

# BUDGET, FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

*1<sup>st</sup> Quarter Financial Update*

*October 26, 2021*



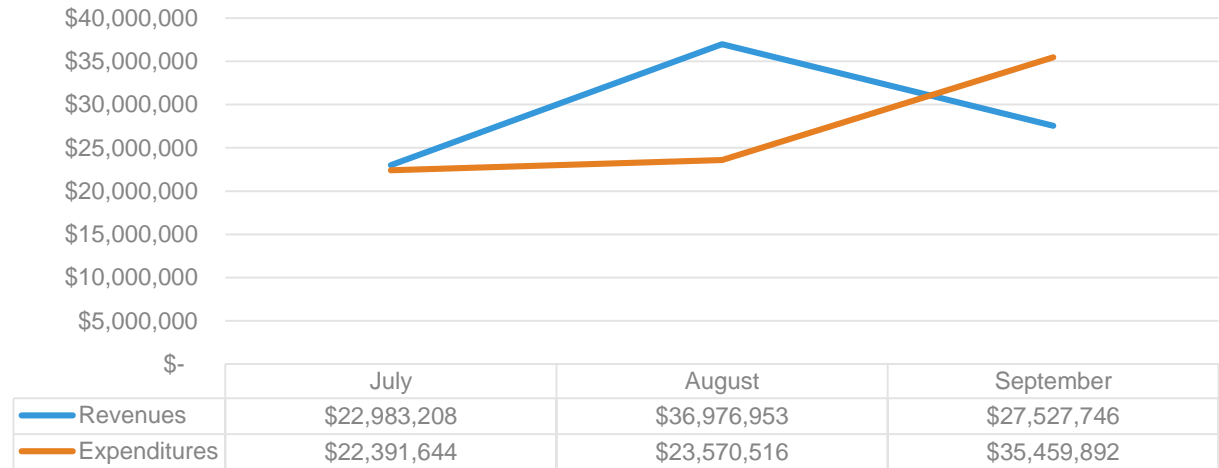
**LEXINGTON**



## 3 Month Performance Review (Actuals)

September FY22	
Revenues	87,487,907
Expenses	(81,422,052)
Transfers	( 6,425,724)
Surplus/(Deficit)	( 359,869)

FY22 Three Month Actual



### Factors to Consider

- Expenditure variances are result of hiring challenges
  - Personnel expenses running roughly 5% below budget
    - Significant savings in salary budget due to vacancies
    - Savings offset by additional overtime use and payouts
  - Operational savings in repairs and maintenance and fuel charges driven by personnel vacancies
- Debt service payments are on track, and account for 22% of total expenditures to date
- Revenue estimates will be updated after 2<sup>nd</sup> Quarter to reflect actual performance



## September 2021 YTD Actual Compared to Adopted Budget

<u>Revenue Category</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>
OLT- Employee Withholding	55,425,155	50,740,000	4,685,155	9.2%
OLT - Net Profit	7,828,148	7,400,000	428,148	5.8%
Insurance	9,090,146	8,690,000	400,146	4.6%
Franchise Fees	6,183,566	6,200,000	(16,434)	-0.3%
<b>TOTALS</b>	<b>78,527,015</b>	<b>73,030,000</b>	<b>5,497,015</b>	<b>7.5%</b>



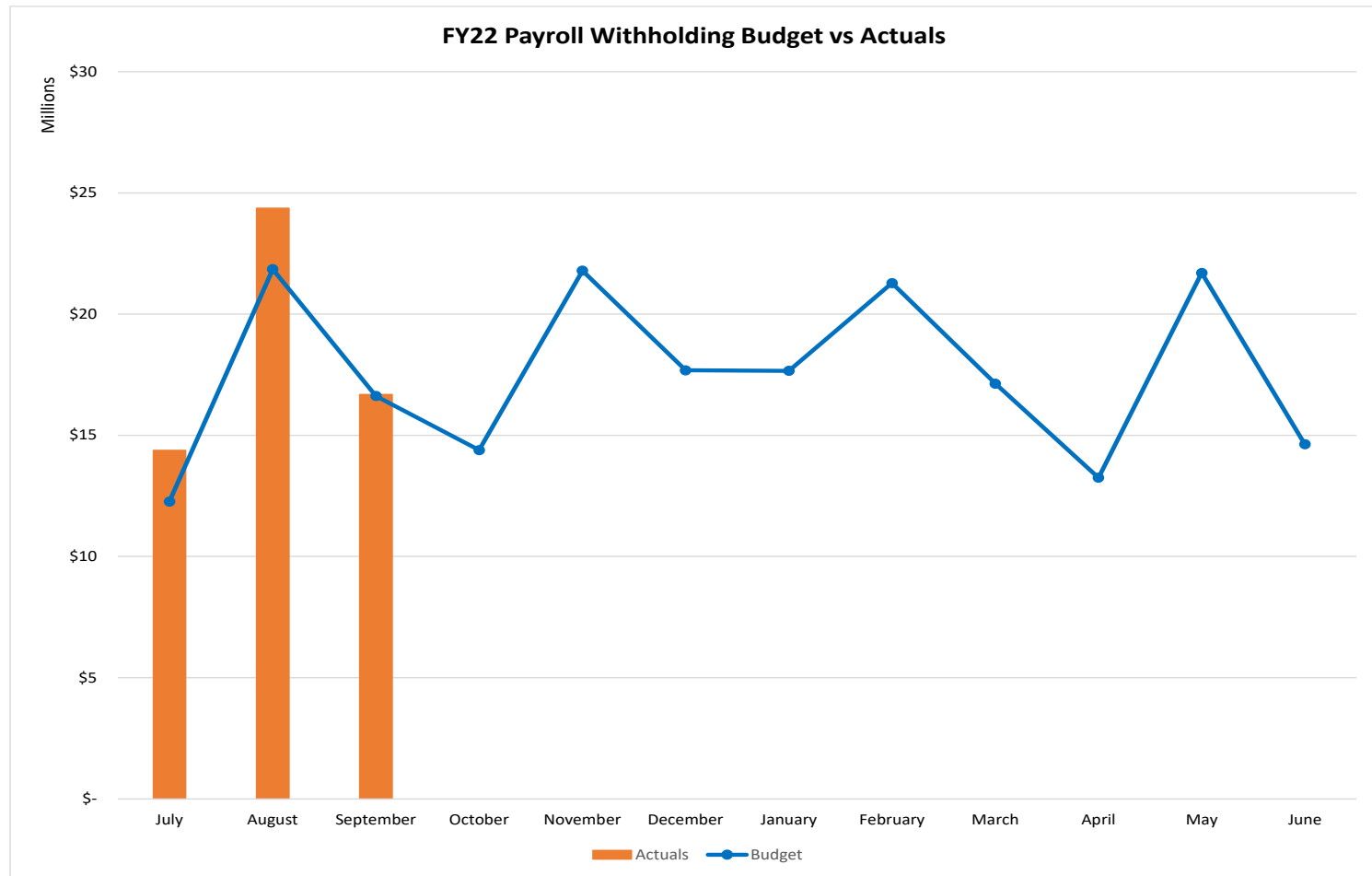
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## September 2021 YTD/September 2020 YTD Current Year Compared to Prior Year

