salaries in Community Corrections.
- Matching funds for ten Police Officers under the state's Police Corps program.
- Training incentive pay increase for Division of Fire sworn employees from 11% to 12%. This is the third year of a five-year plan to bring Fire training incentive pay up to the same percentage paid to Police Officers.
- \$192,000 for financial assistance in the form of *forgivable sidewalk loans*.
- \$1,450,450 for *Police and Fire pension fund retirees' health insurance*.
- Funds are included in this budget for the first of three payments on the 2001 equipment notes that were issued to purchase 34 *replacement police vehicles*.

Budget In Brief

General Services

\$24,708,610

363.1 FTE

Funding for the Department of General Services is \$2 million less than FY 2001, with most of the change due to a decrease in funding for the Parks Projects Fund.

Program	FY 2001	FY 2002	Change
Commissioner's Office	\$1,526,620	\$1,747,590	\$220,970
Fleet Services	2,865,110	2,891,270	26,160
Property Management	2,950,880	3,139,990	189,110
Building Maint./Const.	3,112,810	2,782,270	(330,540)
Parks and Recreation	16,312,270	14,147,490	(2,164,780)
Department Total	\$26,767,690	\$24,708,610	(\$2,059,080)

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 additional funds for vehicle repair and maintenance.

Property Management includes increased funding for contractual custodial services, mowing contracts, and security at the new Vine Street building.

Building Maintenance includes a vacancy credit of \$140,710 for asbestos removal positions that will not need to be filled during FY 2002. This budget includes \$777,800 for roof repairs and other maintenance expenses. (Funds are included in Debt Service for a \$2.24 million bond issue for replacing two elevators and the backbone of the HVAC system 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

The following projects are budgeted in the *PFC Parks Projects Fund*, with funding of \$676,600 from the General Services Fund.

Location	Description	Budget	District
Cardinal Run	Lights and Ball Field Improvements	\$100,000	12
Various	Golf Course Improvements	101,600	
Various	Park Land Acquisition	475,000	
Total		\$676,600	

Outside Agencies **\$22,500,530**

Outside agencies account for approximately 11% of all General Services District expenditures.

- The *Lexington Public Library* receives over one-third of that total (\$8.7 million) due to a legal requirement that mandates the government provide a funding level of 5 cents per \$100 assessed valuation of taxable property in Fayette County.

Budget In Brief

Outside Agencies

Organization	FY 2002
Airport Board	\$ 130,300
Baby Health Service	17,860
Bluegrass Area Development District	21,140
Bluegrass Community Services	18,800
Carnegie Literacy Center	274,060
Children's Museum	305,500
Christian Church Homes	245,420
CityLife Youth Foundation	4,700
Community Action Council	145,980
Comprehensive Care Center	226,210
Downtown Lexington Corporation	103,400
Environmental Commission	2,970
Fayette County Conservation	27,060
Fayette County Extension	271,710
First Link of the Bluegrass	15,650
Group Home	81,950
Health Department	4,589,260
Hope Center	278,050
Human Rights	165,050
Humane Society	667,530
Legal Aid/Public Defender	106,100
Lexington United	82,900
Library Board	8,737,870
Manchester Center	19,510
Operation Read	30,540
Rape Crisis Center	54,520
Salvation Army	101,520
Tenant Services	138,570
LexTran ⁵	3,583,180
Women's Center	24,440
World Trade Center	201,160
YWCA-Spouse Abuse Center	63,920
Subtotal Outside Agencies	\$20,736,830
Lexington Center Corp.	
LFUCG Subsidy	\$343,700
LCC Reserve	(540,000)
Room Tax	1,960,000
Total Outside Agencies	\$22,500,530

⁵ An additional appropriation of \$250,000 was approved for LexTran on July 12, 2001, for a revised total of \$3,833,180.

