

2016-2017

Lexington-Fayette Urban County Government

# Budget In Brief



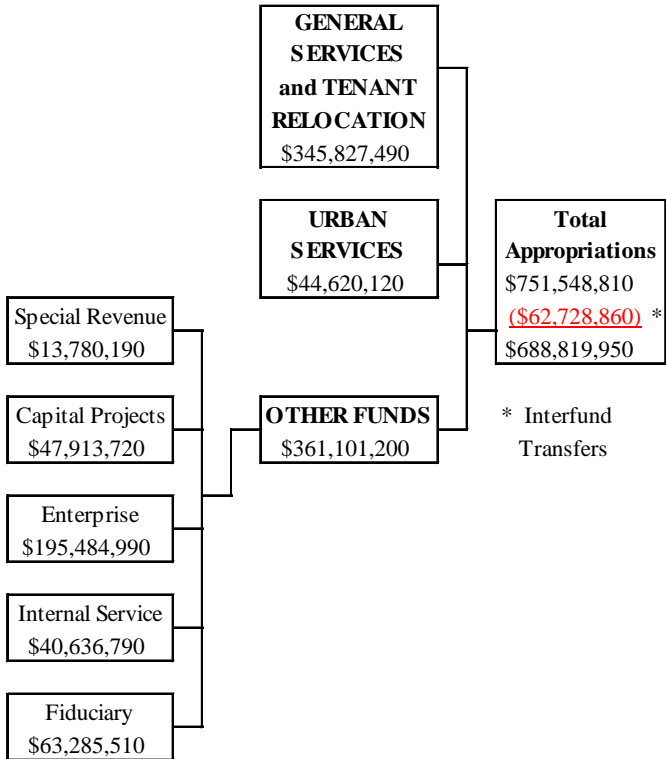
## Budget In Brief

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### Organization of the Total Budget by Fund



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### Introduction to the Budget

As shown on the prior page, the total budget for all funds combined, net of interfund transfers, is \$688,819,950. This is \$79,022,820 more than the FY 2016 adopted budget.

The finances of the government are segregated into funds in order to account for specific activities in accordance with special regulations or restrictions. The total budget is organized as follows:

- Fund 1101, the **General Services District Fund**, supports basic services such as police, fire, planning and zoning, parks and recreation, libraries, and other community services. This fund is financed primarily by employee withholdings/net profits license fees and property taxes.
- Fund 1104, the **Tenant Relocation Fund**, accounts for relocation assistance to eligible low-income tenants displaced by the rezoning, redevelopment, or change in use of property.
- Fund 1115, the **Urban Services Districts Fund**, accounts for refuse collection, street lights, and street cleaning services provided by the government. These services are funded by an additional property tax paid only by the property owners in the respective service districts.
- **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted for specified expenditures, such as *Police Confiscated-Federal, Police Confiscated-State, Public Safety, Municipal Aid Program, County Aid Program, Mineral Severance, Coal Severance, Lexington Jobs*

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*Fund, Affordable Housing and Homelessness Fund, Miscellaneous Special Revenue, Police Confiscated Treasury, and state and federal grant funds.*

- **Capital Projects Funds** account for the receipt and disbursement of resources used in major capital and construction projects.
- **Enterprise Funds** are self-supporting through charges for services. LFUCG enterprise funds include *Sanitary Sewers, Water Quality Management, Landfill, Right of Way, Extended School Program, Prisoner's Activity, Enhanced 911, and Public Corporations.*
- **Fiduciary Funds** account for assets held by the government in a trustee capacity. Included are the *Public Library Corporation Fund*, the *City Employees' Pension Fund*, and the *Police and Fire Retirement Fund.*
- **Internal Service Funds** account for the financing of services by one fund to another fund or funds of the government. Included here are the government's *self-insurance funds.*

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### **FY 2017 Budget Highlights**

The Lexington-Fayette Urban County Council voted to adopt the Mayor's Proposed Budget for fiscal year 2016-2017, as amended, on June 16, 2016. The approved expenditure budget for the General Services Fund is \$345,767,490.

### **Changes to the Mayor's Proposed Budget**

After the Mayor's Proposed Budget is presented in April, the Council is required to hold a public hearing on the contents of the proposed budget. The Council may amend the proposed budget submitted by the Mayor, except that the budget, as amended and adopted, shall provide for all expenditures required by law or by other provisions of the Charter, and for all debt service requirements for the next fiscal year.

The following changes to the Mayor's Proposed Budget were made or accepted by the Council for the General Services District Fund on June 7, 2016. Late Item Changes are requested by the Administration and reflect clerical corrections to the Mayor's Budget or changes based on new information. Council Changes are changes to the budget brought forward during the Council's budget review process.

### **Late Item Changes**

#### **Increases to Fund Balance**

Various – Personnel corrections to salaries and grades	\$414,580
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#### **Decreases to Fund Balance**

Computer Services – increase budget for cloud services	\$(112,500)
Various – Personnel changes resulting from Ordinances and Resolutions	(105,790)

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### Council Changes

#### Items with No Change to Fund Balance

Council Office – reallocate professional services funds to personnel for core staff

#### Increases to Fund Balance

Streets and Roads – Reduce overtime \$11,600

Partner Agencies – decrease funds for Lyric 10,000

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***Total increases to fund balance*** ***\$21,600***

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#### Decreases to Fund Balance

Chief Administrative Officer – create position of Administrative Officer/EEO \$(38,640)

Chief Development Officer – provide funds or Economic Development Grants (150,000)

County Attorney – increase funds for health insurance (130,000)

Environmental Services – additional funds for corridor improvements (50,000)

Environmental Services – additional funds for nuisance vegetation cutbacks (25,000)

Fire – create position of Administrative Specialist for Fire Training (25,350)

General Services – increase funds for acoustical improvements to Lyric Theatre (5,000)

General Services – increase funds for summer programming at Charles Young Center (10,000)

Police – create position of Records Custodian (29,490)

Police – restore funds for Equipment Under \$5,000 (21,050)

Property Valuation Administrator – increase funds for computers/ipads (25,000)

Purchase of Development Rights – provide funds for appraisals (15,000)

Social Services – increase funds for summer programming at Black and Williams Center (10,000)

Streets and Roads – create position of Public Service Supervisor (29,190)



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Streets and Roads – provide funds for feasibility study for sidewalks	(50,000)
Traffic Engineering – provide funds for mainline detection (Trent Boulevard to Parks Mill Road)	(150,000)
Various – increase funds for 0.5 percent pay raise	(307,100)

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<b><i>Total decreases to fund balance</i></b>	<b><i>\$(1,070,820)</i></b>
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## Changes to Other Funds

Various other changes to other funds were approved by the Council on June 7, 2016. The impact to fund balance by fund is as follows.

### Items with No Change to Fund Balance

FY 2015 Bond Fund  
Sanitary Sewer Construction Fund

### Increases to Fund Balance

Urban Services District Fund	\$392,060
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### Decreases to Fund Balance

Affordable Housing/Homelessness	\$(960)
Central Kentucky 911 Fund	(100)
Enhanced 911 Fund	(8,810)
Extended School Program Fund	(2,400)
Landfill Fund	(22,170)
Miscellaneous Special Revenue Fund	(350)
Police/Fire Pension Fund	(350)
Right of Way Fund	(1,400)
Sanitary Sewer Fund	(94,410)
Water Quality Fund	(50,680)

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### General Services District Fund (#1101)

The **General Services District** covers the entire county and includes most of the basic services provided to residents (police, fire, parks, housing, etc.). FY 2017 appropriations in the General Services District Fund are \$345 million.

### Summary of Budgeted Revenue and Appropriations

	Adopted FY 2016	Adopted FY 2017	\$ Change	% Change
Revenue				
Ad Valorem Taxes	\$ 21,527,230	\$ 22,598,500	\$ 1,071,270	5.0%
Licenses and Permits	275,801,350	296,062,070	20,260,720	7.3%
Services	23,291,120	22,327,570	(963,550)	-4.1%
Fines and Forfeitures	214,500	237,790	23,290	10.9%
Intergovernmental	538,310	413,790	(124,520)	-23.1%
Property Sales	60,000	1,107,000	1,047,000	1745.0%
Investments	457,700	505,550	47,850	10.5%
Other Income	2,664,200	2,602,080	(62,120)	-2.3%
Total Revenue	\$324,554,410	\$345,854,350	\$ 21,299,940	6.6%
Fund Balance, July 1	1,500,000	1,500,000	-	
Total Funds Available	\$326,054,410	\$347,354,350	\$ 21,299,940	6.5%
Appropriations				
Operating Expenditures				
Personnel	\$204,760,830	\$211,557,700	\$ 6,796,870	3.3%
Partner Agencies	19,723,740	20,112,770	389,030	2.0%
Debt Service	35,246,770	36,873,670	1,626,900	4.6%
Insurance	9,126,790	9,915,570	788,780	8.6%
Operating	49,678,550	55,847,700	6,169,150	12.4%
Transfers To\ (From) Other Funds	5,710,380	6,793,100	1,082,720	19.0%
Total Operating	\$324,247,060	\$341,100,510	\$ 16,853,450	5.2%
Capital Expenditures				
CIP Capital	\$ 46,810	\$ 1,886,320	\$ 1,839,510	3929.7%
Operating Capital	211,420	2,780,660	2,569,240	1215.2%
Total Capital	\$ 258,230	\$ 4,666,980	\$ 4,408,750	1707.3%
Total Appropriations	\$324,505,290	\$345,767,490	\$ 21,262,200	6.6%
Fund Balance, June 30	\$ 1,549,120	\$ 1,586,860	\$ 37,740	2.4%

### General Services District Fund Expenditures

There are several ways in which one can look at how the LFUCG will spend its budget this year. In the following pages, the budget is explained by category of spending and by department or service area.