<b><u>Revenue Category</u></b>	<b><u>Sep-21</u></b>	<b><u>Sep-20</u></b>	<b><u>Variance</u></b>	<b><u>% Var</u></b>
OLT- Employee Withholding	55,425,155	49,096,237	6,328,918	12.9%
OLT - Net Profit	7,828,148	15,779,784	-7,951,636	-50.4%
Insurance	9,090,146	8,437,561	652,585	7.7%
Franchise Fees	6,183,566	6,135,550	48,016	0.8%
<b>TOTALS</b>	<b>78,527,015</b>	<b>79,449,132</b>	<b>-922,117</b>	<b>-1.2%</b>

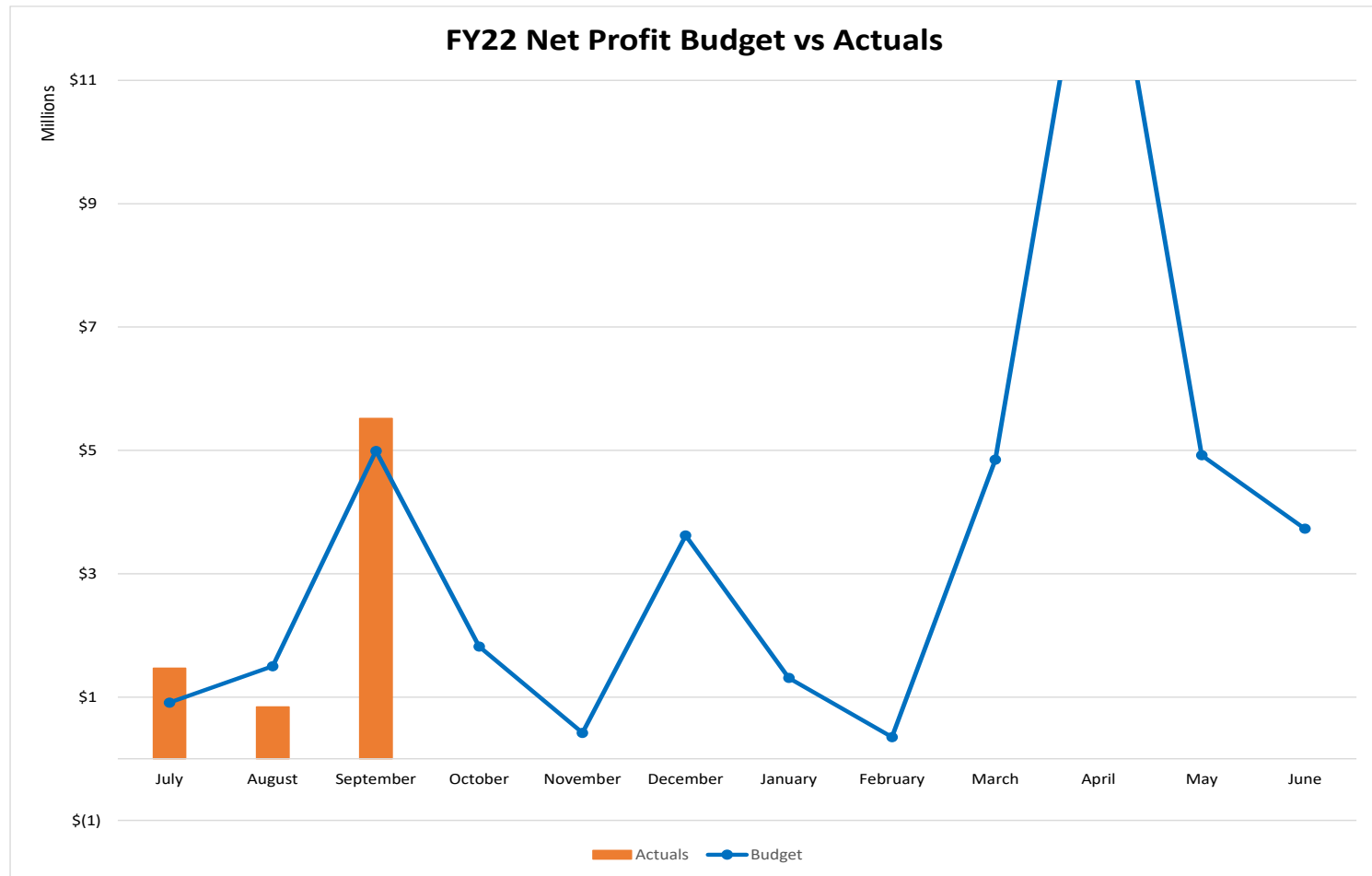


# FY22 Payroll WH Actuals vs. Budget





# FY22 Net Profit Actuals vs. Budget





## 2022 Fiscal year – Cash Flow Variance Revenue ( Actual to Budget)

<i>For the three months ended September 30, 2021</i>				
	Actuals	Budget	Variance	% Var
<b><u>Revenue</u></b>				
Payroll Withholding	55,425,155	50,740,000	4,685,155	9.2%