Budget In Brief

General Government

\$20,194,210

364.0 FTE

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

- No funding is included for the Corridors program in the Council Office budget.
- The “Special Projects” program includes funding for:
 - \$530,000 History/Art Museum
 - \$300,000 Arts Programs Challenge Grant
- Other General Government budgets include:
 - \$2,131,280 for the Purchase of Development Rights (PDR) Program
 - \$86,400 for Youth Violence Prevention
 - \$10,000 for Minority Business Development Support
 - \$50,000 for Drought Damaged Street Trees in Neighborhood Easements
 - \$73,320 for Downtown Beautification and Improvements
 - \$50,000 for Vacant Lot Program
 - \$135,000 for Council Neighborhood Development Funds (NDF)
 - \$30,000 for Downtown Façade Program
 - \$10,000 for Stone Wall Preservation Program
 - \$25,000 for Grant Match Contingency
 - \$325,680 Match for Home Grant

Public Works**\$13,497,420****180.0 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.⁶

Program	FY 2001	FY 2002	Change
Engineering	\$7,464,240	\$5,800,230	(\$1,664,010)
Streets and Roads	4,298,650	3,641,960	(656,690)
Traffic Engineering	3,999,700	3,577,130	(422,570)
Commissioner	511,370	478,100	(33,270)
Department Total	\$16,273,960	\$13,497,420	(\$2,776,540)

- The decrease in Engineering for FY 2002 is due to the General Services Fund not providing a supplement to state Municipal Aid Program revenues for major road projects. (See page 38 for the Municipal Aid Program budget.)
- \$223,970 is included for road salt.
- Funding is included in the division of Traffic Engineering for:
 - \$75,000 for Enhanced Street Sign Program.
 - \$124,000 in Matching Funds For Various Traffic Engineering Grants.
 - \$25,000 for Traffic Signal Upgrades.
 - \$77,000 for Fiber Optic Cabling.
- The General Fund budget includes \$2.5 million for the correction of storm drainage problems.

⁶ Sanitary sewer, street lights, street cleaning, refuse collection, and refuse disposal services are accounted for in other funds.

Budget In Brief

- Funds are also included in Debt Service for payment on a \$10 million storm water bond issue.

General Fund Storm Water Projects

Storm Water Monitoring	\$ 150,000
Floodproofing	100,000
Rain Gauge Program	80,000
Storm Drain Rehab./Reconstruction	600,000
GIS Projects	75,000
Watershed Models	120,000
Water Quality Capital Improvements	100,000
Riparian Planting Program	35,000
Detention/Retention Basin, Facility Maintenance	25,000
Capital Projects	1,274,830
Total	\$2,559,830

Social Services

\$7,323,530

178.6 FTE

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

Program	FY 2001	FY 2002	Change
Family Services	\$3,276,190	\$3,389,930	\$113,740
Youth Services	2,653,560	2,092,540	(561,020)
Adult Services	1,241,900	1,069,650	(172,250)
Commissioner	586,190	771,410	185,220
Department Total	\$7,757,840	\$7,323,530	(\$434,310)

- 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 and collects non-wage assigned child support payments through the Domestic Relations office. The

Budget In Brief

decrease in funding is due to the inclusion of \$180,000 in FY 2001 for a parking lot at the Senior Citizens Center.

- **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 new Kentucky Children's Health Insurance Plan (K-CHIP), greater numbers of children are being seen at the clinic. Reimbursement in excess of \$850,000 is expected from the state Medicaid program to offset the cost of providing health and dental care services during FY 2002.
- Youth Services provides social and counseling services for children and their families. The division also oversees the application of the juvenile justice system in Fayette County. During FY 2001, the **Court Designated Worker program**, a juvenile pre-trial service, was transferred to the Kentucky Department of Justice. This eliminated eight full-time positions and 2.7 part-time positions. Another position was transferred to the Commissioner of Social Services office.
- 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 Department⁷

Departments/Divisions	FY 2002	FTE
Council Office	\$1,466,120	28.0
Citizens' Advocate	117,060	2.0
Council Clerk	511,020	5.0
Office of the Mayor⁸	2,708,850	24.8
Mayor's Training Center	1,157,320	27.0
Special Projects	1,629,960	0.0
Office of the CAO	3,238,020	18.0
Administrative Services	7,278,390	123.2
Budgeting	386,660	6.0
Public Information Office	871,860	19.8
Human Resources	2,661,230	33.0
Historic Preservation	350,240	6.0
Community Development	997,620	20.0
Planning	2,010,780	38.4
Insurance	2,970,650	0.0
Contract Debt	19,268,900	0.0
Contingency/Indirect Cost	(8,156,560)	0.0
Constitutional Officers and Judicial	2,185,740	20.0
Finance	6,433,960	95.3
Commissioner's Office	575,520	6.3
Accounting	534,350	10.0
Computer Services	3,152,500	35.0
Revenue	1,765,390	36.0
Purchasing	406,200	8.0
Public Works	13,497,420	180.0
Commissioner's Office	478,100	6.0
Engineering	5,800,230	58.0
Streets and Roads	3,641,960	76.0
Traffic Engineering	3,577,130	40.0
Law	1,624,330	20.7

General Services District Fund

⁷ See pages 16-24 for comparisons to prior year.