**Personnel (\$211,557,700)** accounts for 61.2 percent of the total General Services District Fund budget. This category includes *wages, overtime, and fringe benefits*. The change in this category over last year is due mainly to the following:

- Implementation of a 3.5 percent wage increase for non-collective bargaining employees.
- Full-time positions are budgeted at 100 percent and vacant positions are budgeted at 0 percent to account for employee turnover throughout the year.
- Continuation of collective bargaining agreements.
- Funding of 43 new positions for FY 2017 in the General Fund.

**Partner Agencies (\$20,112,770)** are non-governmental programs such as the Library and various economic, legal, and social service organizations that receive full or partial funding from LFUCG. The total amount of funding to partner agencies is increased by \$389,030. (See pages 18-20 for a complete list of partner agencies.)

**Debt Service (\$36,873,670)** is for payment on long-term and short-term debt incurred to finance public projects.

**Insurance (\$9,915,570)** is the General Services Fund's payment to the government's self-insurance fund for claims related to workers' compensation, general liability, property, and automobile liability and physical damage. Insurance funding is increased by \$788,780 from FY 2016 based on current claims trends.

**Operating (\$55,847,700)** includes the day-to-day expenditures needed to run the various departments, such as office supplies,

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telephone, fuel, and utilities. Also included are professional services for medical, legal, engineering, etc.

**Transfers To/From Other Funds (\$6,793,100)** represent the transfer of resources from one fund to another. FY 2017 continues the \$50,000 monthly transfer to the Contingency Designation Fund (per Ordinance 115-2016).

<b>Transfers To or (From)</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
Contingency Designation Fund	\$ 600,000	\$ 600,000	\$ -
Fleet Services Recoveries	(3,269,950)	(3,265,030)	4,920
Fund Transfer - Affordable Housing	2,000,000	2,000,000	-
Fund Transfer - Homeless Prevention	750,000	750,000	-
Fund Transfer - Lexington Jobs Fund	1,000,000	1,250,000	250,000
Fund Transfer - PFC - General Fund	372,940	165,740	(207,200)
Fund Transfer - Public Safety	(200,000)	(300,000)	(100,000)
Fund Transfer - Tenant Relocation	30,000	30,000	-
Fund Transfer - Urban Services	2,200,000	2,000,000	(200,000)
Park Impact Fees/Golf Improvements	225,000	290,000	65,000
Pension - City Employees	60,000	60,000	-
Pension - Police and Fire	3,530,000	4,800,000	1,270,000
Salaries - Engineering/Road Projects	(775,000)	(775,000)	-
Salaries - Streets and Roads/Road Project	(812,610)	(812,610)	-
<b>Total Transfers</b>	<b>\$5,710,380</b>	<b>\$6,793,100</b>	<b>\$1,082,720</b>

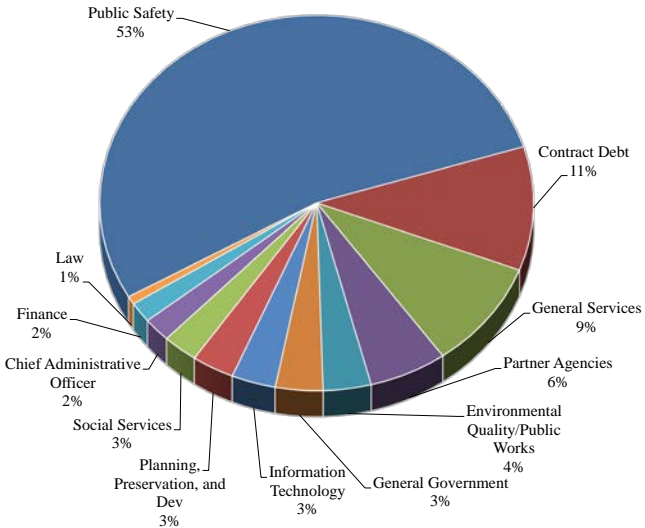
**Capital (\$4,666,980)** includes funds for audio visual equipment, building repairs, computer equipment, copier lease, public safety equipment, radios, traffic devices, golf carts, and park improvements.

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### Expenditures by Department or Service Area \$345,767,490

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.

#### General Services District Expenditures by Department



Department	Adopted FY 2016	Adopted FY 2017	\$ Change	% Change
Public Safety	\$ 175,500,960	\$ 184,962,010	\$ 9,461,050	5.4%
Contract Debt	35,246,770	36,873,670	1,626,900	4.6%
General Services	29,397,540	32,194,690	2,797,150	9.5%
Partner Agencies	19,723,740	20,112,770	389,030	2.0%
Environmental Quality/Public Work	11,516,480	12,356,380	839,900	7.3%
General Government	11,755,860	12,226,570	470,710	4.0%
Information Technology	8,310,530	11,393,690	3,083,160	37.1%
Planning, Preservation, and Dev	10,852,420	10,920,270	67,850	0.6%
Social Services	8,510,410	9,109,670	599,260	7.0%
Chief Administrative Officer	6,010,120	7,131,340	1,121,220	18.7%
Finance	5,495,200	6,067,510	572,310	10.4%
Law	2,185,260	2,418,920	233,660	10.7%
Total	\$ 324,505,290	\$ 345,767,490	\$ 21,262,200	6.6%

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### Public Safety

**\$184,962,010    1,728 FTE**

The largest department in the General Services Fund is Public Safety, accounting for 53 percent of the budget.

Budget By Division	Adopted FY 2016	Adopted FY 2017	Change
Commissioner's Office	\$ 5,981,200	\$ 7,633,870	\$ 1,652,670
ABC Administrator	20,630	17,680	(2,950)
Emergency Management/E911	4,021,750	4,345,460	323,710
Community Corrections	33,418,940	34,858,650	1,439,710
Police	65,788,140	68,759,800	2,971,660
Fire	66,270,300	69,346,550	3,076,250
Total	\$ 175,500,960	\$ 184,962,010	\$ 9,461,050

### *Commissioner of Public Safety*

- The transfer to the Police and Fire Pension Fund is included in the Commissioner's Office to accurately reflect expenses of Public Safety.
- FY 2017 includes funding for two new full-time Security Officers at the Senior Citizens Center and Public Safety Operations Center and a part-time Security Officer at the Public Safety Operations Center for after hours.

### *DEM\Enhanced 911*

- Capital funds are included for new outdoor warning sirens as well as operating budget to cover their installation.
- The funding of Enhanced 911 positions reflects current call volumes, 57 percent General Services District Fund and 43 percent Enhanced 911 Fund.

### *Community Corrections*

- The budget for Community Corrections is based on current collective bargaining contracts.
- FY 2017 includes funding for one Substance Abuse Program Administrator position. Operating funds are included for Addiction Assessor services.

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- Funds are included for study and implementation of various security improvements at the jail (\$162,600) as well as facility repairs and replacement of equipment (\$551,330).
- Funds are provided for contractual services related to food service, medical care, and mental health services.

### *Police*

- The budget for Police is based on current collective bargaining contracts.
- FY 2017 includes funding for twenty new Police Officer positions.
- Four new civil service positions are included in FY 2017: one Body Worn Camera Administrator, two Assistant Records Custodians, and one Intel Specialist.
- The FY 2017 Bond includes funds for the Body Worn Camera program (\$600,000), canine facility replacement (\$350,000), and taser replacement (\$312,000).

### *Fire*

- The personnel budget includes positions and funds required by collective bargaining agreements.
- FY 2017 includes funding for one Administrative Specialist for the Training Program.
- Funds are maintained for a contractual medical director to oversee and set operational parameters for EMTs and Paramedics functioning in the field.
- The FY 2017 Bond includes funding for light fleet (\$312,000), Jordan Building (\$450,000), construction of Station 24/Masterson Station (\$5,200,000), and warehouse/Station 10 (\$300,000).

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### Contract Debt

**\$36,873,670**

Contract Debt comprises 11 percent of the FY 2017 General Services District Fund budget. This budget is for payment on long- and short-term debt incurred to finance public projects and Police and Fire Pension bonds.