Net Profit	7,828,148	7,400,000	428,148	5.8%
Insurance	9,090,146	8,690,000	400,146	4.6%
Franchise Fees	6,183,566	6,200,000	(16,434)	-0.3%
Other Licenses & Permits	983,504	815,386	168,118	20.6%
Property Tax Accounts	479,106	653,447	(174,341)	-26.7%
Services	6,544,131	6,091,017	453,114	7.4%
Fines and Forfeitures	52,085	63,500	(11,415)	-18.0%
Intergovernmental Revenue	102,603	72,983	29,620	40.6%
Property Sales	67,013	25,000	42,013	168.1%
Investment Income	42,563	48,216	(5,653)	-11.7%
Other Financing Sources	40,000	40,000	0	-
Other Income	649,887	383,642	266,245	69.4%
<b>Total Revenues</b>	<b>\$87,487,907</b>	<b>\$81,223,191</b>	<b>\$6,264,716</b>	<b>7.7%</b>



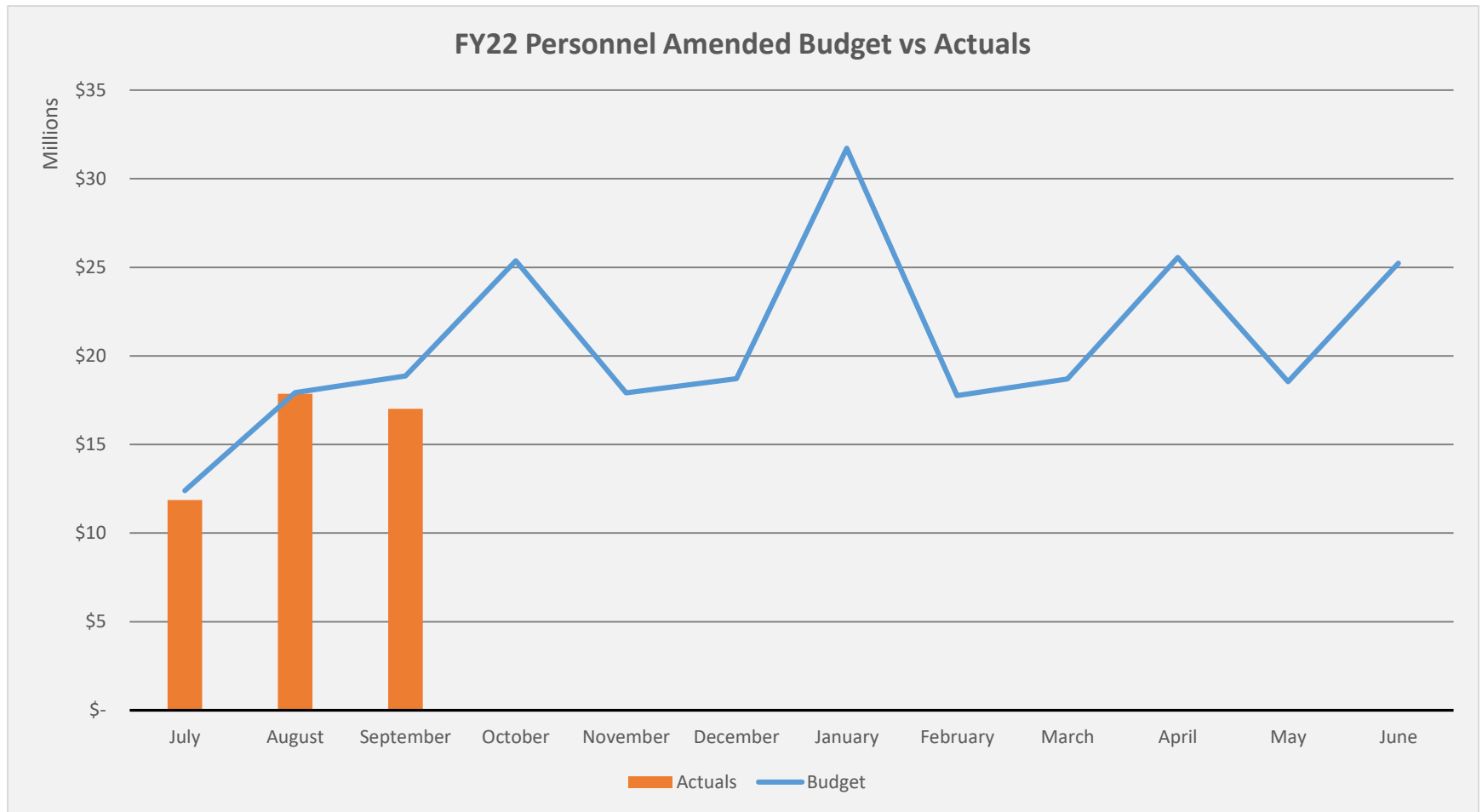
## 2022 Fiscal Year – Cash Flow Variance Expense (Actual to Budget)

