



## Lexington-Fayette Urban County Council

### Budget Committee of the Whole Link Report Outs Summary

June 10, 2014

9:00AM

Vice Mayor Gorton called the meeting to order at 9:00am. Council Members Ellinger, Kay, Ford, Akers, Beard, Farmer, Stinnett, Scutchfield, Myers, Clarke, Henson and Lane were present. Council Member Lawless joined the meeting late. Council Member Mossotti was absent.

#### **1. Adopt FY2015 Revenue Number (\$313,255,090)**

Beard asked about the fund balance. O'Mara stated that the recommendation is that no change be made to the revenue number in the Mayor's Proposed Budget (MPB) adding that this is a separate conversation from fund balance. He is happy to discuss but feels that it should be done separate from revenue. Gorton agreed that we should wait to discuss the fund balance and focus on the amendments to the budget.

Lane asked O'Mara if he felt the revenue estimate was reasonably conservative. O'Mara said they are proposing a 5.4% increase over the past for revenue. Year-to-date at this time we are trending at around 3.5%. There is a concern that net profits are not picking up as they expected but other revenues are so he felt comfortable that we could stay with the revenue proposed.

Motion by Lane to adopt the FY2015 revenue number (\$313,255,090). Seconded by Kay. Motion passed without dissent.

#### **2. Approve Late Items**

Lueker reminded the Council that they were not asking for approval of the changes to the MAP funds (page 6 of the packet).

Motion by Ellinger to accept all late items for all funds (except MAP). Seconded by Beard. Motion passed without dissent.

### 3. Amendments to Budget

Gorton asked Commissioner O'Mara to clarify the \$800K given at the last meeting. O'Mara stated that they started the budget with a \$0 fund balance as they had just reallocated \$10.5 million and wanted to see how it was going to hold. They are currently looking at approximately \$3.5 million which usually picks up a little in June. He is comfortable with allocating \$500K as a starting balance for FY2015. Since the budget was completed the KY Theater has asked for an additional \$100 (total \$200K). This is an LFUCG owned building so we could bond this \$200K which would free up \$100K in cash which was previously allocated to the KY Theatre. Gorton asked what the debt service would be. O'Mara said this would put us a little over the \$25million and the debt service would be small. O'Mara added that the last place we could adjust was in salt. Last winter we ran out but it was an unusual winter. The question is how we want to approach the salt budget. We currently have \$900K in there but \$700K is what the average would be, Adjusting the salt budget would add \$200K. The total to reallocate would be \$800K Lane asked about the reallocation in March and how it would impact the rainy day fund. O'Mara said the rainy day fund received \$50K per month throughout the year and at the end of the year after books are closed it receives 25% of the balance per ordinance.

Farmer stated that a lot of the decisions that need to be made depend on timing, when we do things and when we are billed. Farmer asked O'Mara if adding the \$100K to the total would change the bond. O'Mara said it breaks his total and we are over the 10% limit which cannot be cured in a 12 month period. He was asked to come up with a plan to reduce debt and hit the goal. The plan would result in reaching the goal in 2021. They got to the \$25 million for the next year, used cash when appropriate to stay within the plan. When the request was changed, he had to look at it again because they are at the end of the project. The overall total is still close to \$25 million. Farmer asked where additional bonding would fall if added for a convention center. O'Mara said it would fall on top of the plan and targets for the goal.

Farmer asked what proposed Rupp bond means on the bond chart. O'Mara commented that they modeled based on the plan and a 3% increase over time. When the talks about Rupp Arena project came into play so it was added as a separate project bond. The other items are previous commitments, current commitments and future projects under the new plan. Farmer asked if the money in the \$40 million bond will only be for Rupp Arena. This conversation will happen later.

Stinnett asked if council chose to change the \$25 million bond today, what impact would it have on the timeline and the Rupp bond. O'Mara said the FY2015 budget was built independent of the Rupp project. Any additional bonding, whether for specific projects, Rupp or anything else, will be in addition to the work out plan and will extend the time it will take to reach the 10% goal. Stinnett asked if the bond was increased today, will next year be reduced to stay on target. O'Mara said he would defer to council for input on that and he can run the numbers either way. Stinnett asked when the salt contract ended as he feels we should buy as much as we can under the current pricing. Charlie Martin said it is sequenced with the fiscal year but he will confirm. Martin said that as long as the contract is in place, they have to honor the price. Stinnett said the council should keep this in mind when thinking about lowering the salt budget. Stinnett asked O'Mara if he recommended adding the \$500K as a starting balance rather than \$0. O'Mara said that is all he would recommend.