### **General Services Fund Debt Service Schedule**

<b>Debt Issue</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
2010D Pension	\$ 2,846,820	\$ 2,846,060	\$ (760)
2010F GO Bond	562,330	511,570	(50,760)
2010G GO Bond	255,390	-	(255,390)
2010H Refunding of 2001B	549,220	549,310	90
2012A Pension Bond 2012A Pen	2,151,150	2,150,020	(1,130)
2012B Refunding Bond 2012B Ref	353,250	349,380	(3,870)
2012C Bond 2012C Bond	756,540	760,550	4,010
2013B Refunding Bond 2013B	834,300	1,078,830	244,530
2013C GO Bond	1,220,330	1,221,580	1,250
2014A Refunding Bond	5,673,530	4,327,280	(1,346,250)
GO 2006B-Station,BG Asp, Storm	949,950	-	(949,950)
GO 2006C-PDR	149,150	145,660	(3,490)
GO 2010B-Refinance 1999B 2000A	606,830	604,010	(2,820)
GO 2010C-Refinance 2000E	683,570	681,070	(2,500)
GO Anticipated Debt Issues	2,396,290	1,700,000	(696,290)
GO Bond 2014B	1,889,520	1,892,040	2,520
Go Bond 2015A	-	744,040	744,040
GO Bond 2015B	-	2,694,340	2,694,340
GO Bond 2016B	-	1,550,000	1,550,000
GO2006D-Det Ctr and PFC Refund	5,228,080	4,873,480	(354,600)
GO2009A	2,251,020	2,249,670	(1,350)
GO2009B-Pension Obligation	5,846,300	5,850,530	4,230
QECB Bonds 2014C	43,200	94,250	51,050
	<b>\$ 35,246,770</b>	<b>\$ 36,873,670</b>	<b>\$ 1,626,900</b>



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### General Services

**\$32,194,690    243 FTE**

This is the third largest area of the budget, comprising 9 percent of the FY 2017 General Services District Fund budget.

Budget By Division	Adopted FY 2016	Adopted FY 2017	Change
Commissioner's Office	\$ 3,684,130	\$ 3,073,060	\$ (611,070)
Facilities and Fleet Management	5,422,350	6,082,640	660,290
Parks and Recreation	20,291,060	23,038,990	2,747,930
Total	\$ 29,397,540	\$ 32,194,690	\$ 2,797,150

### *Commissioner of General Services*

- The General Service budget for Property and Casualty Excess and Self Insurance is decreased by \$335,750 for FY 2017.
- Funds for a new Sports Complex (\$7,000,000) and Convention Center (\$10,000,000) are included in the FY 2017 Bond.

### *Facilities and Fleet Management*

- One new General Fund position of Administrative Officer for Project Management is included in FY 2017.
- FY 2017 includes \$1,000,000 for general building repairs.
- Professional Services funds are included for contract labor (\$366,000) and custodial services (\$432,000).
- Funds are included for a long-term facilities study for Environmental Quality and Public Works functions. These budgets are included in General Fund (\$43,000), Urban Fund (\$109,000), Sanitary Sewer Fund (\$77,000), Water Quality Fund (\$31,000), and Landfill Fund (\$5,000).
- Funds for a building infrastructure improvements (\$2,705,000) and vehicles (\$1,900,000) are included in the FY 2017 Bond.

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### *Parks and Recreation*

- A new Project Manager position is included in FY 2017 to oversee construction projects within the parks.
- FY 2017 includes funds for various maintenance projects and replacement of outdated parks equipment (\$1,542,000). The FY 2017 Bond also includes \$2,955,000 for major repairs and improvements detailed on pages 44-45.
- A dedicated building permit fee was passed in 1983, and in 1995 its use was restricted to park land acquisition. The transfer to the PFC Parks Projects Fund is detailed below:

	FY 2016	FY 2017
Park maintenance and development	\$185,000	\$250,000
Golf course improvements	40,000	40,000
Total	<b>\$225,000</b>	<b>\$290,000</b>

### *Partner Agencies*

**\$20,112,770**

Partner Agencies account for 6 percent of the General Services District budget. Funding for Partner Agencies has increased by \$389,030 and is itemized in the following chart.

The ***Lexington Public Library*** receives \$14.6 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 the County. The initial budget is based on estimates of 2016 (FY 2017) property value certifications.

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Organization	Adopted FY 2016	Adopted FY 2017	Change
16th District PTA	\$ -	\$ 10,000	\$ 10,000
American Red Cross	12,500	12,500	-
Arbor Youth Services	150,000	150,000	-
Baby Health Service	18,610	18,610	-
Big Brothers Big Sisters	27,230	27,230	-
Bluegrass Area Dev District	75,000	88,710	13,710
Bluegrass Community Action Age	20,000	20,000	-
BG Council of the Blind	15,000	15,000	-
Bluegrass Rape Crisis Center	32,160	32,160	-
Bluegrass Technology Center	19,800	19,800	-
Bluegrass Trust	50,000	-	(50,000)
Carnegie Literacy Center	33,300	123,300	90,000
Children's Advocacy Center	56,500	56,500	-
Chrysalis House	87,500	87,500	-
Commerce Lexington	507,000	457,000	(50,000)
Community Action Council	27,570	27,570	-
Downtown Development Authority	384,890	324,540	(60,350)
Downtown Lexington Corporation	42,710	42,710	-
Environmental Quality Comm.	5,910	5,910	-
Explorium of Lexington	225,000	263,500	38,500
Faith Feeds Lexington	6,000	6,000	-
God's Pantry Food Bank	36,500	126,500	90,000
GreenHouse 17	197,580	197,580	-
Hope Center	1,185,000	1,185,000	-
Human Rights Commission	251,830	237,230	(14,600)
Jubilee Jobs of Lexington	13,190	13,190	-
Kentucky Cancer Link	20,000	20,000	-
LexArts	450,000	489,050	39,050
Lexington Leadership Foundation	68,960	68,960	-
Lexington Public Library	14,281,950	14,632,670	350,720
Lexington Rescue Mission	49,000	49,000	-
Lyric Theatre	130,000	150,000	20,000
Mission Lexington, Inc	61,190	61,190	-
Moveable Feast Lexington, Inc.	140,000	140,000	-
NAMI Lexington KY	57,000	57,000	-
New Beginnings of the Bluegras	116,240	116,240	-
New Life Day Center	14,560	14,560	-
NoLI Community Dev Corp	150,000	-	(150,000)
Nursing Home Ombudsman Program	48,630	48,630	-
Prevent Child Abuse Kentucky	4,290	4,290	-
Repairers of the Breach	5,790	5,790	-
Salvation Army	270,030	270,030	-
SCORE	7,000	7,000	-
Step by Step, Inc.	25,510	25,510	-
Sunflower Kids	19,150	19,150	-

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Organization	Adopted FY 2016	Adopted FY 2017	Change
The Nest	71,500	71,500	-
United Way of the Bluegrass	33,750	33,750	-
Urban League	-	90,000	90,000
Volunteers of America	39,410	39,410	-
World Trade Center Kentucky	100,000	72,000	(28,000)
YMCA of Central Kentucky	79,000	79,000	-
	<u>\$ 19,723,740</u>	<u>\$ 20,112,770</u>	<u>\$ 389,030</u>

### Environmental Quality and Public Works

**\$12,356,380    90 FTE**

Environmental Quality and Public Works is comprised of four General Services District Fund divisions that provide public services in the areas of Environmental Policy, Traffic Engineering, Streets and Roads, and the Commissioner's Office. It accounts for 4 percent of the General Services District budget.

Budget By Division	Adopted FY 2016	Adopted FY 2017	Change
Commissioner's Office	\$ 246,610	\$ 337,170	\$ 90,560
Streets and Roads	2,858,960	3,612,640	753,680
Traffic Engineering	6,318,750	5,918,560	(400,190)
Environmental Services	2,092,160	2,488,010	395,850
Total	\$ 11,516,480	\$ 12,356,380	\$ 839,900

### *Commissioner of Environmental Quality and Public Works*

- The FY 2017 budget includes funds for streetscape maintenance (\$50,000) and pavement management system analysis (\$18,500).

### *Streets and Roads*

- The FY 2017 budget maintains the FY 2016 funding for de-icing salt (\$700,000).
- Funds are included for sidewalk and catch basin repairs (\$150,000)

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- One new position of Engineering Technician Senior is included to oversee trail maintenance. Funds are also included for trail maintenance expenses (\$150,000).
- FY 2017 also includes one new Vehicle Equipment Mechanic and one Public Service Supervisor.
- Total funds of \$10,000,000 are included for street resurfacing in the Municipal Aid Program Fund and FY 2017 Bond Projects Fund.
- Bond Funds are included for construction of an additional salt facility (\$1,500,000).

### *Traffic Engineering*

- FY 2017 includes a transfer to the Urban Service Fund to offset street light costs.
- One new position of Outside Plant Network Supervisor to oversee the fiber optic system related to traffic signals is included for FY 2017.
- FY 2017 Bond fund includes \$300,000 for operational spot improvements, \$250,000 for pedestrian safety, and \$934,020 for traffic signals.

