



Budget, Finance & Economic Development

February 23th, 2016

Summary and Motions

Chair Stinnett called the meeting to order at 1:00 p.m. All Committee Members were in attendance: Moloney, Kay, Lamb, Farmer, Scutchfield, F. Brown, Mossotti, Bledsoe, Bledsoe and Hensley. Council members Aker and Gibbs were also in attendance as a non-voting member.

I. Approval of January 25, 2016 Committee Summary

A motion was made by Mossotti to approve the January 26, 2016 Budget, Finance & Economic Development Committee Summary, seconded by Bledsoe. The motion passed without dissent.

II. January Financials

Commissioner O'Mara gave a presentation of the January Financials. Rusty Cook, Director of Revenue, gave a presentation of the January Budget YTD. Melissa Leuker, Director of Budgeting, presented the remaining Revenue streams for January.

Moloney inquired about the variable from last year and if there is a surplus so far in FY 2016. Leuker stated they are close to budget that the previous year.

F. Brown inquired about the 4% increase in total revenue and the 8% revenue amount variance for Jan 2016. Leuker stated that is the variance over the previous year, and that there is a 3.9% increase.

January 2016 Monthly Actual Compared to Amended Budget				
Revenue Category	Actual	Budget	Variance	% Var
OLT- Employee Withholding	9,952,235	6,127,005	3,825,230	62.4%
OLT - Net Profit	1,617,642	1,531,219	86,423	5.6%
Insurance	2,243,345	2,574,886	(331,541)	-12.9%
Franchise Fees	1,710,693	2,319,730	(609,037)	-26.3%
TOTALS	15,523,914	12,552,840	2,971,074	23.7%

January YTD Actual Compared to Amended YTD Budget				
Revenue Category	Actual	Budget	Variance	%Var
OLT- Employee Withholding	99,626,414	93,757,381	5,869,033	6.3%
OLT - Net Profit	13,416,473	12,155,491	1,260,982	10.4%
Insurance	16,614,875	16,717,331	(102,456)	-0.6%
Franchise Fees	12,673,708	14,412,131	(1,738,423)	-12.1%
TOTALS	142,331,470	137,042,334	5,289,136	3.9%

For the seven months ended Jan 31, 2016				
	ACTUAL	BUDGET	Variance	
Revenue				
Payroll Withholding	\$99,626,414	\$93,757,381	\$5,869,034	6%
Net Profit	13,416,473	12,155,491	1,260,982	10%
Insurance	16,614,875	16,717,331	(102,456)	-1%
Franchise Fees	12,673,708	14,412,131	(1,738,423)	-12%
Other Licenses & Permits	3,662,728	3,397,741	264,987	8%
Ad Valorem	19,747,928	19,885,191	(137,262)	-1%
Services	13,983,954	12,824,759	1,159,195	9%
Fines and Forfeitures	103,272	146,852	(43,580)	-30%
Property Sale	110,215	35,000	75,215	215%
Intergovernmental	300,141	335,408	(35,266)	-11%
Investment Income	363,453	262,754	100,698	38%
Other Income	2,386,043	1,920,991	465,052	24%
Total Revenue	\$182,989,203	\$175,851,029	\$7,138,174	4%

For the seven months ended Jan 31, 2016				
	ACTUAL	BUDGET	Variance	
Expenses				
Personnel	(\$117,806,688)	(\$119,181,920)	\$1,375,233	1%
Operating	(23,150,342)	(25,200,938)	2,050,596	8%
Debt Service	(22,815,198)	(22,934,365)	119,167	1%
Partner Agencies	(10,901,991)	(11,595,676)	693,685	6%
Insurance - Expense	(1,045,259)	(1,045,259)		0%
Operating Capital Expenditures	(864,292)	(896,410)	32,118	4%
Total Expenses	(176,583,770)	(180,854,568)	4,270,798	2%
Interfund Transfers				
Transfers	(645,836)	(498,425)	(147,411)	-30%
Change in Net Position	5,759,597	(5,501,964)	11,261,562	