<i>For the three months ended September 30, 2021</i>				
	Actuals	Budget	Variance	% Var
<b><u>Expense</u></b>				
Personnel	46,732,595	49,203,918	2,471,323	5.0%
Operating	11,292,065	17,052,598	5,760,533	33.8%
Insurance Expense	1,264,962	1,236,848	(28,114)	-2.3%
Debt Service	17,771,572	17,771,572	0	-
Partner Agencies	4,302,844	5,678,295	1,375,451	24.2%
Capital	58,014	702,453	644,439	91.7%
<b>Total Expenses</b>	<b>\$81,422,052</b>	<b>\$91,645,684</b>	<b>\$10,223,632</b>	<b>11.2%</b>
<b>Transfers</b>	<b>6,425,724</b>	<b>6,302,726</b>	<b>(122,998)</b>	<b>-1.7%</b>
<b>Change in Fund Balance</b>	<b>(\$359,869)</b>	<b>(\$16,725,219)</b>	<b>\$16,365,350</b>	



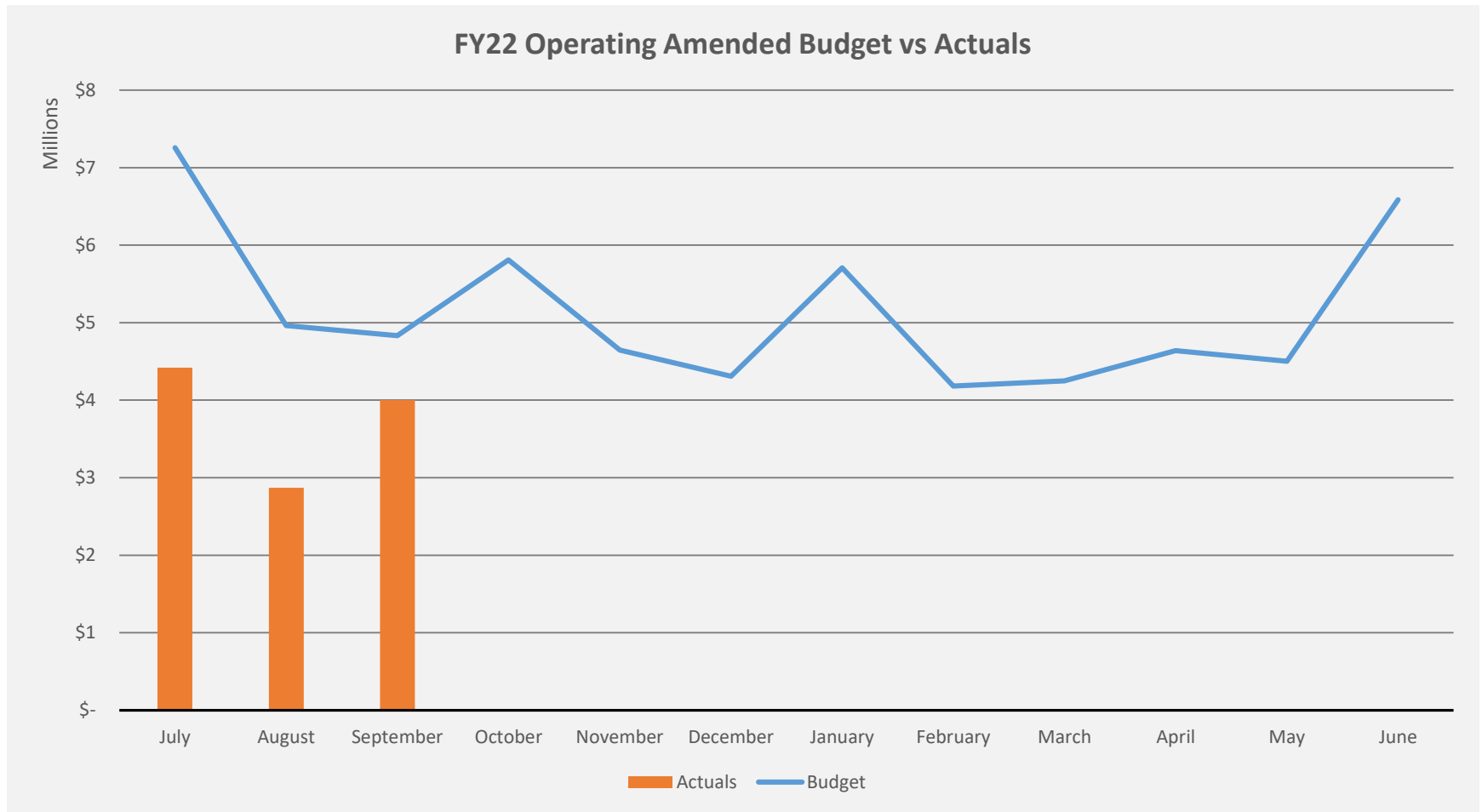


# FY22 Personnel Budget v. Actuals





# FY22 Operating Budget v. Actuals





## 2022 Fiscal Year - Cash Flow Variance Revenue (CY to PY)

<i>For the three months ended September 30, 2021</i>				
	FY 2022	FY 2021	Variance	% Var
<b><u>Revenue</u></b>				
Payroll Withholding	55,425,155	49,096,237	6,328,918	12.9%
Net Profit	7,828,148	15,779,784	(7,951,636)	-50.4%
Insurance	9,090,146	8,437,561	652,585	7.7%
Franchise Fees	6,183,566	6,135,550	48,016	0.8%
Other Licenses & Permits	983,504	701,226	282,278	40.3%