### *Environmental Services*

- The Corridors program is increased for FY 2017 to allow for additional projects.
- Capital funds are included for a garden tractor with snow removal attachments (\$145,000).

### *General Government*

**\$12,226,570      76 FTE**

General Government programs include constitutional officers, divisions related to the Urban County Council and Office of the Mayor and other government-wide programs. These programs account for 4 percent of the General Services District Fund budget.

## Budget In Brief

Budget By Division	Adopted FY 2016	Adopted FY 2017	Change
Council Office	\$ 2,755,090	\$ 2,772,620	\$ 17,530
Clerk of the Urban County Council	492,360	535,750	43,390
Office of Internal Audit	514,770	600,010	85,240
Mayor's Office	1,914,720	1,667,500	(247,220)
Special Programs	327,870	359,670	31,800
Chief Development Officer	1,374,480	1,735,460	360,980
Contingency\Indirect Cost	101,080	338,350	237,270
Constitutional and Judicial	4,275,490	4,217,210	(58,280)
County Clerk	338,020	345,510	7,490
Board of Elections	861,670	463,070	(398,600)
Circuit Judges	403,770	418,150	14,380
Commonwealth Attorney	268,930	269,820	890
County Judge/Executive	20,250	17,290	(2,960)
County Attorney	1,029,720	1,159,720	130,000
Coroner	1,017,730	1,180,850	163,120
PVA	335,400	362,800	27,400
Total	\$ 11,755,860	\$ 12,226,570	\$ 470,710

### *Council Office*

- The budget for Citizens Advocate Office is included as a program of the Council Office for FY 2017. Staffing for this office is one part-time Citizens Advocate position.

### *Council Clerk*

- The budget for this division is increased for FY 2017 based on additional advertising costs.

### *Internal Audit*

- FY 2017 maintains current staffing and service levels for the Office of Internal Audit.

### *Office of the Mayor*

- FY 2017 maintains current staffing and service levels for the Office of the Mayor.
- Funds are included for Southern Legislative Conference hosting expenses.
- Dues for the Kentucky Association of Counties and Conference of Mayors are included for FY 2017.

## Budget In Brief

### *Special Programs*

The Special Programs budget includes funding for the following for FY 2017.

<b>Program</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
Bluegrass State Games	\$ 60,000	\$ 60,000	\$ -
Fellowship Program	22,920	14,970	(7,950)
Foundation Grant Program	7,500	7,500	-
Martin Luther King Celebration	9,000	9,000	-
Neighborhood Match	100,000	100,000	-
Roots and Heritage Festival	35,500	35,500	-
Sister Cities	49,500	51,500	2,000
Summerfest	9,000	9,000	-
<b>Total Special Projects</b>	<b>\$ 293,420</b>	<b>\$ 287,470</b>	<b>\$ (5,950)</b>

<b>Program</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
Special Events Administration	\$ 4,750	\$ 35,000	\$ 30,250
Sweet Sixteen Hospitality	27,700	35,200	7,500
Uniformed Services Events	2,000	2,000	-
<b>Total Special Events</b>	<b>\$ 34,450</b>	<b>\$ 72,200</b>	<b>\$ 37,750</b>

### *Office of the Chief Development Officer*

- The position of Local Food Coordinator was created during FY 2014 and is funded through grants.
- FY 2017 includes funding for projects Economic Development grants (\$150,000) and membership in the Kentucky League of Cities.
- Funds are included for a transfer to the Lexington Jobs Fund (\$1,250,000).

### *Contingency\Indirect Cost*

- Lump sum termination and sick pay service credit of \$2,900,000 is budgeted for FY 2017. The 27<sup>th</sup> pay period allocation is \$421,000.
- Funds are also included for General Fund's portion of other potential personnel issues.

## Budget In Brief

- A transfer to the Contingency Designation Fund of \$600,000 is included in the FY 2017 budget.
- The indirect cost recovery is computed by applying the appropriate indirect cost rate for each fund to the total personnel budget of that fund. In addition to indirect costs, certain direct costs of administrative personnel are recovered here. The following table shows the indirect cost budget for FY 2017 and the respective rates:

<b>Fund</b>	<b>FY 2017 Indirect Cost</b>	<b>FY 2017 Rate</b>
Urban Services Districts	\$2,098,450	14.76%
Sanitary Sewer Fund	\$1,528,330	14.76%
Water Quality Management Fund	\$802,350	14.76%
Landfill Fund	\$133,920	14.76%
Extended School Program	\$244,600	14.74%
<b>Total</b>	<b>\$4,807,650</b>	

### *County Clerk and Board of Elections*

- FY 2017 includes funding for one election compared to two elections in FY 2016.

### *Circuit Judges*

- FY 2017 maintains current staffing and service levels.

### *Commonwealth Attorney*

- FY 2017 maintains the current level of services.

### *County Attorney*

- FY 2017 includes funds to defray costs of employee health insurance.

### *County Judge Executive*

- The budget is decreased based on historical expenses.



## Budget In Brief

### *Coroner*

- The FY 2017 budget includes additional funds for burial assistance and additional personnel funds based on changes approved during FY 2016.

### *Property Valuation Administrator*

- Funding in the amount of \$207,050 is required by state statutes for the PVA's office for FY 2017. The Adopted Budget exceeds this amount by \$155,750.
- Funds are also included for computers/ipads for use by valuers in the field (\$25,000).

### *Information Technology*

**\$11,393,690    48 FTE**

The Department of Information Technology includes the budgets for the Information Technology office, Enterprise Solutions, and Computer Services. This department comprises 2 percent of the General Services District Fund budget.

<b>Budget By Division</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
Information Technology Admin	\$ 1,092,780	\$ 3,162,480	\$ 2,069,700
Enterprise Solutions	1,034,620	1,053,820	19,200
Computer Services	6,183,130	7,177,390	994,260
Total	\$ 8,310,530	\$ 11,393,690	\$ 3,083,160

### *Information Technology*

- Funds for mission critical improvements are included for FY 2017 (\$500,000 in General Fund and \$500,000 in FY 2017 Bond).
- FY 2017 includes additional funds for Professional Services to assist with project implementation, a \$900,000 increase.
- The FY 2017 Bond fund also includes funding for security and network infrastructure (\$750,000).

## Budget In Brief

### *Enterprise Solutions*

- The FY 2017 budget includes funds for two new ERP Analysts.

### *Computer Services*

- Funds for cloud services (\$784,100) and software maintenance/licensing (\$1,267,590) are consolidated in this division.

### *Planning, Preservation, and Development*

**\$10,920,270    126 FTE**

The Department of Planning, Preservation, and Development centralizes the different divisions involved in the urban planning and development process. The department includes the divisions of Historic Preservation, Planning, Purchase of Development Rights (PDR), Engineering, Code Enforcement, and Building Inspection and accounts for 3 percent of the General Services District Fund budget.

<b>Budget By Division</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
Commissioner's Office	\$ 2,480,600	\$ 2,646,420	\$ 165,820
Historic Preservation	362,090	434,730	72,640
Planning	2,366,200	2,331,180	(35,020)
Purchase of Development Rights	195,730	234,980	39,250
Engineering	1,276,380	829,800	(446,580)
Code Enforcement	1,912,650	2,055,270	142,620
Building Inspection	2,258,770	2,387,890	129,120
<b>Total</b>	<b>\$ 10,852,420</b>	<b>\$ 10,920,270</b>	<b>\$ 67,850</b>

### *Commissioner's Office*

- FY 2017 includes funding various sidewalk projects in the 2017 Bond and Bond Reallocation: Neighborhood Sidewalks, Southland Sidewalks, and 4<sup>th</sup> Street/Legacy Trail Sidewalks.

## **Budget In Brief**

- Funds for cellphones in all Planning, Preservation, and Development divisions are consolidated in the Commissioner's Office for FY 2017.
- A transfer to the Affordable Housing and Homelessness Fund is budgeted in this division (\$2,000,000).

### ***Historic Preservation***

- FY 2017 maintains funding for this division.

### ***Planning***

- FY 2017 maintains funding for this division.

### ***Purchase of Development Rights***

- FY 2017 includes additional professional services funds for increased costs of appraisals and legal services related to easement purchase.
- The FY 2017 budget includes \$2,000,000 in the FY 2017 Bond Projects Fund for this program.

### ***Engineering***

- A new position of Municipal Engineer Senior is included for the Design and Construction section.

### ***Code Enforcement***

- FY 2017 includes increased funding for abatement, demotions, sidewalk assistance, and board-ups more in line with current expenditures.
- One new position of Code Enforcement Officer is included in FY 2017.

### ***Building Inspection***

- FY 2017 maintains funding for this division.