Comparison of Economic Indicators													
Economic Indicators		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fayette County	2014	5.6%	6.0%	5.8%	4.8%	5.1%	5.2%	5.1%	4.6%	4.2%	3.9%	4.0%	3.6%
Unemployment Rate	2015	4.3%	4.0%	4.0%	3.7%	4.0%	4.1%	4.2%	3.5%	3.4%	3.1%	3.6%	3.6%
	2016	N/A											
Quarterly Fayette County Employment	2014	-	-	180,078	-	-	184,553	-	-	184,658	-	-	191,287
	2015	-	-	184,932	-	-	189,400	-	-	N/A	-	-	N/A
	2016	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A
Fayette County Permits Issued	2014	1,157	999	931	1,461	1,815	1,660	1,696	1,529	1,399	1,605	1,058	1,112
	2015	1,134	1,858	1,019	1,108	1,431	1,551	1,319	1,523	1,595	1,394	1,220	1,158
	2016	937	-	-	-	-	-	-	-	-	-	-	-
Fayette County New Business Licenses	2014	244	280	366	807	279	187	194	213	219	242	158	137
	2015	197	224	330	749	362	198	198	283	260	282	232	162
	2016	202	-	-	-	-	-	-	-	-	-	-	-
Home Sales (MSA)	2014	524	517	693	787	997	1,069	1,006	1,021	854	860	681	794
	2015	571	651	884	963	1,140	1,346	1,334	1,165	1,072	1,054	815	919
	2016	640	-	-	-	-	-	-	-	-	-	-	-
Fayette County Foreclosures	2014	31	40	34	53	16	53	35	25	46	25	42	25
	2015	33	20	36	24	18	43	18	41	12	43	41	26
	2016	22	-	-	-	-	-	-	-	-	-	-	-

N/A indicates information not available.
BLS Release Dates for Fayette Co. Quarterly Employment - 6 months after quarter end

Code Enforcement Lien Collections								
Month	Administrative Collection Fees		Miscellaneous		Penalty & Interest		Total Collections	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
July	476	1,601	546	1,690	18,043	29,846	19,065	33,137
August	600	877	308	1,432	14,984	48,014	15,892	50,323
September	969	1,275	2,072	993	52,780	29,689	55,821	31,957
October	1,125	1,275	2,115	1,040	45,592	22,962	48,832	25,277
November	525	825	1,250	1,198	25,220	15,340	26,995	17,363
December	1,575	525	2,626	2,157	61,590	44,938	65,791	47,620
January	1,200	450	2,063	351	45,565	10,678	48,828	11,479
Totals	6,470	6,828	10,980	8,861	263,774	201,467	281,224	217,156

III. SCORE Presentation

Bledsoe presented the item and introduced Vincent Smith, acting Chapter Chair of SCORE, who presented SCORE's annual report.

Mossotti inquired about SCORE's outreach. Smith noted they have been in business for 50

years and that they recruit largely by word-of-mouth, recruiting at events and email blasts. Mossotti noted they could consider the Chamber of Commerce.

F. Brown inquired if they are a 501C3 non-profit, which can accept donations. Smith stated they are. He further inquired about their budget and the amount of their reserve. Gary Bayma, Treasurer, stated they have approximately a \$5,000 reserve. He further stated that their national office handles all of their tax information, and not their Lexington office.

Lamb urged other Council Members to inform their constituency about SCORE. She further inquired if they plan to utilize social media in their marketing plan. Smith stated they hope to engage interns in this effort.

Akers inquired about the charge for their workshops. Smith replied that they are currently free but intend to charge a small fee in the future. Smith stated they hold workshops at various venues in the city and in public spaces, such as the public library.

Moloney inquired if they have reached out to Community Ventures Corporation. Smith stated they have coordinated previously for a workshop. Moloney noted the Minority Businesses Coordinator at LFUCG as a potential resource. Smith stated that they do, mostly with veterans, and stated they could do a better job in this area.

Bledsoe noted a previous veteran initiative and Smith affirmed that they did. She further thanked SCORE for their work with Veterans.

IV. Downtown Development Authority

Akers introduced Jeff Fugate from the Downtown Development Authority. Fugate gave an update of the DDA.

Bledsoe inquired if there is a way to bring all of the involved groups together and if there has been any progress made in this area. Tom Harris, Chair of the DDA Board, stated they have recently put together a working group that will look for recommendations for their respective Boards and to Council. Bledsoe stated she would like to see more collaboration and communication between parties as they move forward. Stinnett noted the Courthouse Area Design Review Board, as an entity to engage.