Ford asked why we would even consider talking about Rupp Arena if the budget was built without it. O'Mara said it was not in after 2015 and it was only added after he was asked how it would impact the bonds. He added that there is nothing that he is aware of in the MPB for Rupp. Ford stated that when

the Mayor did his address, the council was told that the impact of the bond would not hit in 2015. He feels the timing is unfair to the council and inappropriate if we are discussing FY2015 and it is not a part of it.

Kay asked about the way the Rupp bond was labeled. There is some confusion on what the bond would do. The labeling makes it look like we are providing money for Rupp Arena and not the surrounding area. O'Mara said it was labeled as a project bond and there were complaints so he changed it to Rupp. He can change it back or remove it completely. Kay asked if any bonds had been committed. O'Mara said nothing new had been committed, it was just a projection.

Lane asked if the FY2015 was structurally balanced. O'Mara said it was and had revenues that exceeded expenses. Lane asked O'Mara to define what that meant. O'Mara said that we could not have spending in excess of available funds but that could use money in your savings account. A structurally balanced budget meant that you had revenue coming in that exceeded your expenses. Lane asked if O'Mara felt that the red line on the bond chart was a realistic representation. O'Mara feels that it is and added that it is based on assumptions and there is no crystal ball but it is based on sound information and he feels it is a reasonable projection for looking out 15 years.

Beard asked about the \$40 million Rupp bond. O'Mara stated again that he did not come prepared to talk about the Rupp project. He came prepared to discuss the FY2015 budget. Beard asked if the \$40 million was concrete or are we subject to what may happen with the state and UK. Beard asked if we were required to do anything. O'Mara said there was a meeting scheduled for June 23rd to discuss these issues.

Gorton reminded the council that there was a meeting scheduled to discuss the project and added that if other things come up before then, they can be incorporated.

Stinnett asked if the \$500K will keep us at a balanced budget. O'Mara said it will keep us close.

Motion by Farmer to amend the FY2015 budget to include a \$500K beginning fund balance. Seconded by Kay. Motion passed without dissent.

Akers asked if this would address the CM recommendation for the concession stand. Farmer sated that these are separate issues. The motion is to free up funds already allocated for this as cash. Farmer commented on the \$100K and the additional request for the concession stand.

Motion by Lane to issue a bond for \$100,000 for Kentucky Theatre renovation. Seconded by Kay. Motion passed without dissent as amended.

Motion by Farmer to amend the motion to add \$95,390 to the Kentucky Theatre bond to cover the concession stand request. Seconded by Clarke. Motion passed 9-4. Gorton, Ellinger, Kay, Ford, Akers, Beard, Farmer, Stinnett and Clarke voted yes. Scutchfield, Myers, Henson and Lane voted no.

Lane is concerned about adding the concession stand since it is a profit making area and should be the tenants responsibility to maintain it. We could possibly work out an agreement for them to pay a higher rent if we do the bond.

Akers asked what the total amount from LFUCG is for the renovation. O'Mara said we contributed \$250K to their capital campaign.

Kay stated that it is hard to determine what it profit generating for the KY Theatre adding that ticket sales are revenue generating. He feels it is appropriate to bond the additional funds.

Motion by Lane to adjust rent at Kentucky Theatre according to the amount of debt service incurred by LFUCG to offset the cost of the concession stand renovation. Seconded by . Motion and second were withdrawn.

Myers feels this should be looked at in light of the new policy on how we charge for our facilities. Farmer agrees that we should research as we go forward in relation to the policy. This can be done before bonds are issued.

Lane stated that the payment would be \$560 per month for the bond.

Henson added that the KY Theatre is dear to our city but feels that we have invested quite a bit of money into the theatre. They do a great job of fund raising as well. She thinks their sharing the cost is a good thing as there are many other needs in our city and she thinks we should spread the wealth.