## Budget In Brief

### Social Services

**\$9,109,670    117 FTE**

The Department of Social Services comprises 3 percent of the General Services District Fund budget and provides various services to families, youths, and seniors in the community.

Budget By Division	Adopted FY 2016	Adopted FY 2017	Change
Commissioner's Office	\$ 969,810	\$ 1,280,730	\$ 310,920
Adult and Tenant Services	1,397,190	1,410,090	12,900
Aging and Disability Services	786,580	938,010	151,430
Family Services	2,656,300	2,707,770	51,470
Youth Services	2,700,530	2,773,070	72,540
Total	\$ 8,510,410	\$ 9,109,670	\$ 599,260

#### ***Commissioner of Social Services***

- Funds are included for a pilot program for Youth Grant Transportation (\$15,000).
- One new position of Language Access Specialist is funded for FY 2017.

#### ***Adult and Tenant Services***

- The FY 2017 budget maintains current service level.

#### ***Aging and Disability Services***

- The FY 2017 budget includes operating funds for the new Senior Citizens' Center.

#### ***Family Services***

- The FY 2017 budget maintains the staffing and service levels for this division.

#### ***Youth Services***

- Funds are included for one full-time Custodian position for FY 2017.

## Budget In Brief

### Chief Administrative Officer

**\$7,131,340    59 FTE**

The Office of the Chief Administrative Officer (CAO) provides supervision, direction, and management of the Urban County Government. The divisions overseen by the CAO comprise 2 percent of the General Services District Fund budget.

<b>Budget By Division</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
Chief Administrative Officer	\$ 1,304,520	\$ 1,445,500	\$ 140,980
Grants and Special Projects	816,760	842,090	25,330
Government Communications	962,080	1,241,210	279,130
Human Resources	2,406,400	3,090,530	684,130
Risk Management	520,360	512,010	(8,350)
Total	\$ 6,010,120	\$ 7,131,340	\$ 1,121,220

### *Chief Administrative Officer*

- The budget for the Chief Administrative Officer includes a \$750,000 transfer to the Affordable Housing and Homelessness Prevention Fund.
- One new position for FY 2017 is included in the CAO's budget for an Administrative Officer/EEO.

### *Grants and Special Programs*

- FY 2017 maintains current staffing and service levels for the division.

### *Government Communications*

- Funds are included in FY 2017 for closed captioning and sign language interpreters.
- FY 2017 includes funds for Customer Request Management System (\$245,700 in FY 2017 Bond and \$924,300 in other funds).

### *Human Resources*

- Funds are budgeted for occupational health services at the Health Center (\$352,570).

## Budget In Brief

- The FY 2017 budget includes \$265,500 for Police, Fire, and Corrections hiring process to cover testing, psychological exams, and other expenses.
- Two new positions for FY 2017 are one HR Analyst (Benefits) and one HR Generalist (Classification and Compensation).

### ***Risk Management***

- FY 2016 included funds for appraisal of insurable assets, \$50,000, which is not included in FY 2017.
- One new part-time position of Administrative Specialist is included in FY 2017.

### **Finance**

**\$6,067,510    66 FTE**

The Department of Finance includes the budgets for Revenue, Accounting, Purchasing, Budgeting, and Commissioner's Office. Finance comprises 2 percent of the General Services District Fund budget.

<b>Budget By Division</b>	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
Commissioner's Office	\$ 826,810	\$ 946,820	\$ 120,010
Accounting	1,382,360	1,370,000	(12,360)
Revenue	2,199,430	2,545,320	345,890
Central Purchasing	633,420	667,190	33,770
Budgeting	453,180	538,180	85,000
Total	\$ 5,495,200	\$ 6,067,510	\$ 572,310

### ***Commissioner of Finance***

- The Commissioner's Office budget includes funding for the General Services District Fund's portion of the annual financial and property tax audits and administration of the City pension fund.
- Additional funds are included for interns (\$16,000) and contractual financial analysis (\$50,000).

## Budget In Brief

### *Accounting*

- FY 2017 maintains staffing and service levels for the Division of Accounting.

### *Revenue*

- FY 2017 budget includes an increase for EMS billing services (\$385,000) and mailings (\$51,000).

### *Purchasing*

- FY 2017 includes funds for RFP evaluation system (\$16,000).

### *Budgeting*

- FY 2017 includes funds for professional services related for the new budgeting software system.

### Law

**\$2,418,920    23 FTE**

The Department of Law prepares all legal instruments for the government, provides advice to its employees and agencies, represents LFUCG in civil cases filed in state and federal court and in all claims before administrative boards, processes all claims, and purchases excess insurance coverage. The Department of Law comprises 1 percent of the General Services District Fund budget.

Budget By Division	Adopted FY 2016	Adopted FY 2017	Change
Law	\$ 2,185,260	\$ 2,418,920	\$ 233,660
Total	\$ 2,185,260	\$ 2,418,920	\$ 233,660

- Operating funds are included for outside counsel needed for Labor and Employment issues, Employee Benefits, Collective Bargaining, Taxation, tax increment financing and public service commission hearings.

## Budget In Brief

### *General Services District Fund Budget by Department*

<b>Departments/Divisions</b>	<b>FY 2017</b>	<b>FTE</b>
<b>Constitutional &amp; Judicial Officers</b>	<b>\$ 4,217,210</b>	<b>17</b>
Circuit Judges	418,150	5
County Clerk	345,510	-
Board of Elections	463,070	1
Commonwealth Attorney	269,820	-
County Judge Executive	17,290	1
County Attorney	1,159,720	-
Coroner	1,180,850	10
Property Valuation Administrator	362,800	-
<b>Council Office</b>	<b>2,772,620</b>	<b>34</b>
<b>Citizens' Advocate</b>	<b>-</b>	<b>-</b>
<b>Council Clerk</b>	<b>535,750</b>	<b>5</b>
<b>Office of the Mayor</b>	<b>1,667,500</b>	<b>13</b>
<b>Special Events</b>	<b>72,200</b>	<b>-</b>
<b>Special Projects</b>	<b>287,470</b>	<b>-</b>
<b>Chief Development Officer</b>	<b>1,735,460</b>	<b>2</b>
<b>Contract Debt</b>	<b>36,873,670</b>	<b>-</b>
<b>Contingency/Indirect Cost Allocation</b>	<b>338,350</b>	<b>-</b>
<b>Office of the CAO</b>	<b>7,131,340</b>	<b>59</b>
Chief Administrative Officer	1,445,500	6
Grants and Special Programs	842,090	16
Government Communications	1,241,210	10
Human Resources	3,090,530	23
Risk Management	512,010	4
<b>Information Technology</b>	<b>11,393,690</b>	<b>48</b>
Information Technology	3,162,480	4
Computer Services	7,177,390	33
Enterprise Solutions	1,053,820	11
<b>Internal Audit</b>	<b>600,010</b>	<b>5</b>
<b>Planning, Preservation, &amp; Development</b>	<b>10,920,270</b>	<b>126</b>
Commissioner's Office	2,646,420	4
Historic Preservation	434,730	5
Planning	2,331,180	36
Purchase of Development Rights	234,980	1
Engineering	829,800	21
Code Enforcement	2,055,270	25
Building Inspection	2,387,890	34



## Budget In Brief

### *General Services District Fund Budget by Department*

<b>Departments/Divisions</b>	<b>FY 2017</b>	<b>FTE</b>
<b>Law</b>	<b>2,418,920</b>	<b>23</b>
Law	2,418,920	23
<b>Finance</b>	<b>6,067,510</b>	<b>66</b>
Commissioner's Office	946,820	5
Accounting	1,370,000	19
Revenue	2,545,320	28
Purchasing	667,190	8
Budgeting	538,180	6
<b>Environmental Quality &amp; Public Work</b>	<b>12,356,380</b>	<b>90</b>
Commissioner's Office	337,170	3
Streets and Roads	3,612,640	46
Traffic Engineering	5,918,560	32
Environmental Services	2,488,010	9
<b>Public Safety</b>	<b>184,962,010</b>	<b>1,728</b>
Commissioner's Office	7,633,870	20
ABC Administration	17,680	-
DEM\Enhanced 911	4,345,460	75
Community Corrections	34,858,650	351
Police	68,759,800	694
Fire and Emergency Services	69,346,550	588
<b>Social Services</b>	<b>9,109,670</b>	<b>117</b>
Commissioner's Office	1,280,730	10
Adult and Tenant Services	1,410,090	15
Aging and Disability Services	938,010	11
Family Services	2,707,770	48
Youth Services	2,773,070	33
<b>General Services</b>	<b>32,194,690</b>	<b>243</b>
Commissioner's Office	3,073,060	8
Facilities and Fleet Management	6,082,640	88
Parks and Recreation	23,038,990	147
<b>Partner Agencies</b>	<b>20,112,770</b>	<b>-</b>
Library	14,632,670	-
Other Agencies	5,480,100	-
<b>Total General Services District</b>	<b>\$345,767,490</b>	<b>2,576</b>

FTE = Full Time Equivalent

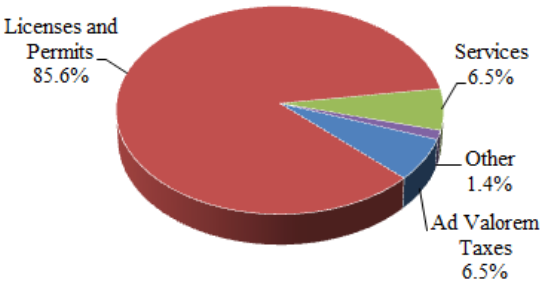
## Budget In Brief

### General Services District Revenue

General Services Fund revenues are estimated at \$345,854,350 or a 6.6 percent increase over FY 2016 revenues.