Property Tax Accounts	479,106	449,498	29,608	6.6%
Services	6,544,131	4,926,413	1,617,718	32.8%
Fines and Forfeitures	52,085	38,765	13,320	34.4%
Intergovernmental Revenue	102,603	18,276	84,327	461.4%
Property Sales	67,013	15,403	51,610	335.1%
Investment Income	42,563	1,117	41,446	3,709.5%
Other Financing Sources	40,000	-	40,000	-
Other Income	649,887	458,610	191,277	41.7%
<b>Total Revenues</b>	<b>\$87,487,907</b>	<b>\$86,058,440</b>	<b>\$1,429,467</b>	<b>1.7%</b>

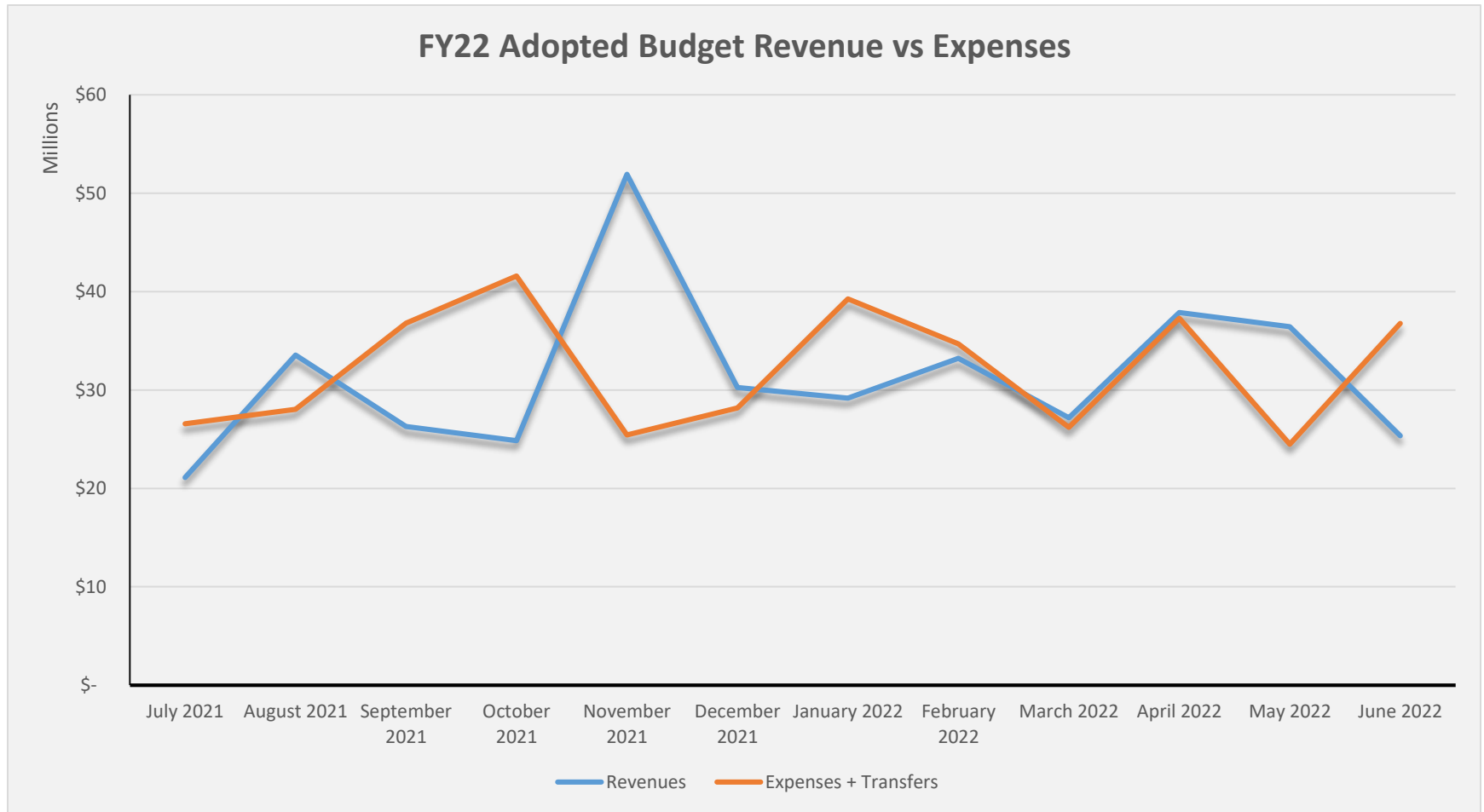


## 2022 Fiscal Year - Cash Flow Variance Expense (CY to PY)

<i>For the three months ended September 30, 2021</i>				
	FY 2022	FY 2021	Variance	% Var
<b><u>Expense</u></b>				
Personnel	46,732,595	42,070,576	(4,662,019)	-11.1%
Operating	11,292,065	10,915,676	(376,389)	-3.4%
Insurance Expense	1,264,962	994,241	(270,721)	-27.2%
Debt Service	17,771,572	21,206,934	3,435,362	16.2%
Partner Agencies	4,302,844	4,672,554	369,710	7.9%
Capital	58,014	102,009	43,995	43.1%
<b>Total Expenses</b>	<b>\$81,422,052</b>	<b>\$79,961,990</b>	<b>(\$1,460,062)</b>	<b>-1.8%</b>
 <b>Transfers</b>	 6,425,724	 1,361,975	 (5,063,749)	 -428.7%
 <b>Change in Fund Balance</b>	 (\$359,869)	 \$4,734,475	 (\$5,094,344)	



