

ORDINANCE NO. \_\_\_\_\_ - 2012

AN ORDINANCE ESTABLISHING OPERATIONAL COST AND EFFICIENCY GOALS AND POLICIES OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT PERTAINING TO COST ACCOUNTING, CAPITAL INVESTMENTS, AND INDEPENDENT EVALUATIONS TO BE IMPLEMENTED BY JULY 1, 2013 (FISCAL YEAR 2014).

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WHEREAS, it shall be a goal and policy of the urban county government for the Department of Finance to provide accurate and timely budgeting and cost accounting information to the executive and legislative branches of the government in order to provide the best estimate of the actual costs of providing all government services including any related capital expenditures; and

WHEREAS, it shall be a goal and policy of the urban county government for each department and division of the government to achieve the highest level of productivity and cost efficiency in the delivery of government services; and

WHEREAS, it shall be a goal and policy of the urban county government to regularly evaluate various departmental and divisional policies, procedures, and practices to determine if they are consistent with the “best practices” of local governments or other similar governmental agencies or entities; and

WHEREAS, it shall be a goal and policy of the urban county government to reduce and streamline its operational costs when appropriate and financially feasible using best practices, innovation, outsourcing, and technology; and

WHEREAS, it shall be a goal and policy of the urban county government to ensure that its capital expenditure funding is maximized through: (1) the careful procurement of design, construction management, construction services, capital goods, professional and other services on a competitive bid basis; (2) the use of value engineering, collaboration with contractors, careful scheduling and time management;

and (3) the long term oversight of projects which extend over periods of time that span multiple mayors, council terms, and managing employees.

WHEREAS, it shall be a goal and policy of the urban county government to protect the financial investment in the form of taxes and fees for services that its citizens, ratepayers, and other taxpayers make to the daily and long term operation of the urban county government.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the above recitals are incorporated herein as if fully stated.

Section 2 - That it is the intent of the Urban Council of the Lexington-Fayette Urban County Government, through the adoption of this ordinance, to establish government-wide goals and policies pertaining to the cost-efficient delivery of government services on behalf of the taxpayers, ratepayers and citizens residing, working, or conducting businesses operations in, Lexington-Fayette County, Kentucky.

Section 3 – That the Urban County Council hereby adopts the following such goals and policies to be implemented and in effect by July 1, 2013 (Fiscal Year 2014):

A. Cost Accounting – That all revenues, appropriations, operating costs, administrative and indirect costs, capital investment and debt services, will be budgeted and accounted for using generally accepted governmental accounting standards on a monthly, cost-centered basis in order to allow the executive and legislative branches of the urban county government to accurately evaluate the precise operating costs and operational efficiency of each and every service being provided by the government.

B. Capital Projects – That for each capital investment construction project which is projected or budgeted to cost \$750,000 or more, the urban county government

(Owner) will engage an Owner's construction representative, to act as a third-party fiduciary to provide comprehensive services regarding the organization, coordination, management, financial control and administration required for such capital investment projects and to protect the financial interests and investments of the government and its citizens. The fiduciary shall provide the executive and legislative branches of the urban county government with regularly scheduled reports regarding the status of each managed construction project and appropriate recommendations.

C. Independent Evaluations – That every department or division of the urban county government which has an annual budget of five million dollars (\$5,000,000) or more will be regularly evaluated by a third-party, fully independent firm which has the appropriate professional expertise in analyzing the services provided by the respective department or division. Each such department or division will be evaluated on a regular schedule (at least every 48 months); provided however that any department or division of government which has an annual budget of thirty-five million dollars (\$35,000,000) or more will be evaluated every two years. The independent audit will evaluate and provide feedback to the executive and legislative branches of the urban county government regarding each audited division or department's cost effectiveness, operational systems, policies, technology management, use of "best practices", and compliance with the relevant government policies and procedures and make any necessary recommendations.

Section 4 - That this Ordinance shall be effective immediately upon passage.

PASSED URBAN COUNTY COUNCIL:

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MAYOR

ATTEST:

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CLERK OF URBAN COUNTY COUNCIL  
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