Category	Adopted FY 2016	Adopted FY 2017	Change
Ad Valorem Taxes	\$ 21,527,230	\$ 22,598,500	\$ 1,071,270
Licenses and Permits	275,801,350	296,062,070	20,260,720
Services	23,291,120	22,327,570	(963,550)
Fines and Forfeitures	214,500	237,790	23,290 *
Intergovernmental	538,310	413,790	(124,520) *
Property Sales	60,000	1,107,000	1,047,000 *
Investments	457,700	505,550	47,850 *
Other Income	2,664,200	2,602,080	(62,120) *
Total Revenue	\$ 324,554,410	\$ 345,854,350	\$ 21,299,940
Estimated Fund Balance	1,500,000	1,500,000	-
<b>Total Available Funds</b>	<b>\$ 326,054,410</b>	<b>\$ 347,354,350</b>	<b>\$ 21,299,940</b>

\* Compiled as "Other" on chart below.



***Licenses and permits*** revenue is the largest single category of revenue in the General Services District Fund, accounting for 85.6 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 (6.5 percent) comes from ***ad valorem*** (property) taxes. The LFUCG levies two categories of property taxes: (1) a county-wide tax (General Services District) for the support of the general operations of the

## Budget In Brief

government; and (2) an Urban Services Districts tax paid by residents receiving government services of refuse collection, street lights, and street cleaning.

**Services** revenue is the third largest revenue category for this fund (6.5 percent). These revenues are generated in exchange for services. Golf course fees, EMS fees, building permits, and detention center fees are examples.

The FY 2017 budget assumes maintaining the General Services property tax rate on real property at **8.0 cents per \$100 assessed value** (personal property rate 9.31; motor vehicle rate 8.8).

*NOTE: The LFUCG is required by law to provide funding for the Lexington Public Library at a level based on 5 cents per \$100 assessed value of property subject to taxation in Fayette County. The FY 2017 budgeted appropriation to the Library is \$14,632,670. Total ad valorem revenues are forecast to be \$22,598,500. Property tax, therefore, only provides \$7,965,830 to the general operations of the government.*

Additional sources of revenue in this fund are ***fin******es***, ***intergovernmental***, and ***miscellaneous*** revenues.

### **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 as information is available. This may result in the recognition of additional funds that are carried over to the following budget year as a ***beginning fund balance***. The estimated beginning fund balance for FY 2017 of \$1,500,000 reflects a projection of unspent personnel and operating funds and additional revenues.

## Budget In Brief

### Other Funds

#### *Tenant Relocation Fund (#1104)*

**\$60,000**

Created in FY 2009, this fund provides relocation assistance to eligible low-income tenants displaced by the rezoning, redevelopment, or change in use of property. The allocation to this fund for FY 2017 increases the budget to reflect current needs of this program.

## Budget In Brief

### Urban Services Districts Fund (#1115)

**\$44,620,120      270 FTE**

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 Districts Fund Summary of Budgeted Revenue and Appropriations**

	<b>Adopted FY 2016</b>	<b>Adopted FY 2017</b>	<b>Change</b>
<b>Revenue</b>			
Ad Valorem Taxes	\$ 33,897,670	\$ 34,859,000	\$ 961,330
Licenses and Permits	1,450,000	1,465,000	15,000
Services	2,143,500	1,870,100	(273,400)
Fines and Forfeitures	800	900	100
Intergovernmental	64,920	3,180	(61,740)
Property Sales	-	100,000	100,000
Investments	260,000	241,650	(18,350)
Other Income	100,000	101,840	1,840
<b>Total Revenue</b>	<b>\$ 37,916,890</b>	<b>\$ 38,641,670</b>	<b>\$ 724,780</b>
<b>Fund Balance, July 1</b>	<b>33,380,200</b>	<b>31,400,000</b>	<b>(1,980,200)</b>
<b>Total Funds Available</b>	<b>\$ 71,297,090</b>	<b>\$ 70,041,670</b>	<b>\$ (1,255,420)</b>
<b>Appropriations</b>			
Operating Expenditures			
Personnel	\$ 14,245,230	\$ 14,279,180	\$ 33,950
Debt Service	926,060	849,860	(76,200)
Insurance	642,160	795,670	153,510
Operating	21,088,490	21,584,760	496,270
Transfers To\ (From) Other Funds	(2,200,000)	(2,000,000)	200,000
<b>Total Operating</b>	<b>\$ 34,701,940</b>	<b>\$ 35,509,470</b>	<b>\$ 807,530</b>
Capital Expenditures			
CIP Capital	\$ 1,763,850	\$ 1,209,750	\$ (554,100)
Operating Capital	4,154,630	7,900,900	3,746,270
<b>Total Capital</b>	<b>\$ 5,918,480</b>	<b>\$ 9,110,650</b>	<b>\$ 3,192,170</b>
<b>Total Appropriations</b>	<b>\$ 40,620,420</b>	<b>\$ 44,620,120</b>	<b>\$ 3,999,700</b>
<b>Fund Balance, June 30</b>	<b>\$ 30,676,670</b>	<b>\$ 25,421,550</b>	<b>\$ (5,255,120)</b>

## Budget In Brief

### Urban Services Districts Fund Budgeted Expenditures By Department or Function

Department/Function	Adopted FY 2016	Adopted FY 2017	Change
Law	\$ 10,810	\$ 10,830	\$ 20
Indirect Cost/Contingency	2,622,430	2,277,470	(344,960)
Contract Debt	926,060	849,860	(76,200)
Government Communications	1,303,410	1,444,930	141,520
Personnel Programs	3,500	3,000	(500)
Annual Audit	25,010	22,940	(2,070)
Computer Services	59,340	156,750	97,410
<b><i>Env Quality &amp; Public Works</i></b>	<b>\$ 32,155,970</b>	<b>\$ 33,522,150</b>	<b>\$ 1,366,180</b>
Administration	209,570	207,130	(2,440)
Street Cleaning	1,817,230	1,705,680	(111,550)
Street Lights	4,256,590	4,309,420	52,830
Environmental Services	660,140	644,680	(15,460)
Refuse Collection	24,939,080	26,104,330	1,165,250
Vacuum Leaf Collection	273,360	550,910	277,550
<b><i>General Services</i></b>	<b>\$ 3,513,890</b>	<b>\$ 6,332,190</b>	<b>\$ 2,818,300</b>
Facilities and Fleet Mgmt	3,513,890	6,332,190	2,818,300
	<b>\$ 40,620,420</b>	<b>\$ 44,620,120</b>	<b>\$ 3,999,700</b>

An ***indirect cost*** payment is made to the General Services Fund (\$2,277,470) for administrative costs not directly charged to this fund (such as accounting, budgeting, purchasing, payroll, etc.) and certain direct costs of administrative personnel.

***Contingency*** includes the budgets for termination pay (\$38,800), unused sick and vacation hours (\$38,800), and the 27th pay period contingency (\$86,060). Funds are also included for Urban Fund's portion of other potential personnel issues.

***Contract debt*** provides debt payments for the garbage trucks and upgrades to the recycling facility. The FY 2017 budget includes \$849,860 for debt payments.

***Government Communications*** includes the budget for LexCall. Program costs for LexCall are allocated among three funds based on actual calls received. Seventy-two percent of the total cost is allocated to the Urban Services Fund.

## Budget In Brief

The \$3,000 budget for *personnel programs* provides for the alcohol and drug testing program, commercial driver license costs, and occupational wellness programs.

*Computer Services* includes funds for employees providing geographic information support to the Urban Services Fund.

The Division of Streets and Roads provides *street cleaning* in the urban services area. The budget for FY 2017 more accurately reflects current program costs for personnel expenses.

FY 2017 includes \$4,309,420 for *street lights*, including utility and personnel costs. Operation of the street light program is offset by a \$2,000,000 transfer from the General Services District Fund.

The Division of Waste Management provides *refuse collection* through curbside collection of recyclable, compostable and landfill-bound materials on a weekly basis, to households in the Urban Service District. Businesses, multi-family and institutional customers receive twice per week collection of recycling and landfill-bound materials via dumpsters and roll-carts. The Division also operates a single stream material recovery facility and an organics composting operation. A number of ancillary collection services are provided to Fayette County residents and businesses including loan-a-box, dead animal collection, and waste management at special events management.