# FY22 Adopted Budgeted Revenues v. Expenses





## ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

**Total ARPA Received**  
**\$60.5 Million**

**Total ARPA Allocated**  
**\$23.0 Million**  
Includes pending Council action

**Total ARPA Expected**  
**\$121.1 Million**

**Total ARPA Available**  
**\$98.1 Million**

*For the period through September 30, 2021*

		Actuals	Budget	Variance
<b>Revenue</b>				
LFUCG Allocation		\$ 60,589,029	\$ 121,178,058	\$ 60,589,029
<b>Total Revenues</b>		<b>\$ 60,589,029</b>	<b>\$ 121,178,058</b>	<b>\$ 60,589,029</b>
<b>Total Expenses</b>		<b>\$ 288,990</b>	<b>\$ 23,075,500</b>	<b>\$ (22,786,510)</b>
<b>TOTAL - ARPA SLFRF</b>		<b>\$ 60,300,039</b>	<b>\$ 98,102,558</b>	<b>\$ (37,802,519)</b>

\*"Budget" reflects pending Council action



# ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

*For the period through September 30, 2021*

				Actuals	Budget	Variance
<b>Expense</b>						
<b>EC 1: Public Health</b>				\$ 25,450	\$ 395,000	\$ (369,550)
1.05	Personal Protective Equipment	Personal Protective Equipment for LFUCG		\$ 1,186	\$ 225,000	\$ (223,814)
1.10	Mental Health Services	NAMI - Mental Health Court Funding		\$ 24,264	\$ 170,000	\$ (145,736)
<b>EC 2: Negative Economic Impacts</b>				\$ 76,712	\$ 2,777,500	\$ (2,700,788)
2.02	Household Assistance: Rent, Mortgage,	Emergency Financial Assistance for Residents		\$ 17,612	\$ 200,000	\$ (182,388)
2.02	Household Assistance: Rent, Mortgage,	Recovery Supportive Living Assistance (RSLA)		\$ 59,100	\$ 200,000	\$ (140,900)
2.07	Job Training Assistance	Workforce Development Grants to Service Partners		\$ -	\$ 200,000	\$ (200,000)
2.10	Aid to Nonprofit Organizations	Explorium of Lexington - Children's Museum Assistance		\$ -	\$ 125,000	\$ (125,000)
2.10	Aid to Nonprofit Organizations	LexArts Nonprofit Services Contract		\$ -	\$ 325,000	\$ (325,000)
2.10	Aid to Nonprofit Organizations	Lyric Theater Assistance		\$ -	\$ 127,500	\$ (127,500)
2.11	Aid to Tourism, Travel, or Hospitality	Ecton Park Improvements - Concess/Rstrm Facilities for Local Users an		\$ -	\$ 300,000	\$ (300,000)
2.11	Aid to Tourism, Travel, or Hospitality	Lakeside Irrigation Replacement		\$ -	\$ 1,300,000	\$ (1,300,000)
<b>EC 3: Services to Disproportionately Impacted Communities</b>				\$ 37,456	\$ 2,833,000	\$ (2,795,544)
3.10	Housing Support: Affordable Housing	Shropshire Affordable Housing Project Site Improvements		\$ -	\$ 750,000	\$ (750,000)
3.11	Housing Support: Services for Unhoused	Homelessness Allocation		\$ 37,456	\$ 750,000	\$ (712,544)
3.12	Housing Support: Other Housing Assistance	Code Enforcement Grants for Residents with Low Income		\$ -	\$ 200,000	\$ (200,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space for Disadvantaged Pop - ADA Imprvmnts		\$ -	\$ 125,000	\$ (125,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Douglas Park - Pool Imprvmnts		\$ -	\$ 175,000	\$ (175,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Mary Todd Park - Basketball C		\$ -	\$ 118,000	\$ (118,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Northeastern Park - Playgroun		\$ -	\$ 250,000	\$ (250,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Phoenix Park - Inclusive Use an		\$ -	\$ 150,000	\$ (150,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - Pine Meadows Park - Playgroun		\$ -	\$ 150,000	\$ (150,000)
3.13	Social Determinants of Health: Other	Access to Quality Green Space in QCT - River Hill Park - Sports Courts		\$ -	\$ 165,000	\$ (165,000)
<b>EC 4: Premium Pay</b>				\$ -	\$ 15,000,000	\$ (15,000,000)
4.01	Premium Pay	Premium Pay for High Exposure LFUCG Staff		\$ -	\$ 15,000,000	\$ (15,000,000)
<b>EC 5: Infrastructure</b>				\$ -	\$ -	\$ -