⁸ Includes \$1,406,140 for Programs for the Elderly, Economic Development Office, and Youth Programs.

Budget In Brief

Expenditures by Department

Departments/Divisions	FY 2002	FTE
Public Safety	93,033,610	1,631.7
Commissioner's Office/Pension	1,924,990	3.0
DEEM	469,380	9.8
Community Corrections	20,172,180	361.4
Police ⁹	34,711,890	676.5
Fire ¹⁰	32,276,400	517.0
Code Enforcement	1,420,000	21.5
Building Inspection	2,044,460	42.0
Alcohol Beverage Control	14,310	0.5
Social Services	7,323,530	178.6
Commissioner's Office	771,410	15.0
Adult Services	1,069,650	19.1
Family Services	2,204,560	78.2
Health Care Services	1,185,370	10.2
Youth Services	2,092,540	56.1
General Services	24,708,610	363.1
Commissioner's Office	1,747,590	10.0
Fleet Services	2,891,270	59.0
Property Management	3,139,990	70.0
Building Maintenance	2,782,270	52.0
Parks and Recreation	14,147,490	172.1
Outside Agencies	22,500,530	0.0
Library	8,737,870	0.0
Health Department	4,589,260	0.0
LexTran ¹¹	3,583,180	0.0
Other Agencies	5,590,220	0.0
Total General Services District	\$203,497,460	2,717.4

FTE = Full-time equivalent positions

General Services District Revenue

⁹ 482 FTE sworn, 194.5 non-sworn

¹⁰ 474 FTE sworn, 43 non-sworn

¹¹ Amended to \$3,833,180 after the budget was adopted.

Budget In Brief

General Services Fund revenues are estimated at \$198,147,210 for FY 2002, or a 1.2% decrease from FY 2001 budgeted revenues (see page 12).

Category	FY 2002 Budget
Licenses and Permits	\$163,085,670
Ad Valorem Taxes	13,379,300
Services	12,327,470
Detention Centers Revenue	5,695,000
Miscellaneous *	1,967,070
Intergovernmental *	1,330,800
Fines and Forfeitures *	361,900
Total Revenue	\$198,147,210
July 1, 2001, Estimated Fund Balance	5,543,400
Total Available Funds	\$203,690,610

* Other on chart on page 29.

Licenses and permits revenue is the largest single category of revenue in the General Services District Fund, accounting for 82% of all revenues. This category includes revenue from employee withholdings, franchise permits, insurance premium tax, and net profits license fee on businesses.

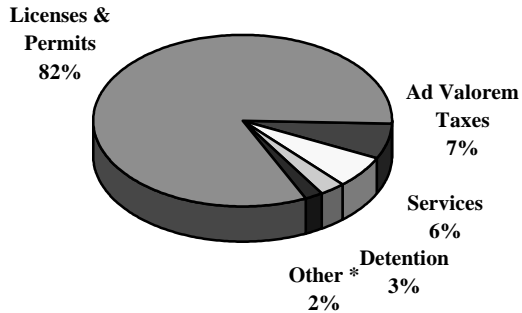
The second largest category of revenue in this fund (7%) comes from ***ad valorem*** taxes (property taxes). The LFUCG levies two categories of property taxes: (1) a county-wide tax (General Services District) for the support of the general operations of the government; and (2) an Urban Services Districts tax paid by residents receiving government services of refuse collection, street lights, and street cleaning (see page 35).

General Services District

Lexington-Fayette Urban County Government

Budget In Brief

Revenue by Category \$198,147,210



The FY 2002 budget maintains the General Services property tax rate on real and personal property at **8.00 cents per \$100 assessed value** (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 2002 appropriation to the Library is \$8,737,870. Total ad valorem revenues are forecast to be \$13,379,300.

Additional sources of General Service revenues are *services* (golf course fees, EMS fees, etc.), *finer*, *detention*, *intergovernmental*, and *miscellaneous* revenues, and an estimated \$5.5 million carry-over of funds from the prior year.