Kay asked the present least on the theatre, when negotiated and when it expires. Baradaran said it is not a lease but a professional services agreement where we provide the building and they provide the services. At the end of the year, any excess profit is given to the city.

Henson would like to know if this motion is about the money for the concession and is the concession run separately. Gorton stated that the motion was to adjust their rent to add the cost of the bond payment for the concession area. Henson asked if the profits from the concession are included in the theatre. O'Mara said his understanding that total revenue is part of the package and is not separated.

Gorton asked what the intent is if the motion passes. Lane wants more information and feels that it isn't fair to do this and would like to discuss later. Lane asked if we received anything from them. O'Mara said we do receive some revenue as well as a monthly statement.

Kay feels the amendment is not relevant because it addresses an adjustment to rent and there is no lease.

Lane is find with removing the amendment but with the understanding that this will be discussed before the issuance of a bond.

Motion by Kay to amend the budget to reduce the salt budget from \$900,000 to \$700,000. Seconded by Ellinger. Motion passed 12-1. Gorton, Ellinger, Kay, Ford, Akers, Farmer, Stinnett, Scutchfield, Myers, Clarke, Henson and Lane voted yes. Beard voted no.

Farmer asked how much salt we have and how much we can hold. Martin said there are 2000 tons currently and the barn is full based on its capacity. Martin added that you can't predict the weather and we started with 200 tons last year too. This would cover approximately 2 winter storms. Farmer stated that we could lower this and add later if needed.

Scutchfield added that we did not run out of salt this year and she wanted to clarify that. She would like to see the discussion of an additional salt barn on property already owned by the city. Gorton said there is a plan on the books for a second salt barn. Martin said there is a plan but there is not funding for it in FY15. There are still other things that need to happen and he does not anticipate pursuing a location until calendar year 2016.

Henson asked when the contract will end. Martin does not have the specific date but has asked for the date. There is one year left but he is not sure if it is a calendar of fiscal year. Martin added that we can only take delivery on a certain amount.

Lueker commented on the two different personnel totals received by Council. The difference between them is the total for 2013 column. When the minor funds were removed the total did not update. The correct total for 2013 is \$211,745,889.

Stinnett stated that how to budget for personnel changes depending on who is in office. This looks like the 97% number is a good number to use rather than changing the number arbitrarily as has been done in the past.

Gorton reminded council that we have \$800K to work with before discussing the links recommendations.

Ellinger said the LexCall director was just put in as a place holder pending review by the consultants. CAO Hamilton said they initially asked the consultants to review this and they did not recommend making this a director position. They have asked them to look at it again. Ellinger said this is a policy decision for Council, Hamilton agreed that it was a council decision and they will do what council chooses.

Myers feels this can be looked at in committee.

This item will be added to the non-budgetary list for discussion in September.

Stinnett asked for a list of the \$25 million bonding. Stinnett suggested that we should go through the list and approve in concept and then look at the totals in order to fully vet all items.

Motion by Stinnett to go through the link recommendations and approve conceptually which ones they want to move forward with and then come back and allocate funds. Seconded by Myers. Motion passed without dissent.

Ellinger asked CAO Hamilton to update council on information obtained after the link met. Hamilton stated that the consultants notified her that they were sticking to their initial decision and she has asked them again. Ellinger stated that after speaking with Myers, the link is no longer making this recommendation.

Beard asked Ford if he had comments on the partner agency recommendation. Ford stated that this is an amended recommendation from the original recommendation. It calls for increased partner agency funding in the amount of \$349,570 but also calls for reducing the percentage of funding previously recommended by the review committee and reallocation of those funds to support more agencies. Gorton pointed CMs to page 18 of the packet, which shows the original and proposed funding. Ford

added that this is the third or fourth year that we are in the process of raking agencies, adding that the link had several non-financial recommendations for this process to be discussed later. This discussion is just for the reallocation and increase of funds.

Ellinger feels this is a policy decision for council. Do they go with MPB, committee recommendation or the link recommendation. We first need to decide how to move forward. He added that the agencies realize that it is not set in stone until the budget is approved but he cannot recall a time when we reduced funding for agencies.