\*"Budget" reflects pending Council action



# ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

*For the period through September 30, 2021*

			Actuals	Budget	Variance
<b>Expense (Continued)</b>					
<b>EC 6: Revenue Replacement/Government Services</b>			<b>\$ 149,372</b>	<b>\$ 2,070,000</b>	<b>\$ (1,920,628)</b>
6.01	Provision of Government Services	Economic Development Grants to Service Partners	\$ 149,372	\$ 300,000	\$ (150,628)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Berry Hill Park - Basketball Court	\$ -	\$ 175,000	\$ (175,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Buckhorn Park - Phase II Improvements	\$ -	\$ 45,000	\$ (45,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Dogwood Park - Basketball Court	\$ -	\$ 95,000	\$ (95,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Gardenside Park - Playground	\$ -	\$ 150,000	\$ (150,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Masterson Station Park - Playground	\$ -	\$ 150,000	\$ (150,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Meadowthorpe Park - Roof Repair	\$ -	\$ 80,000	\$ (80,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Raven Run Park - Prather House Roof Repair	\$ -	\$ 50,000	\$ (50,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Shilito Park - Access Imprvmnt Parking Lot Co	\$ -	\$ 400,000	\$ (400,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Southland Park - Access Imprvmnt Parking Re	\$ -	\$ 100,000	\$ (100,000)
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Woodland Park - Restroom Facilities	\$ -	\$ 525,000	\$ (525,000)
<b>EC 7: Administrative</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses</b>			<b>\$ 288,990</b>	<b>\$ 23,075,500</b>	<b>\$ (22,786,510)</b>

\*"Budget" reflects pending Council action



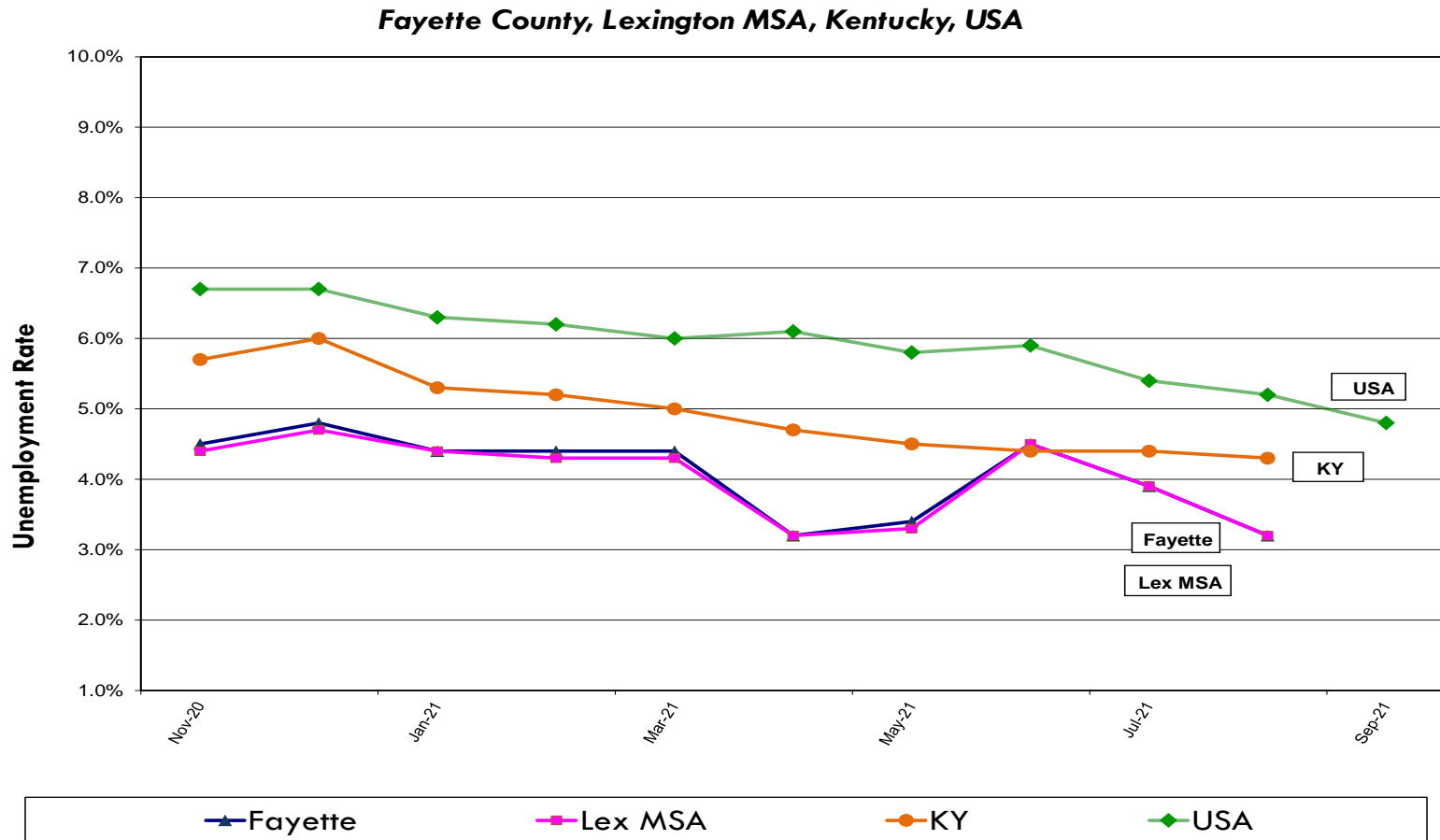
# Questions?