Beginning Fund Balance

Budget In Brief

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, 2001, estimated fund balance of \$5,543,400. Expenditure lapses (unspent funds at year end) are carried forward to the following budget year as a source of available funds.

FY 2001 Estimated Operating Lapse	\$1,994,650
FY 2001 Storm Water Projects Lapse	2,328,750
FY 2001 PDR Lapse	750,000
FY 2001 Downtown Projects Lapse	470,000
7/01/01 Estimated Fund Balance	\$5,543,400

FY 2002

Urban Services Districts Fund

Urban Services Districts Fund

Summary of Revenue and Appropriations

Category	FY 2001	FY 2002	Difference
<i>Revenue</i>			
Ad Valorem	\$21,724,000	\$23,694,000	\$1,970,000
Licenses and Permits	770,000	796,000	26,000
Services	0	37,500	37,500
Miscellaneous	1,015,000	1,014,000	(1,000)
Total Revenue	\$23,509,000	\$25,541,500	\$2,032,500
Fund Balance, July 1 (Estimated)	7,458,340	5,701,000	(1,492,540)
Total Available Funds	\$30,967,340	\$31,242,500	\$539,960
<i>Appropriations</i>			
Personnel	\$9,003,870	\$10,018,010	\$953,390
Debt Service	417,120	342,130	(74,990)
Insurance	654,080	437,160	(216,920)
Other Operating	8,767,240	9,616,470	849,230
Transfers To\From Other Funds	254,780	193,150	(61,630)
Total Operating	\$19,097,090	\$20,606,920	\$570,680
<i>Capital</i>			
CIP Capital	1,490,000	2,460,000	970,000
Operating Capital	5,110,960	4,989,550	(121,410)
Total Capital	\$6,600,960	\$7,449,550	\$848,590
Total Appropriations	\$25,698,050	\$28,056,470	\$1,419,270
Fund Balance, June 30 (Estimated)	\$5,269,290	\$3,186,030	(\$879,310)

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

Departments/Function	FY 2001	FY 2002	Difference
Insurance	\$654,080	\$437,160	(\$216,920)
Contract Debt	417,120	342,130	(74,990)
Indirect Cost/Contingency	1,115,270	1,720,530	605,260
LexCall	320,580	338,280	17,700
Personnel Programs	71,700	75,460	3,760
Annual Audit	10,000	10,500	500
Public Works	21,372,090	21,751,530	379,440
Street Cleaning	750,860	805,150	54,290
Refuse Collection	17,760,230	17,985,380	225,150
Street Lights	2,861,000	2,961,000	100,000
General Services	1,737,210	3,380,880	1,643,670
Administration	0	6,480	6,480
Vehicles	1,302,400	3,132,700	1,830,300
Building Maintenance	11,610	11,690	80
Vacuum Leaf Collection	423,200	230,010	(193,190)
Total Urban Services	\$25,698,050	\$28,056,470	\$2,358,420

- A total of 264.0 full-time equivalent positions are authorized for the Urban Services Districts Fund.

Division	FTE
Human Resources	1.0
Street Cleaning	13.0
Refuse Collection	250.0
Total	264.0

Budget In Brief

Program costs for ***LexCall*** are allocated among three funds based on actual calls received. Eighty-five percent of the total cost is allocated to the Urban Services Fund.

The decrease in ***insurance*** is due to an accumulated fund balance in the Workers' Compensation and General Insurance Fund.

An ***indirect cost*** payment is made to the General Services Fund (\$1,633,750) for administrative costs not directly charged to this fund (such as accounting, purchasing, payroll, etc.).

Funds are included in a ***contingency*** budget (\$618,080) to transfer solid waste workers from non-hazardous to hazardous coverage with the County Employees Retirement System (CERS). An appeal of the Kentucky Retirement Systems Board of Trustees' decision to deny coverage for these positions is pending.

The ***contingency*** budget also includes \$220,000 for termination pay (for unused sick and vacation hours); \$28,700 for the 27th pay period contingency; and a \$780,000 vacancy credit.

The \$75,460 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***." Businesses, institutions, and other non-residential waste is collected through the dumpster program. The recyclables of over 42,000 households are collected via roll carts called "***Rosies***." The FY 2002 budget includes funds to continue the transition from the 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.