Stinnett asked if there was any discussion about having Children's Advocacy operate as a PSA under the police department. They are not really a partner agency. Ford said for the current time, they are where they are but he agrees that this is a discussion that should take place.

Motion by Ford to accept the amended finance and social services link recommendation which includes an increase of \$349,570. Seconded by Beard. Motion failed 5-8. Ford, Akers, Beard, Clarke and Lane voted yes. Gorton, Ellinger, Kay, Farmer, Stinnett, Scutchfield, Myers and Henson voted no.

Scutchfield agrees in theory with Ellinger but added that the council approved the procedure for coming up with the original numbers and feels that this is a disservice to the purpose of the procedure and the process approved previously.

Henson feels the process is a good process but also thinks that this will be an issue every year unless we tweak the process. She feels we need to identify our priorities as a city so that we don't have to go through this year after year. We need establish a percentage as a part of the process, once we rank and the money is gone, it's gone. She is not sure that this is the proper way to go.

Farmer asked about page 18-20 and wanted to identify the workgroup. Jamie Emmons does not have the list. Commissioner Mills stated that the workgroup was made up of two CMs, two members of her advisory board, CAO Hamilton and Jenifer Wourenma. Farmer asked what was the difference between the workgroup recommendation and the MPB. Ford stated that the workgroup recommended funding for projects ranking 1-29, this was sent to the MAyor's office, where two additional items were added (items 30-31) and funded the additional two at 50%.

Kay agrees with Scutchfield that we have a process in place and it may have some up with a less than ideal situation but he would hate to amend the process in this way. He would not be in favor of the motion but he would be in favor of adding funds for the next few on the list. He does not know what that would mean but feels we should stick with the MPB and consider adding more entities.

Ellinger is on a similar thought as Kay. He asked what the amount would be if we went with the original percentages and funded the agencies in the original link proposal.

Myers asked Hamilton about the status of a plan from the Administration to increase partner agency funding. Myers would be in favor of adding agencies but not reducing funding to other agencies. Hamilton said that they are looking at ideas for next year and will speak with council about moving some items out to other areas. They are prepared to bring back a system in the fall to address some of the concerns.

Beard commented on the list of agencies requesting funding and the number of filters we have. He feels that the non-financial recommendations from the link should help the process. He does not feel we should have the link look at these if they cannot make changes.

Lane is concerned about being fair to all of the organizations and feels that as a council we should respect that procedure. He feels this is a much more in depth analysis than the council could ever do. He agrees with CM Ellinger to fund the original amount recommended and then add additional money to fund others. Lane asked Hamilton to guesstimate how much time was spent meeting with organizations and evaluating the requests. Hamilton stated that the real time came from Commissioner Mills. The committee she was on only took about an hour and a half, they did not have to deal with the list, they only had to determine the funding levels. Commissioner Mills stated that the process that got the scores, is what takes time. There are 40 community volunteers involved in this process and each one spends many hours on this. They are given 9-10 applications to review. Craig Bencz throws out high and low scores. They cannot have one committee score all of them due to the volume of applications. While this is not comfortable, she reminded council that prior to this process, the same 12 agencies were always funded and not all were allowed to apply. She and Craig are not final decision makers, they are just honoring the process council approved in the most fair way possible. All agencies were treated equally in the process and the reason large agencies get more funding is because it is 20% of their budget. She added that the top agency was a very small one. Lane asked for her opinion on how to allocate any additional funds. Mills said she feels the most fair way to do this would be to go down the list since that was the process.

Myers propose changing revenue number from \$313,255,090 and add the extra \$ to the number

Ford stated that the link did not adjust scores but asked if we can really afford to fund anyone at 95%. In the existing process, every program was asked that their request be no more than 20% of their overall budget. They will be disappointed if funding is reduced but we are doing more with less.

Gorton commented that there appears to be overall support for the process and the link process. The consensus seems to be to fund the original list and add funds to cover a few more down the list. This would respect both processes, the workgroup and the link.

Motion by Kay to call the question. Seconded by Ellinger. Motion passed without dissent.

Motion by Farmer to provisionally approve the workgroup recommendations numbers 1-29 on page 18. Seconded by Akers. Motion passed without dissent.