**LEXINGTON**

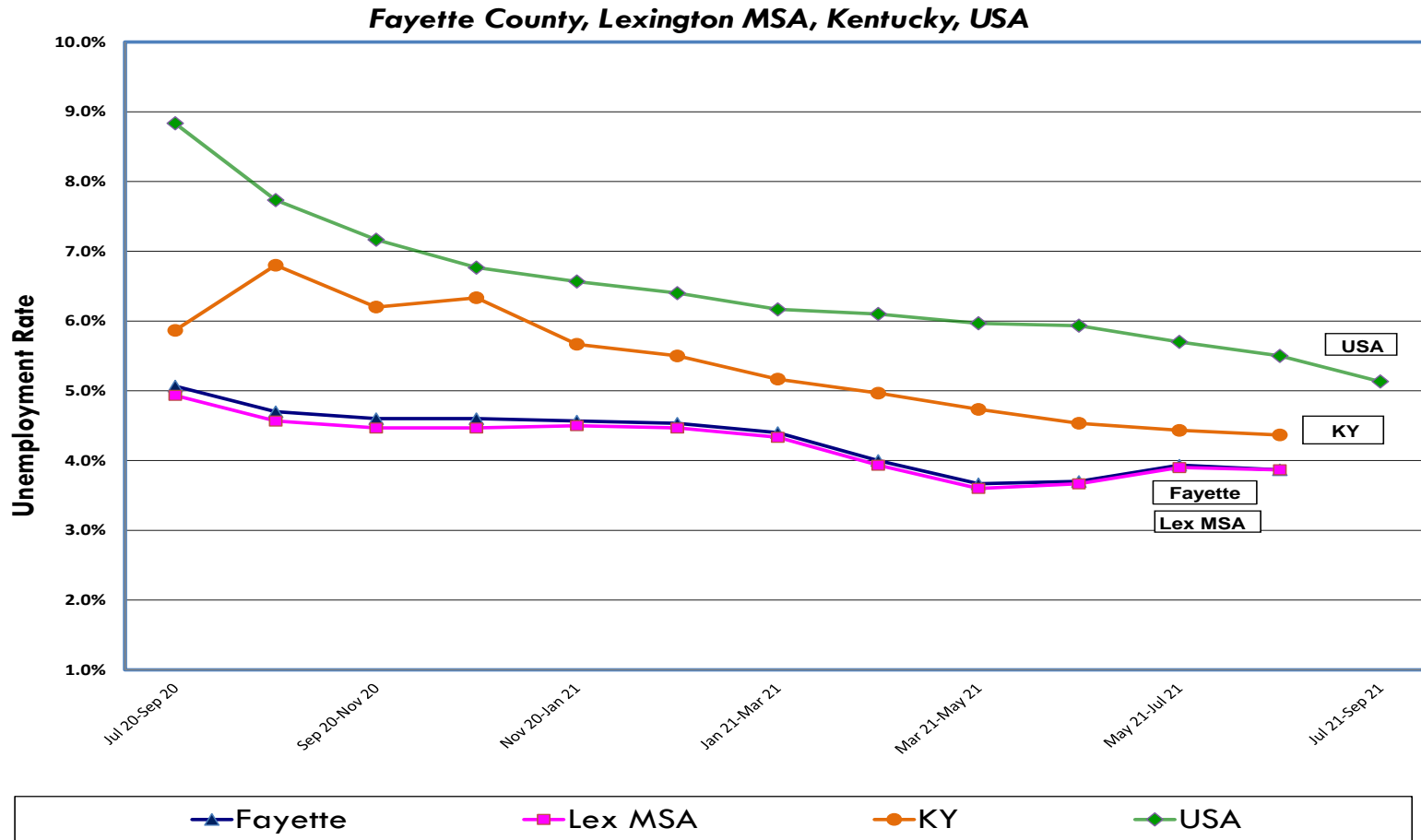


# Comparative Unemployment Rates





# Comparative Unemployment Rates Three Month Moving Average





# Comparison of Economic Indicators

## 2020 / 2021

Economic Indicators		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fayette County Unemployment Rate	2019	3.3%	3.3%	3.5%	3.0%	3.2%	3.9%	4.0%	3.4%	2.9%	2.8%	2.9%	2.9%
	2020	3.5%	3.1%	4.1%	14.1%	9.0%	4.5%	4.6%	6.7%	4.8%	6.2%	4.5%	4.8%
	2021	4.4%	4.4%	4.4%	3.2%	3.4%	4.5%	3.9%	3.2%	N/A			
Quarterly Fayette County Employment	2019	-	-	191,180	-	-	195,871	-	-	196,858	-	-	199,993
	2020	-	-	192,964	-	-	179,369	-	-	182,669	-	-	N/A
	2021	-	-	N/A	-	-	N/A	-	-	N/A	-	-	N/A
Fayette County Permits Issued	2019	1,017	846	986	1,316	1,528	1,350	1,379	1,231	1,018	1,163	1,232	765
	2020	954	828	877	786	942	1,174	1,188	1,121	961	1,302	873	841
	2021	807	813	1,058	1,170	1,139	1,276	1,111	1,111	926			
Fayette County New Business Business Licenses	2019	216	259	446	736	557	297	267	264	244	277	221	171
	2020	211	339	330	299	258	331	549	223	245	249	175	190
	2021	218	211	412	586	474	399	255	238	267			
Home Sales (MSA)	2019	619	805	1,088	1,180	1,412	1,322	1,405	1,389	1,180	1,169	1,002	1,054
	2020	828	881	1,133	968	1,188	1,408	1,583	1,460	1,384	1,375	1,195	1,284
	2021	939	901	1,161	1,216	1,300	1,504	1,459	1,535	N/A			
Fayette County Foreclosures	2019	11	16	14	18	13	18	11	12	10	16	11	11
	2020	20	5	21	-	-	-	6	10	4	-	-	5
	2021	-	6	8	6	8	3	-	2	2			

N/A indicates information not available.

BLS Release Dates for Fayette Co. Quarterly Employment - 6 months after quarter end