Budget In Brief

The Urban County Council voted to provide *vacuum leaf collection* only to those properties within the Urban Services Districts that have LUCG refuse collection service. The Division of Property Management administers this program.

Approximately 500 *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 \$2,500,000, a \$100,000 increase over FY 2001.

The Division of Streets and Roads provides *street cleaning* in the urban services area. FY 2002 includes funding for an additional person and street sweeping machine.

Contract debt expense has decreased for FY 2002 because FY 2001 included debt payments on two equipment notes and FY 2002 has only one note payment.

Urban Services Revenue Sources

Total resources available for FY 2002 expenses in the Urban Services Fund include a projected beginning fund balance of \$5.7 million and revenues of \$25.5 million. The largest single category of revenue to the Urban Services Districts Fund is *ad valorem*, or property, taxes. Property taxes account for 93% of the total revenues and are estimated at \$23.7 million for the 2001 tax year (FY 2002).

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

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

Budget In Brief

September of 2001. The current rates per \$100 of assessed value on real property are:

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

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 2002

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)	\$4,239,210
---------------------------------	--------------------

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 2001	FY 2002	Difference
<i>Revenue</i>			
State MAP Funds	\$3,654,000	\$3,771,330	\$117,330
Interest Income	248,000	238,000	(10,000)
<i>Total Revenue</i>	<i>\$3,902,000</i>	<i>\$4,009,330</i>	<i>\$107,330</i>
Transfer from General Services Fund	\$1,129,870	\$0	(\$1,129,870)
Fund Balance, July 1 (Estimated)	1,340	229,880	228,540
<i>Total Available</i>	<i>\$5,033,210</i>	<i>\$4,239,210</i>	<i>(\$794,000)</i>
<i>Expenditures</i>			
Engineering	\$2,683,210	\$2,239,210	(\$444,000)
Streets and Roads	2,350,000	2,000,000	(350,000)
<i>Total Expenditures</i>	<i>\$5,033,210</i>	<i>\$4,239,210</i>	<i>(\$794,000)</i>
Fund Balance, June 30 (Estimated)	\$0	\$0	\$0

Budget In Brief

MAP projects for FY 2002 include **\$2,000,000 for resurfacing** (including \$500,000 for Man O 'War) and the following road projects:

Project	Local	Grant	Grant ¹²
Wellington Way at Clays Mill Road – Right Turn Lane	\$20,000	\$	0
Bridge Repair/Reconstruction	50,000		
Masterson Station Trail	50,000	200,000	REC
Small Projects	50,000		
Street Reconstruction	50,000		
Lori Lane Pavement Replacement	51,000		
Brighton Trail	130,000	520,000	SLX, TE
Old Mt. Tabor Pedestrian Bridge	170,000		
Red Mile Road – Harrodsburg to Horseman's Lane	25,000		
West Reynolds Road – Resident Engineer	350,000		
West Reynolds Road – Right of Way	400,000		
West Reynolds Road – Construction	850,000		
Total	\$2,196,000	\$720,000	

County Road Aid	\$702,930
------------------------	------------------

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.

Grant Funds	\$16,409,648
--------------------	---------------------

¹² SLX (Surface Transportation Program - Lexington), TE (Transportation Enhancement Projects), and REC (Regional Trails Program Projects) projects are included in the FY 2002 - 2005 Transportation Improvement Program for the Lexington Area Metropolitan Planning Organization. Local funds (generally 20%) are budgeted to match the federal funds.

Budget In Brief

State and federal grant funds of approximately \$13.6 million are anticipated for FY 2002. The LFUCG will provide over \$2.8 million in matching funds for these grants. A complete listing of the anticipated grants will be available in the Annual Budget document.

Capital Projects Funds

Cultural Facilities	\$500,000
----------------------------	------------------

The Cultural Facilities Fund includes funding for the Art/History Museum.

Bond Projects	\$2,245,300
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General obligation bonds will be issued for the following projects:

- \$223,300 for replacement of two elevators at the Government Center (the third was budgeted in FY 2001).
- \$2,022,000 for replacement of the backbone of the Government Center's HVAC system.

Budget In Brief

Enterprise Funds

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

Sanitary Sewers	\$23,085,460
Operating and Construction Funds	153.0 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. 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.