Motion by Kay to provisionally approve the Mayor's Proposed Budget which adds numbers 30 and 31 on the list. Seconded by Chris Ford. Motion passed 10-3. Gorton, Ellinger, Kay, Ford, Akers, Beard, Stinnett, Clarke, Henson and Lane voted yes. Farmer, Scutchfield and Myers voted no.

Motion by Kay to provisionally approve the recommendations from the link to fund numbers 32-56 at 50%. Seconded by Ford. Motion passed 11-2. Gorton, Ellinger, Kay, Ford, Akers, Beard, Stinnett, Myers, Clarke, Henson and Lane voted yes. Farmer and Scutchfield voted no.

Ellinger asked for the total. Connie Underwood provided a total of \$690,460

Lane asked if this would be in accordance with the process. Mills said it would. She added that it was important to know how this will go because they have to get personal service agreements out to the agencies.

Ellinger added that this would take \$690,000 of the \$800,000 available for distribution.

Motion by Akers to approve Public Safety link recommendations. Seconded by Scutchfield. Motion and second were withdrawn.

Clarke feels that if there is no money we shouldn't even discuss these issues. If we are thinking about the concept then we need to continue.

Motion by Henson to accept the links recommendation to hire all 15 new positions in Corrections in July at \$174,500 in concept. Seconded by Scutchfield. Motion and second were withdrawn.

O'Mara commented on the current set up in the budget and added that they could not get all 15 hired by July 1.

Lane asked Commissioner Mason about the portion of this related to turnover. Mason said this would be additional new bodies, there are ongoing replacement classes to replace people leaving. This will increase the authorized strength. Lane asked Henson if she felt this would be appropriate to remove this as a recommendation. Henson said she did not but this was a recommendation from the FOP and will result in a savings due to overtime costs.

Lane asked Mason if he felt this should be left in. Mason said they had discussion with Director Ballard and he was ok with leaving it staggered.

Motion by Henson to approve weather radios in concept. Seconded by Clarke. Motion passed without dissent.

Motion by Scutchfield to approve the concept of fire station analysis for \$100,000. Seconded by Henson. Motion passed without dissent.

Henson commented on the issue and email from the FOF indicating that this was an attack on firefighters. We have two studies that do not address how we protect our entire community and maintain a four minute response time and where strategically our fire stations should be located.

Ellinger asked what the timeframe would be. Henson said it would have to go out for RFP but feels it would be beneficial to have it done ASAP.

Farmer would rather ask for funds to complete station 2 than to fund this study. He is not against it but is concerned about timing and feels these funds can be better utilized for the next step.

Lane would like to see the study begin in summer and get a report in time to build a new station out Winchester Road. We are looking at about \$3.5 million for a regular station but a campus model station would be about \$8 million before we build a large station and commit a lot of capital, we should do the study first.



Scutchfield agreed with Farmer that station 2 should be whole and will do the fire department good but to be fiscally responsible we have to look forward. If we keep saying we can do it later, later will come and will still be where we are.

Clarke said that sometime in the future we will probably be spending \$10 million on new stations. He feels there is value in an independent study to the council and to the citizens on what our needs are and where we should locate based on that.

Gorton is in favor of the concept but will probably vote against it for funding at this time as she feels we can fund it in a different way later.

Lane added that it is important that this study be completed by an independent party. We got a little pushback from the firefighters union.

Motion by Farmer to approve the Environmental Quality link recommendation to add \$85,000 for the Hazardous Street Tree Cost-Sharing Program in concept. Seconded by Henson. Motion passed without dissent.

Ellinger asked how much was in the budget for this. Farmer said \$40,000.

Motion by Clarke to approve in concept the addition of \$1 million to the PDR program and an increase in legal and appraisal fees. Seconded by Farmer. Motion passed without dissent.

Farmer commented on the \$1 million bond already in the budget.

Myers asked why they wanted to double the number for PDR. Clarke stated that he felt this was one of the most important programs that we have. He added that the goal was to add 50K acres and we need to do this to stay on target. There is a new program that we may be able to take advantage of and the current Federal Government program will be coming to an end. We do not know yet what will happen. There is currently a match available at one-to-one. Myers asked if we still got a state match. Clarke said he is unaware of a state match. Gorton added that one reason we are able to get the matching dollars is because other places are not as successful as we are. The federal government is aware of our program.