The Division of Streets and Roads administers the *vacuum leaf collection* program. This service is provided only to those properties within the Urban Services Districts that have LFUCG refuse collection service. Funds of \$550,910 are included for this program in FY 2017 and include more accurate accounting of personnel expenses for this program.

## Budget In Brief

### Urban Services Districts Fund Revenue Sources

Total resources available for FY 2017 in the Urban Services Fund include a projected beginning fund balance of \$31.4 million and revenues of \$38.6 million. The largest single category of revenue to the Urban Services Districts Fund is *ad valorem*, or property taxes. Property taxes account for 90 percent of the total revenues, and are estimated at \$34.8 million for the 2016 tax year (FY 2017).

### Ad Valorem Taxes

Urban Services property taxes are determined by a separate rate established for each service available. The tax rates will be adopted in August of 2016 after preparation of this budget. The current rates per \$100 of assessed value on real property are:

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

Service	Current Rate
Refuse Collection	14.31 cents
Street Lights	2.10 cents
Street Cleaning	00.97 cents
<b>Full Urban Rate</b>	<b>17.38 cents</b>

The Urban Services property tax on realty is paid only by those residents receiving one or more of the government services (refuse collection, street lights, and street cleaning). The taxes levied are determined by a separate rate established for each service. If all of the services are available, the property is located in the *Full Urban Services District*. The property is located in a *Partial Urban Services District* if less than three of services are available.

The LFUCG's ability to generate revenues from property taxes is limited by state legislation (House Bill 44), which effectively limits revenue growth to four percent exclusive of revenue from



## **Budget In Brief**

new property without a voter recall. This limit also applies to the General Services District property taxes.

### **Special Revenue Funds**

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

#### **Police Confiscated – Federal (#1131)** **\$544,000**

Accounts for Fayette County’s share of confiscated assets distributed based upon LFUCG’s participation in federal cases governed by the Department of Justice. Funds are budgeted for the Division of Police in a variety of areas including certification, remodeling, equipment, and overtime.

#### **Police Confiscated – State (#1132)** **\$707,000**

Accounts for Fayette County’s share of confiscated assets distributed based upon LFUCG’s participation in state cases. Funds are proposed for the Division of Police for a variety of operating expenses as well as furniture, computer equipment, and remodeling.

#### **Public Safety (#1133)** **\$300,000**

Kentucky House Bill 413 authorized the collection of a fee on each court case for the purposes of providing money for “public safety related items.” This budget is the estimation of the accumulated money from this fee for FY 2017. The transfer is to the General Services District Fund for use by the Division of Police.

## Budget In Brief

### Municipal Aid Program (MAP) (#1136)

**\$7,401,990**

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

The FY 2017 budget includes two transfers for eligible personnel costs, \$812,610 in the Division of Streets and Roads and \$775,000 in the Division of Engineering. A transfer of \$1,379,350 is also included to offset General Services District Fund debt service related to road resurfacing.

MAP capital projects for FY 2017 include resurfacing and road projects as shown below.

<b>Project</b>	<b>Adopted FY 2017</b>
Asphalt Preventative Maintenance for City Streets	\$ 211,150
Brighton East Rail Trail, Phase 4	30,000
Brighton Rail Trail Bridge	125,000
Clays Mill Section 2C Letter of Map Revision	10,000
Grant match at 20%	50,000
Lane Allen Road Pedestrian Improvements	30,000
Liberty/Todds Phase 2 Letter of Map Revision	10,000
Man o' War Congestion Management	420,000
Manchester Street Turn Lanes at Forbes	18,000
Project Contingency	100,000
Project Testing	25,000
Sidewalk Ramp Program (ADA)	50,000
Squires Road Sidewalk	41,200
Street Paving	3,000,000
Town Branch Trail, Mid-block	85,900
Traffic Counters Monitors	25,000
Traffic Devices	63,500
West Hickman Trail South	42,000
West Loudon Avenue Streetscape	63,000
Total	\$ 4,399,750

## Budget In Brief

### **Miscellaneous Special Revenue (#1141)**

**\$326,530**

A restricted special revenue fund established to account for revenues received for a specific purpose which are not considered a grant. FY 2017 funding is for the Traffic Engineering State Signal Reimbursement Contract.

### **Police Confiscated Treasury Fund (#1142)**

**\$290,000**

The Police Confiscated Treasury Fund accounts for Fayette County's share of confiscated assets distributed based upon LFUCG's participation in federal cases governed by the Department of Treasury. Funds are budgeted for the Division of Police for undercover expenses, ammunition, and public safety equipment. Capital funds are also included for computer equipment and animals.

### **Lexington Jobs Fund (#1144)**

**\$1,250,000**

The Lexington JOBS Fund was initially funded in 2013, and then in 2014 Council established policies and guidelines to aide in the expansion of companies in Lexington. An additional \$1,250,000 is included in the FY 2017 budget to continue the program.

### **Affordable Housing and Homelessness Fund (#1145)**

**\$2,960,670      1 FTE**

The Affordable Housing and Homelessness Fund was created in September 2014 with the mission of leveraging public and private investment to provide, produce and preserve safe, quality affordable housing as well as provide solutions to homelessness. As directed by ordinance, an annual allocation for this fund was included in the Adopted budget. Funds in the amount of \$2,128,330 million are allocated to Affordable Housing programs and \$832,340 for innovative and sustainable solutions to homelessness.

## Budget In Brief

Additional funds are included for personnel expenses to oversee these programs. FY 2017 continues funding for a position of Continuum of Care Coordinator position for the Homelessness Prevention office.

### **Grant Funds**

**\$9,127,182**

State and federal grant funds of \$9 million are anticipated for FY 2017. Grant match in the amount of \$1.5 million is budgeted as LFUCG's financial contribution towards these grants. Grants will be budgeted throughout the year as they are awarded.

### **Capital Projects Funds**

#### **Bond Projects (#2606)**

**\$47,913,720**

General obligation bonds were approved as part of the FY 2017 budget for the following projects.

<b>Project</b>	<b>Amount</b>
<b><i>Government Communications</i></b>	
LexCall Citizen Request Management System (CRMS)	\$ 245,700
<b><i>Facilities and Fleet Management</i></b>	
Building Infrastructure Improvements	2,705,000
Vehicles	1,900,000
<b><i>Fire</i></b>	
Fire Light Fleet	312,000
Jordan Building	450,000
Station 24 Masters on Station	5,200,000
Warehouse Station 10	300,000
<b><i>General Services</i></b>	
Convention Center	10,000,000
Sports Complex	7,000,000
<b><i>Streets and Roads</i></b>	
Additional Salt Storage Facility	1,500,000
Street Paving	7,000,000
<b><i>Traffic Engineering</i></b>	
Operational Spot Improvements/Access Management	300,000
Pedestrian Safety	250,000
Traffic Signals	934,020

## Budget In Brief

Project	Amount
<b><i>Parks and Recreation</i></b>	
Aquatics New Amenities at Existing Pools	280,000
Castlewood Park Aquatics	250,000
Castlewood Park Community Center Roof	225,000
Douglass Park Aquatics	600,000
Jacobson Park Sprayground and Restroom	700,000
Masterson Park Sprayground	500,000
Shillito Park Regional Aquatics Center Design	400,000
<b><i>Information Technology</i></b>	
Computer Hardware Equipment	500,000
Information Security and Network Infrastructure	750,000
<b><i>Planning, Preservation &amp; Development</i></b>	
Neighborhood Sidewalk Connectivity	500,000
Southland Sidewalks	1,850,000
<b><i>Purchase of Development Rights</i></b>	
Purchase of Development Rights	2,000,000
<b><i>Police</i></b>	
Body Worn Camera Program	600,000
Canine Facility	350,000
Taser Replacement	312,000
<b>Total FY 2017 Bond Fund</b>	<b>\$47,913,720</b>

The Mayor's Proposed Budget included reallocating funds remaining from previously funded projects to provide \$222,690 for Fire Personal Protective Equipment and \$500,000 for Fourth Street Sidewalks. Council also voted to reallocate \$250,000 for Neighborhood Sidewalks.

## Budget In Brief

### *Enterprise Funds*

#### *Sanitary Sewer Funds (#4002 and #4003)*

**\$159,801,140      200 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 (EPA).

Sanitary sewer user fees provide the funding for any non-bond funded sewer projects, pay for the staff, maintenance, and operation of the two wastewater treatment plants and other facilities and services required to support the sanitary sewer system, and pay for the debt service on bonds used to capitalize larger sanitary sewer construction projects.

During FY 2008, LFUCG negotiated a consent decree (CD) with the EPA in response to a lawsuit filed in November 2006 by the EPA and the Kentucky Environmental and Public Protection Cabinet for multiple violations of the Clean Water Act from the sanitary and storm sewer systems in Lexington. The CD obligates LFUCG to address certain immediate violations; requires development of a system-wide sanitary sewer assessment to identify other problems—including a self-assessment of all the operations, staff, and equipment; and development of a work plan to eliminate those problems. The CD also requires LFUCG to assess sewer capacity and develop a capacity assurance program to ensure adequate capacity exists before new connections are made to the system.