For FY 2002 Sanitary Sewer Fund revenue is projected at \$23,195,000 and will come from the following sources:

- \$20,520,000 from User Fees
- \$1,500,000 from Tap-On Fees
- \$1,060,000 in Interest Earnings
- \$115,000 in Other Revenue

During the previous fiscal year (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 2002 through FY 2007 are anticipated to exceed \$40 million. Sanitary Sewer User Fees provide the funding for the debt service on the bonds to fund projects and provide funding for any non-bond funded sewer projects. In addition, the fees pay

Budget In Brief

for the staff/maintenance/operations of the two wastewater treatment plants and other sewer facilities/services required to support the Lexington-Fayette Urban County Government (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 program that requires the identification of all overflow locations within the collections system. Over the next 20 years, total expenses for the 201 Plan and SSO Plan will approach \$169 million. The SSO Plan is a comprehensive sanitary sewer line/watershed rehabilitation program to address major sanitary sewer overflow problems.

The FY 2002 budget includes \$1.4 million to continue the implementation of the SSO Plan (inflow and infiltration prevention). In FY 2002 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 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 2001 the reserve was estimated to be approximately \$14 million.

Landfill	\$9,656,670 4.0 FTE
-----------------	--------------------------------------

The Landfill Fund was established in 1995, and a solid waste disposal fee was implemented to fund the increased cost of capping and closing the government's landfills and for the expense of contracting with a private firm for solid waste disposal.

Budget In Brief

A reserve has been established by ordinance to pay closure costs at the landfills. The FY 2002 capital budget includes \$980,000 for the corrective action plan for the closed *Raven Run* landfill, \$450,000 in post closure costs, 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 current estimated cost to close the Old Frankfort Pike site is approximately \$6 million. The estimated cost to close the Haley Pike site is approximately \$14 million.

The landfill closure reserve consists of the fund balance as of June 30, 1997, and is increased annually based on excess revenues over expenses. 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 2000 the reserve was \$14,029,362.

Extended School Program	\$1,269,850 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 \$1,315,720 in FY 2002 for the operation of the program. The FY 2002 budget includes the cost of adding an additional school, Russell Cave Elementary.

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*

Budget In Brief

Elementary, Linlee Elementary, Veterans Park Elementary, and Russell Cave Elementary.

Enhanced 911	\$2,283,000 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 victim 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 departments (the balance of the personnel cost is paid by the General Services District Fund). The General Fund provides annual subsidies (based on projected expenses) to this fund when necessary. The FY 2002 budget does not include a subsidy from the General Fund.

Total fund resources are \$2,283,000, with \$2,272,000 projected to come from **E-911** fees (including \$520,000 for wireless calls), and \$11,000 from interest income.

Public Corporations	\$14,222,450
----------------------------	---------------------

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

Budget In Brief

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*** (\$11,370,340) financed various projects through bank and mortgage notes and the issuance of revenue bonds. Projects include government buildings, parks, swimming pools, fire stations, other public buildings, and an equipment purchase program.

The short-term (three-year) equipment notes included (1) the government's vehicle replacement program (police cars, fire trucks, street sweepers, and other vehicles); and (2) the purchase of other equipment. The General Services and Urban Services Funds pay for these obligations. (Cash purchases were made for sanitary sewer system equipment.)

A five-year note package (\$2.8 million) was authorized in FY 1999 for purchase of communications equipment for the Division of Fire and Emergency Services, a satellite receiver for the Division of Police, construction of a fire station on Harrodsburg Road, and purchase of additional land for Shillito Park.

The ***Public Parking Corporation*** (\$1,419,950) 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 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*** (\$755,560) account for the revenues and expenses associated with the financing and construction of the existing adult and juvenile detention facilities for the LFUCG. Also included is the note issued to finance the land purchase for the new detention facility. Construction of the new adult detention facility is financed through

Budget In Brief

general obligation bonds and is not included in the Public Facilities Fund.

The ***Parks Projects Fund*** (\$676,000) was created to account for the acquisition of park land and parks development and improvements. Park land acquisition is funded by a dedicated building permit fee that will generate approximately \$475,000 in FY 2002. The General Services Fund provides funding for park development and improvements through a transfer of \$201,600 (\$100,000 for lighting and improvements at Cardinal Run park and \$101,600 from dedicated golf course fees).