Ellinger asked what would come out of the next budget for this. Clarke said it was the proposed numbers on the recommendation. In the past, they have taken the additional money out of the money allocated to the program.

Kay stated that this is one of the ways we are protecting our rural areas and it is a successful program.

Lane added that the program takes a lot of farmland and he has worked with them for a few years. They have received national recognition.

Motion by Clarke to reduce professional services in the Planning Commissioner's office from \$40,000 to \$20,000. Seconded by Ford. Motion passed without dissent.

Motion by Clarke to approve in concept adding \$100,000 to fund one small area plan. Seconded by Kay. Motion passed 8-4. Gorton, Kay, Ford, Akers, Lawless, Myers, Clarke and Henson voted yes. Ellinger, Farmer, Scutchfield and Lane voted no.

Myers asked what was in the Mayor's Proposed Budget. Clarke said none were funded.

Akers asked where the three proposed plans are located. Commissioner Paulsen said they currently have two funded and there are three proposed. He feels the one they would do is in the Winburn area.

Kay is in favor of this because the small area plans allow the planning department to focus on a neighborhood or community and engage the citizens in what could be done in their area.

Ellinger feels this would be good for a fund balance discussion in October.

Akers asked Paulsen if they had the capacity to do three since two are already in process. Paulsen said they have selected consultants on the Armstrong Mill one and they are heavily dependent on consultants and three would be their maximum.

Motion by Clarke to reduce small equipment in Code Enforcement by \$1,000. Seconded by Akers. Motion passed without dissent.

The link withdrew number 100 for a building inspection supervisor.

Motion by Clarke to the concept of funding a landscape examiner on a part-time basis for \$25,000. Seconded by Kay. Motion failed 5-7. Gorton, Kay, Ford, Clarke and Henson voted yes. Ellinger, Akers, Lawless, Farmer, Scutchfield, Myers and Lane voted no.

Motion by Clarke to move the \$109,000 from LexArts to the Commissioner of General Services for the operation of the Downtown Arts Center. Seconded by Ellinger. Motion passed without dissent.

Motion by Clarke to approve the concept of funding \$85,000 for connectivity at pools. Seconded by Scutchfield. Motion passed without dissent.

Motion by Clarke to approve the concept of funding \$20,000 for location determination, design and planning for a Splash Park in the East End. Seconded by Myers. Motion passed 7-5. Gorton, Kay, Ford, Lawless, Myers, Clarke and Henson voted yes. Ellinger, Akers, Farmer, Scutchfield and Lane voted no.

Ellinger thinks this is a good project for fund balance discussions.

Gorton asked for a number of the concepts approved. The total is \$1,067,810.

Gorton went through the list of approvals: Social Services Link fund 1-29, 30-31, 32-56 for partner agencies, emergency management weather radios, fire station location analysis, hazardous street tree cost sharing program, additional PDR funds, one small area plan, connectivity at pools, and a splash park in the East End.

Motion by Ford to vote on partner agency recommendations in total. Seconded by Farmer. Motion passed without dissent.

Motion by Ford to amend the budget to add \$690,460 for social service partner agency funding. Seconded by Myers. Motion passed 11-2. Gorton, Ellinger, Kay, Ford, Akers, Lawless, Farmer, Stinnett, Myers, Henson and Lane voted yes. Scutchfield and Clarke voted no.

Motion by Henson to amend the budget to include weather radios and education supplies at \$8,350 for emergency management. Seconded by Akers. Motion passed without dissent.

Motion by Henson to amend the budget to add \$100,000 for an independent third party study for a strategic fire station location analysis. Seconded by Scutchfield. Motion failed 6-7. Lawless, Scutchfield, Myers, Clarke, Henson and Lane voted yes. Gorton, Ellinger, Kay, Ford, Akers, Farmer and Stinnett voted no.

Gorton thinks this is a good idea and would be an excellent discussion for a fund balance discussion as it is a one time expense.

Ford agrees with Gorton and asked if there was something administratively that could be done in the meantime. Emmons said they can take steps to begin the RFP process.

Gorton feels that items conditionally approved can go first on the list for fund balance discussions if council chooses.

Scutchfield commented on the cost of fire departments and asked again how long we can wait and continue to be fiscally responsible.

