

BUDGET & FINANCE COMMITTEE
November 27, 2012
Summary

Ellinger called the meeting to order at 1:00 PM. All committee members were present except Myers and Beard. Ford and Henson were also present.

I. 10.23.12 Committee Meeting Summary

A motion by Lane, second by Kay to approve the 10.23.12 committee summary passed unanimously.

II. Comprehensive Annual Financial Report/Fund Balances/Monthly Financial Monthly Financial Report

Mayor Gray introduced Jane Driskell to provide the Comprehensive Annual Financial Report (CAFR); the fund balances; and the monthly financial report.

Driskell stated that LFUCG was issued a clean financial opinion on November 15, 2012 for the year end financial statements. She stated that the A133 would be completed by February 2013 and the auditor would present their findings at the February meeting as well.

She stated that the unrestricted balance in the Urban Fund is \$ 22.8 million or 63% of the annual revenue. The Sanitary Sewer fund has a capital reserve of \$ 56.2 million and a fund balance of \$ 4.8 million. The Landfill Fund has a fund balance of \$ 11.1 million or 154% of the annual revenue. The Water Quality Fund has a fund balance of \$ 7.2 million or 59% of the annual revenue.

Driskell stated that the General Fund has a non-spendable fund balance of \$ 1.5 million; an assigned fund balance of \$ 39.5 million and an unassigned fund balance of \$ 3.3 million.

She noted that the non-spendable balance consists of contractual or legal obligations. The assigned category consists of items earmarked for specific purposes.

Driskell stated that the General Fund assigned fund balance includes funds for the 27th pay period; a ligation reserve; HOME match; a health care reserve; tax refunds; an economic development reserve; capital carry forward; a transfer to the Urban Services Fund for street lights; and the Economic Stabilization Fund.

Gorton asked about the differences between non-spendable, assigned and un-assigned fund balances.

Ellinger, Gorton and Stinnett thanked Driskell for her service to LFUCG.

O'Mara discussed the monthly revenue report. He noted that revenue in the major categories is about \$ 800,000 over budget.

Barrow discussed the FY 13 General Fund cash flow. He stated that there is a positive variance of approximately \$ 1.5 million between actual revenue and budget year to date. He also reported that actual expenses were about \$ 3.8 million below budget year to date, providing a net income year to date of \$ 5.2 million. He noted that timing was a factor in some of the positive variance but expenses were down and revenue was exceeding budget.

Gorton, Lawless and Lane all thanked Barrow for his service to LFUCG.

III. Affordable Housing Trust Fund

Ellinger called on Schoninger to summarize his November 19 memo. Schoninger stated that Stinnett had several information requests at September 25 committee meeting including role of the Lexington Housing Authority; Housing Authority waiting list; funds expended on affordable housing; and number of affordable housing dwelling units in Lexington-Fayette County.

Schoninger stated that the Housing Authority has a waiting list of 2,376 families for conventional public housing; and a waiting list of 316 for choice voucher assistance.

He also reported that since 2005 LFUCG has expended \$ 37.8 million on affordable housing programs using a combination of local and federal HUD funds.

Kay stated that the Homelessness Commission will finish its work in early 2013 and he wanted to keep this item in Committee.

Stinnett asked Kay if the report will include recommendations regarding funding and adequate housing stock. In response Kay stated it will include funding, housing units and identify restructuring existing housing assistance.

Blues asked if the report will respond to the recommendations of the Affordable Housing Trust Fund.

Lawless stated that the affordable housing issue was about more than the homeless population.

Ford discussed the need for an affordable housing trust fund.

Ellinger stated if there is a proposal to raise the insurance premium it will need to be implemented within the 1st quarter of the year.

Henson stated that there is a need for affordable housing but that it should be dealt with in a responsible, efficient and effective manner.

Kay stated that the Homelessness Task Force has examined best practices from other communities.

Ford stated that he hoped that we would not lose sight of the recommendations from the Affordable Housing Trust Fund. He stated that they were different than services needed to address the homeless population.

Farmer suggested bringing the Housing Authority into this discussion. In response, CAO Moloney stated that he will include Austin Simms and others from the Housing Authority.

The Committee heard from several citizens, including Adam Jones, Ann Garrity, Sister Iris Sutton and Vera Thomas who spoke in favor of the recommendations of the Affordable Housing Trust Fund.

IV. Items Referred to Committee

Lane requested that the issue of economic efficiency and best practices be part of the January 2013 agenda.

Schoninger summarized the items referred to Committee.

The meeting was adjourned at 2:45 PM.