The EPA established deadlines during the first four years for requirements outlined in the CD. Failure to meet these deadlines could result in additional fines and in stipulated penalties. In August 2009, after the CD was lodged with the U.S. District Court, the judge rejected the LFUCG/EPA settlement, ordering

## Budget In Brief

the parties to renegotiate. The EPA is appealing that decision. LFUCG has proceeded to implement the CD and comply with all the deadlines.

Obligations under the CD will continue for several years. LFUCG will have 11 to 13 years to complete the necessary improvements to the sanitary sewer system. The 11 to 13 year time frame includes the four years to complete the assessment of the entire sewer system and make immediate repairs. LFUCG's success in correcting existing problems will be monitored by the reduction of overflows at manholes and pump stations in accordance with the standards set forth in the CD. LFUCG will also be obligated to thoroughly investigate problems identified by required monitoring. These investments in our community will improve our local environment and protect our streams and rivers.

In order to meet the obligations of the CD, an increase of 12 percent on all fees for sanitary sewer services was implemented for FY 2016 and an additional 12 percent increase is included for FY 2017. 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.

FY 2017 includes fund for various capital projects including \$67,100,000 for continuation of the East and West Hickman wet weather storage tanks

### **Water Quality Management (#4051 and #4052)**

**\$15,556,860    45 FTE**

The Water Quality Management Fund (#4051) is an enterprise fund. Prior to FY 2010, storm water funds were budgeted in a restricted special revenue fund (#1140). The Urban County Council gave final approval to a water quality fee on May 14, 2009. Billing of the fee began in January 2010. The water quality management fee was mandated by a consent decree

## Budget In Brief

between Lexington-Fayette Urban County Government (LFUCG) and the Environmental Protection Agency.

Governmental Accounting and Financial Reporting Principles (GAAP) require an enterprise fund for any activity for which a fee is charged to external users. These funds are self-supporting through charges for services.

Water Quality 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.

FY 2017 includes fund for various capital projects including \$1 million for Wilson Downing Priority Storm Water project.

### **Landfill (#4121)**

**\$4,922,550    4 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 2017 total Landfill Fund revenues are projected at approximately \$7.2 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.



## Budget In Brief

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

**\$461,680 5 FTE**

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

Fees are projected to generate \$462,000 in FY 2017.

### **Extended School Program (#4202)**

**\$2,327,220 8 FTE**

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

Fees are projected to provide approximately \$2.3 million in FY 2017 for the operation of the program.

Participating schools include:

Athens-Chilesburg	Liberty
Breckinridge	Maxwell
Coventry Oak	Northern
Edith J. Hayes	Stonewall
Garrett Morgan	Wellington
Jessie Clark	William Wells Brown
Julius Marks	Yates

### **Prisoners Activity (#4203)**

**\$1,200,000**

The Prisoner Activity Fund is mandated by state statute to be used for the benefit of prisoners. The operations of the commissary and phone at the Fayette County Detention Center are accounted for in this fund. During FY 2015 the Community Alternative Program (CAP) was transferred from this fund to the General Fund.

## Budget In Brief

### **Enhanced 911 Funds (#4204 and #4205)**

**\$4,064,000**

**5 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. The fee was increased for the first time during FY 2005 to \$1.31. During FY 2009 an ordinance was passed increasing the rate to \$2.10. Also included was an automatic annual increase of 4.5 percent to be added each year thereafter to keep up with the increasing costs of providing 911 service.

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

This fund pays for 43 percent of the personnel costs for 911 emergency call takers and dispatchers. The balance of the personnel cost is paid by the General Services District Fund.

A second Enhanced 911 Fund (Fund 4205, Central Kentucky 911 Fund) was created in FY 2014 to account for revenues and expenses associated with the Central Kentucky 911 Network. The Central Kentucky 911 Network (CKy911net) is a partnership established in 2007 to lower 9-1-1 technology expenses by cost sharing with surrounding counties.

## Budget In Brief

### **Public Corporations**

Due to prior state constitutional restrictions, the government could not issue general obligation bonds prior to July 15, 1996. 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.

#### **Public Facilities Corporation (#4022)**

**\$6,861,540**

The Public Facilities Corporation 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. Funds are also included for ongoing operational support of the Kentucky Theatre and district and circuit courthouses.

#### **Parks Projects Fund (#4024)**

**\$290,000**

The Parks Projects Fund accounts for the use of dedicated fees for acquisition of park land and golf course improvements.

A dedicated building permit fee was passed in 1983, and in 1995 the ordinance imposing this fee was clarified to restrict its use to park land acquisition. For FY 2017 this revenue source is estimated to provide \$250,000 for this purpose.

Dedicated revenues from golf fees are estimated at \$40,000 for FY 2017. These revenues are restricted to golf course improvements.

## 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 (#5002)**

**\$1,648,700**

The City Employees' Pension Fund (CEPF) was the retirement system of the city of Lexington covering civil service employees prior to merger with Fayette County. The plan was organized in 1939 and closed to new members in 1973. Members of the CEPF completed the process for transferring to the County Employees Retirement System in November 1992. The fund is administered by a self-governing board of trustees. There are no current employees with the CEPF.

The FY 2017 budget includes the cost for premium for single health care coverage and associated expenses for eligible retirees (\$68,000). The government also pays certain other administrative costs.

#### **Police and Fire Retirement Fund (#5003)**

**\$61,375,830    1 FTE**

The Police and Fire 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.

During FY 2009, \$70 million in bonds were issued to begin addressing the unfunded liability of the pension system. The debt payments for these bonds are included in the General Services District Fund. Another issue of \$35 million was bonded in FY 2010. The FY 2012 Adopted Budget included a proposed bonding of \$31 million and FY 2013 proposed an additional \$34 million.

## Budget In Brief

During FY 2013 the Mayor, Police, and Fire representatives agreed to a comprehensive plan that puts pension on a sustainable track. The new plan cuts the unfunded liability from \$300 million to \$161 million. Under this new plan, the city's minimum annual payment would be \$20,000,000 per year, up from the \$11 million per year it had been contributing supplemented by pension-obligation bonds.

The FY 2017 budget includes the cost for 100 percent of the premium for single health care coverage for eligible retirees (\$4,800,000). The government also pays certain other administrative costs.

### **Public Library Corporation (#1181)** **\$260,980**

The Public Library Corporation was formed in 1985 to manage funds provided to the Lexington Public Library from the government as a result of an increased assessment (the government is required by law to provide a funding level of 5 cents per \$100 assessed valuation of taxable property). The Library Corporation's long-range financial plan includes retirement of bonds issued to finance construction of the Central Library, expansion of library materials, and construction of additional branches.

The FY 2017 budget provides for payment on the bonds issued to finance the construction of the Bates Creek Library.

### **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 on a cost reimbursement basis. The LFUCG operates two internal service funds.

#### **Medical Insurance (#6002)**

**\$28,814,320**

The government offers health insurance options to LFUCG employees under self-insurance plans administered by a third-party. The FY 2017 budget of \$28.8 million is funded through premiums and medical subsidy paid by the government for all full-time employees and premiums paid by employees with family coverage. This includes City Employees' Pension Fund retirees, and Police and Fire Retirement Fund retirees.

#### **Property and Casualty Claims (#6021)**

**\$11,822,470**

The Department of Law administers the workers' compensation, property and casualty, and general liability insurance programs. 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 2017 budget of \$11,822,470 is funded through premiums paid from the General Services Fund, Urban Services Fund, and Sanitary Sewer Fund.

## Budget In Brief

### FY 2017 Budget Formulation Calendar

December	January	February
<ul style="list-style-type: none"> <li>Budget Forms Prepared</li> <li>Budget Guidelines Developed for the Next Fiscal Year</li> <li>Forms Distributed to Partner Agencies</li> </ul>	<ul style="list-style-type: none"> <li>Forms Distributed to Departments</li> <li>Revenue Estimates Gathered</li> <li>Partner Agencies Submitted Budget Requests</li> </ul>	<ul style="list-style-type: none"> <li>Departments Submitted Budget Requests</li> <li>Budgeting Reviewed Budget Submissions</li> <li>Budgeting Prepared Revenue Estimates</li> </ul>
March	April	May
<ul style="list-style-type: none"> <li>Mayor's Budget Hearings</li> <li>Mayor's Team and Commissioners review requests and prepare final recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Proposed Budget Finalized</li> <li>Mayor's Budget Address</li> <li>Council Budget Hearings Began</li> </ul>	<ul style="list-style-type: none"> <li>Public Hearings Held</li> <li>Council Budget Hearings Continued</li> </ul>
June	July	
<ul style="list-style-type: none"> <li>Council Budget Hearings Ended</li> <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>	