Motion by Lawless to amend the budget to add \$85,000 for the hazardous street tree cost share program. Seconded by Steve Kay, the motion passed without dissent as amended.

Farmer added that if this is not funded, there will still be a program just at a lower amount. In the broader scope these funds could be used elsewhere.

Kay added that people have responsibility for these trees, even though they are not their trees, This program helps to lessen the burden on the homeowners.

Akers asked how many. Farmer said the current funding in the budget would cover 55 trees. This approval would almost double it.

Motion by Gorton to amend the amount of funding for the hazardous street tree cost share program to \$50,000. Seconded by Akers. Motion passed without dissent.

Motion by Clarke to amend the budget to add an additional \$1 million to the bond for PDR (\$67,360 in debt service). Seconded by Ellinger. Motion passed without dissent.

Farmer feels this would require reviewing the approved bond list to keep it under the \$25 million target Stinnett asked if this was for one year. Clarke said yes. Stinnett asked why we would budget for a whole year if we won't do it until October. O'Mara will check on the timing of the bond. Gorton added that these funds will be allocated when the money comes in. Stinnett asked if this number was a year debt service payment or 6 months based on when the bond would be issued. O'Mara said they furnished a 12 month number so the debt service for one year on this would be half of that.

Motion by Akers to amend the budget to add \$85,000 for pool connectivity. Seconded by Clarke. Motion passed 12-1 as amended. Gorton, Kay, Ford, Lawless, Beard, Farmer, Stinnett, Scutchfield, Myers, Clarke, Henson and Lane voted yes. Akers voted no.

Motion by Myers to amend the motion to defer pool connectivity to a fund balance discussion. Seconded by Farmer. Motion passed with a 12 - 1 vote. Gorton, Ellinger, Kay, Ford, Lawless, Beard, Farmer, Stinnett, Scutchfield, Myers, Clarke and Henson voted yes. Akers voted no. Lane abstained.

Motion by Clarke to amend the budget to include \$20,000 for a splash park study. Seconded by Kay. Motion failed with vote of 7-7. Kay, Ford, Lawless, Beard, Myers, Clarke and Henson voted yes. Gorton, Ellinger, Akers, Farmer, Stinnett, Scutchfield and Lane voted no.

Gorton asked for the updated total. Connie stated that the current total is \$547,000, which leaves \$47,000 for reallocation.

Stinnett asked O'Mara if he could locate \$300,000 across professional services if asked. O'Mara said it could be done but would take time. Stinnett asked if it could be done proportionately. O'Mara said it can be.

Motion by Kay to approve \$100,000 for the YMCA now and place \$200,000 to the fund balance discussion in the fall. Seconded by Farmer. Motion and second were withdrawn.

O'Mara is requesting that the council pass a budget that is structurally balanced. Part of his job is to suggest that and the other part is to represent the government for bond agencies and the public. \$53K while small still results in an unbalanced budget and sends a message to these people.

Ellinger asked if this could be bonded. O'Mara said no because it is funding to another organization and it is not our capital project so does not qualify for bonds. Ellinger asked if we don't do the \$300K will the YMCA lose the remaining \$200K before the fall. David Enslen said that whatever they receive before the end of the calendar will go towards the match

Lane asked if we could include this in the bond. O'Mara restated that it could not.

Motion by Kay to fund \$47,000 for the YMCA in the current budget and defer the remaining \$253,000 to the fund balance discussion and put it at the top of the agenda for those discussions. Seconded by Farmer. Motion passed without dissent.

The remaining items will be added to fund balance discussions in the fall.

Municipal Aid Program (MAP) unallocated balance is currently \$2,585,987.

Motion by Stinnett to add \$2 million of the MAP funds available and to the \$3 million currently in the budget for a total of \$5 million for neighborhood resurfacing. Seconded by Farmer. Motion passed without dissent.

Myers asked if the funds would be distributed the same way. Stinnett said the motion does not say how to allocate but he would assume it would be the same.

Clarke asked if part of this was for Man O' War. Stinnett said that was a typo in the budget and added that we need to define our major roads and process for paving them.

Farmer stated that this provides an immediate opportunity to start the process and repair roads impacted by the winter.