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	\$18,410,710
-------------------------------	---------------------

The government offers health, dental, and vision care insurance options to LFUCG employees under a self-insurance plan administered by a third party. The FY 2002 budget of \$18.4 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, only the Anthem plans were a part of the self-

Budget In Brief

insurance fund. Beginning in FY 2002 all providers will be included.

Workers' Compensation/Liability	\$ 5,964,190 18.0 FTE
--	--

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 or losses. The FY 2002 budget of approximately \$6 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 2002 is \$2 million in administrative fund balance that has accumulated in the fund.

Budget In Brief

Fiduciary Funds

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

City Employees' Pension	\$ 2,174,130
--------------------------------	---------------------

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 of 1992. The CEPF is administered by a self-governing board of trustees and funded by government and employee contributions of 17.5% and 8.5% of salary respectively. Only two current employees remain with the CEPF.

For the second year, the budget includes the cost for 100% of the premium for single health care coverage for eligible retirees (\$111,510). The FY 2000 budget provided for only 50% of the cost. The government also pays certain other administrative costs.

Policemen's and Firefighters' Retirement	\$20,453,180
	1.0 FTE

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% and 11% of salary, respectively.

For the second year, the budget includes the cost for 100% of the premium for single health care coverage for eligible

Budget In Brief

retirees (\$1,450,450). The FY 2000 budget provided for only 50% of the cost. The government also pays certain other administrative costs.

Public Library Corporation

\$ 2,184,370

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 2001 - 2002 Budget Formulation Calendar

November	December	January
<ul style="list-style-type: none"> Forms Mailed to Outside Agencies 	<ul style="list-style-type: none"> Forms Distributed to Departments 	<ul style="list-style-type: none"> Revenue Estimates Gathered Outside Agencies and Departments Submit Budget Requests
February	March	April
<ul style="list-style-type: none"> Budgeting Reviews All Budget Submissions Budgeting Prepares Revenue Estimates 	<ul style="list-style-type: none"> Mayor's Budget Hearings Administrative Review Group Recommends Capital Improvement Plan 	<ul style="list-style-type: none"> Proposed Budget Finalized
May	June	July
<ul style="list-style-type: none"> Mayor's Budget Address Council Budget Hearings Public Hearings 	<ul style="list-style-type: none"> 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

Budget In Brief

Location

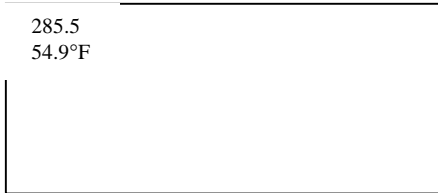
Lexington, located in the heart of central Kentucky's bluegrass region, is the state's second largest metropolitan area. The urbanized central city is surrounded by its scenic countryside of world-famous horse farms. Its central location and excellent transportation system have been major factors in 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



Clip Art ©1995 SoftKey International Inc.

Population

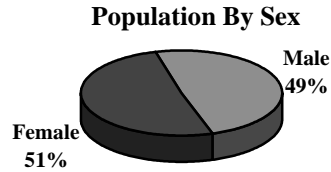
Population

Lexington-Fayette Urban County Government

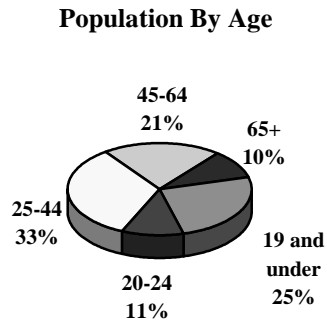
Budget In Brief

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%

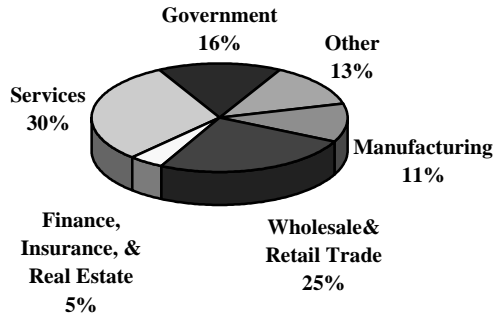
Population by Sex 2000	
Male	127,905
Female	132,607
Total	260,512



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



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% of Fayette County jobs. The **trade sector** is the second largest source of jobs, accounting for 25%.

The Fayette County area is the retail center for the Lexington-Fayette Metropolitan Statistical Area (MSA). Also, the convergence of two major highways, Interstates

Budget In Brief

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%), 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 a 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***.