Mossotti inquired about their work on City Hall and if they have any information to provide. Fugate stated this has previously been shared with the administration. Mossotti inquired how much in depth work they did for this project. Fugate stated they were mostly focused on the Transit Center site at the time of their work. Mossotti stated Council would appreciate any of their work and inquired if they were involved with Centre Pointe. Fugate stated it has been a long time since they had any involvement.

Moloney stated his support for Bledsoe's comments. Moloney inquired about Town

Branch. Fugate stated the DDA managed and raised the initial investment, hosted the design competition, recruited fundraising consultants, etc. Moloney mentioned the Bluegrass Community Foundation and if they have daily communication. Fugate stated there are multiple meeting and cultivation efforts involved in the fundraising. Moloney inquired about the amount of money raised. Fugate stated it is unlikely to have large donor gifts in the beginning of the project. Moloney noted potential Water Quality concerns with the Town Branch project.

Gibbs asked if they have tried to locate a drug store involvement for their project. Fugate stated drug stores have very specific requirements and discussed those. Gibbs stated his desire to attract a downtown drug store.

Farmer inquired about the streetscape project on Euclid. Fugate stated the public infrastructure pieces would not happen until 2019 or 2020, and that the design would be worked on until the trunk line is laid. Farmer stated his appreciation for dividing the project into portions. Farmer inquired about Centre Point and Fugate stated they have not been involved with Centre Pointe for a couple of years.

Akers inquired about the DDA's budget and funding sources. Fugate stated the City's contribution has been roughly \$350,000 for the past few years, and that their total budget included fundraising. He stated they have raised a few hundred thousand in addition. Akers inquired about the size of their boundaries and accomplishments in the downtown area. Fugate stated their scope of downtown is not specific to streets, but rather to potential investments for the City.

Moloney inquired why the DDA was not involved in Rupp Arena and Centre Pointe. Fugate stated that Center Pointe is a private development and that Rupp Arena is very intertwined with the Town Branch Commons project. Moloney gave CAO Hamilton credit for her work on the Old Courthouse project, and noted that the DDA did not appear to be involved in that project.

Akers voiced her appreciation for CAO Hamilton and stated she believes the focus on Downtown could be narrowed. Akers noted the lack of development in the Distillery District as an area with lots of new growth that is lacking sewage capacity.

Mossotti stated her concern for the transparency and delegation of roles in various downtown projects. She further noted her concern for the duplication of work on projects, noting the involvement of both a new Project Coordinator, and the CAO who are already working on the Old Courthouse project. Mossotti stated she needs more clarification of roles. Fugate noted their role in the pre-development of projects in collaboration with the City and stated they don't have a large role after the initiation of projects. Fugate stated they could be involved in later stages if that is a desire of Council.

Scutchfield stated that each year they see reports that note a lot of projects that are going on, but they don't see as much fruition. She further noted the overlap and duplication of different

individuals within the Government, Boards and Partner Agencies within the same projects. She stated the process needs to be more streamlined.

Stinnett noted Fugate's role in networking and noted that the Downtown Development Authority may need to clarify their name to better reflect their roles in development projects. He further noted they need to evaluate whether or not they need The DLC, the Courthouse Area Design Review Board, and others. Smith noted their facilitation of a working culture that helps to spur investment in infrastructure. Stinnett inquired when they plan to report back to the Committee. Smith stated they have scheduled one meeting with their core members of the board and they hope to have a recommendation in a few months.

V. Occupational License Fee Exemption

Hensley introduced the item for information only. There was no action taken on the item. Stinnett stated they would leave the item in Committee.

VI. Contingency of Fund Draft Ordinance

Commissioner O'Mara presented the changes made to the draft ordinance.

Hensley inquired if they have discussed the use of the fund with Risk Management and if the use of this fund will be in conflict with other funds, like FEMA, in the event of an emergency. O'Mara stated that FEMA reimbursement qualification is separate from the use of the fund, and noted that FEMA looks at the total budget and they would already have access to that number.

Moloney inquired if they will be able to administer the funds as presented. O'Mara stated there may be more dialogue between Administration and Council and further stated he believes the changes are a step in the right direction.

Kay stated that the changes give Council more flexibility and more control over the funds.

A motion was made by Farmer to approve the Contingency Fund Draft Ordinance, seconded by Mossotti. The motion passed without dissent.

VII. Items Referred to Committee

A motion was made by Farmer to adjourn, seconded by Mossotti. The motion passed without dissent.

The meeting was adjourned at 2:47 p.m.

D.S. 2.26.2016