Gorton stated that she and Ellinger both added funds for bike lane striping needs. She requested a lower amount and removed her request for bike lane needs.

Motion by Ellinger to allocate \$146,590 from MAP funds for unfunded bike lane striping project needs. Seconded by Lawless. Motion passed without dissent.

Motion by Ellinger to allocate \$40,000 from MAP funds for bike facilities maintenance. Seconded by Akers. Motion passed without dissent.

Motion by Ellinger to allocate \$40,000 from MAP funds for routine maintenance of bike lanes. Seconded by Stinnett. Motion passed without dissent.

Motion by Ford to allocate \$185,000 from MAP funds for resurfacing East Short Street. Seconded by Akers. Motion passed without dissent.

Gorton stated that after these changes, there is a balance of \$174,397 in the MAP funds.

Motion by Farmer to allocate \$50,000 from the Water Quality Management Fund for Culvert Stormwater Improvements at Arrowhead/Buckingham. Seconded by Ellinger. Motion passed without dissent.

Farmer asked for a feeling from the admin on going above \$25 million. O'Mara stated that it is a matter of going longer than the plan to reach the 10% goal and it is a matter of how the council feels about it. Farmer asked if the three for computer services can be reduced or done in another year, same for corrections jail management system, and e911.

Stinnett asked what the approach will be to bonding this, one bond or two and timing. O'Mara said they intended on an Oct or Nov issuance and the timing would be reviewed by our financial analyst to see what would be a better scenario. Stinnett asked about the debt service payment. O'Mara said there is one in for March or April.

Stinnett asked if all of the items on the list are doable in the next year. O'Mara said almost.

O'Mara commented on the list of items. Added that the jail system was already cut in half based on the projected cost.

Stinnett asked if the funds for fire station 2 were enough. O'Mara said that was the number they received to replace only what is currently at fire station 2. Stinnett asked if this was still a good number. Asst Chief Hoskins stated that in order to move the companies currently stationed at station 2 we are looking at around 4 million.

Stinnett asked when they would need the other \$1.5 million if they get \$2.5 million now. Gorton added that CMs had not received a presentation on this issue and were unaware of the numbers only what was on the list. O'Mara stated that the \$2.5 million number is what had been shared with him prior to today.

Stinnett added that it sounded like we are going to need more and asked for a presentation at PS committee or at a work session.

Scutchfield said the link was asked for \$6 million and asked if that was the cost for the full campus. Hoskins stated that \$6 million would not cover the cost of a full campus as originally thought.

Myers asked if a campus was part of the original plan. Emmons said it was not. Myers asked how we got to the point where fire is out doing their own thing. Emmons said he does not know for sure. Myers asked what the admin plan is for the fire station. Emmons said they would like to proceed with the replacement of station 2 for now. If there is a campus idea, it can come later. Fire would like a campus. Myers asked what the admin wanted. Emmons said they don't disagree they just want to explore it.

A motion by Bill Farmer, Jr. to Approve amend the bond list to reduce by half: storage area network, network infrastructure remediation, managed email solutions, jail management system and E911 public safety radio system resulting in \$1,237,500 being removed from the bond package, seconded by Chris Ford, the motion tied.

CIO stated that the computer services items and the jail system have already been cut. The computer items have been put on hold for over 10 years. They had a review of the network and she would be happy to have a closed session discussion on the issues. Gorton asked if these could be half funded. CIO said that if we do the network, we would have to do most of it. The email system cannot be done in pieces it is a whole project. The storage is a piece of hardware. The JMS was written in the 90s and is a custom system but over the years the requirements have gone beyond what the system can do. We spend \$70-\$80K per year to keep it running. She added that even if we got a new system to day, it would take 12-18 months to implement.

Motion by Farmer to adopt the budget using the original bond number plus the additional million for PDR and \$195,390 for Kentucky Theatre. Seconded by Clarke. Motion passed without dissent.

Henson wanted to be sure the items not funded would end up on the fund balance list.

Myers asked about the individual Council Member requests that would have been bonded, will they be on the list as well. Gorton stated that they will make the list.

#### **4. Other Business**

Motion by Farmer to adjourn at 3:56pm. Seconded by Clarke. Motion passed without dissent.