



FY 2023 Adopted Budget Overview

	FY 2023 Adopted
Revenue	
Ad Valorem Taxes	\$ 28,249,000
Licenses and Permits	354,638,842
Services	32,694,106
Fines and Forfeitures	192,000
Intergovernmental	591,617
Property Sales	100,000
Investments	103,905
Other Financing Sources	40,000
Other Income	2,508,538
Total Revenue	\$ 419,118,008
Fund Balance, July 1	500,000
Economic Contingency	
Budget Stabilization Carry Forward	8,110,870
Budget Stabilization	24,728,314
Total Funds Available	\$ 452,457,192
Appropriations	
Operating Expenditures	
Personnel	\$ 279,924,182
Partner Agencies	23,108,059
Debt Service	51,987,859
Insurance	8,612,652
Operating	65,580,720
Transfers To\From Other Funds	13,457,076
Total Operating	\$ 442,670,549
Capital Expenditures	
CIP Capital	\$ 6,769,200
Operating Capital	1,969,666
Total Capital	\$ 8,738,866
Total Appropriations	\$ 451,409,415
Fund Balance, June 30	\$ 1,047,777

- The FY 2023 General Fund Budget included the use of \$51.2 million in balancing funds, supplementing earned revenue
 - Use of prior year unassigned funds - \$32.8 million
 - \$12.6 million alleviated from FY 2022
 - \$5.7 million alleviated from ARPA

- The last 5 LFUCG General Fund budgets have been balanced in part by supplementing earned revenue

FY 2023 Budget – Outside Funding

- The FY 2023 General Fund Budget included the use of \$51.2 million in one-time and outside funds to balance
 - Prefunding and ARPA dollars - \$18.4 million
 - Prefunding is a long-standing practice for LFUCG

Prefunding and American Rescue Plan

A list of pre-funded and ARPA funded items can be found below.

FY 2022 Fund Balance/Pre-Funding Items		FY 2023 US Department of Treasury/American Rescue Plan Act	
Affordable Housing Transfer	\$ 2,000,000	Emergency Financial Assistance - Community Services	\$ 200,000
Building Inspection iPads	11,000	Homelessness Allocation	750,000
Central KY 911 Transfer	310,986	Housing Advocacy Code Enforcement Grant	200,000
Community Corrections Database	65,000	It Takes A Village Mentoring (One Lexington)	128,354
Community Corrections HVAC	435,000	Mary Todd Park Improvements	150,000
Coroner Morgue Tables	50,000	NAMI - Mental Health Court	170,000
Emergency Management Laptops	2,400	Recovery Supportive Living Assistance (RSLA)	200,000
Emergency Management Solar Panel Back-ups	30,000	Social Services Payroll	3,000,000
Environmental Services Equipment	227,700	Summer Youth Payroll	581,440
Extended School Program Transfer	836,227	Workforce Development Grants	400,000
Extended Social Resource (ESR) Grants	3,840,000		\$ 5,779,794
Fire Extinguisher Prop	15,000		
Golf Carts	750,000		
Government Center Elevators	1,091,475		
Parks and Recreation Phones	44,250		
PDR Farm Signs	10,000		
PDR OnBase Database	20,000		
Public Facilities Corporation General Transfer	200,903		
Street Light Transfer	2,725,000		
	\$ 12,664,941		



FY 2023 Budget – Initial Revenue Projections

- Working in conjunction with Dr. Clark at UK to produce a best estimate of impact by sector for payroll and net profits – Dr. Clark to present at February Budget, Finance, and Economic Development Committee
- Preliminary estimates show FY 2023 revenues will exceed the current budgeted revenues providing necessary relief for FY 2024.

* Level of bonded funds needs to be a serious conversation



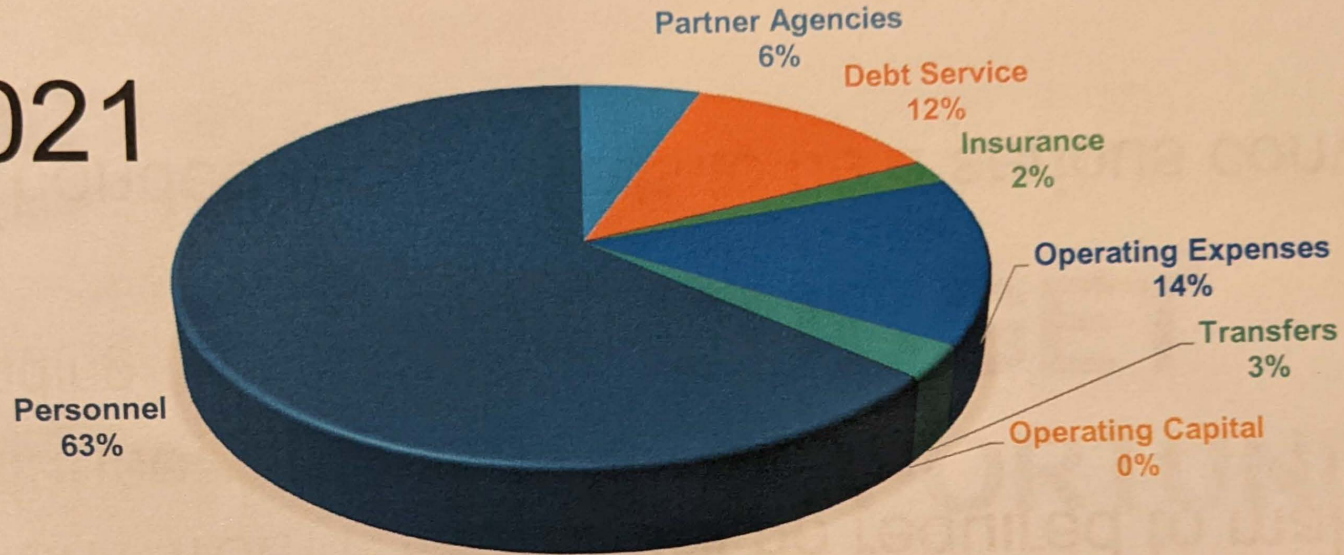
FY 2024 Budget – Early Indications

- Expenses will exceed earned revenues by \$45 million
- Multi-year Council Appropriations alleviate about \$20 million (in personnel enhancements)
- \$25 million+ from FY 2023 will be required to make FY 2024 balance.
 - Prefunding
 - ARPA
- Level of bonded funds needs to be a serious conversation

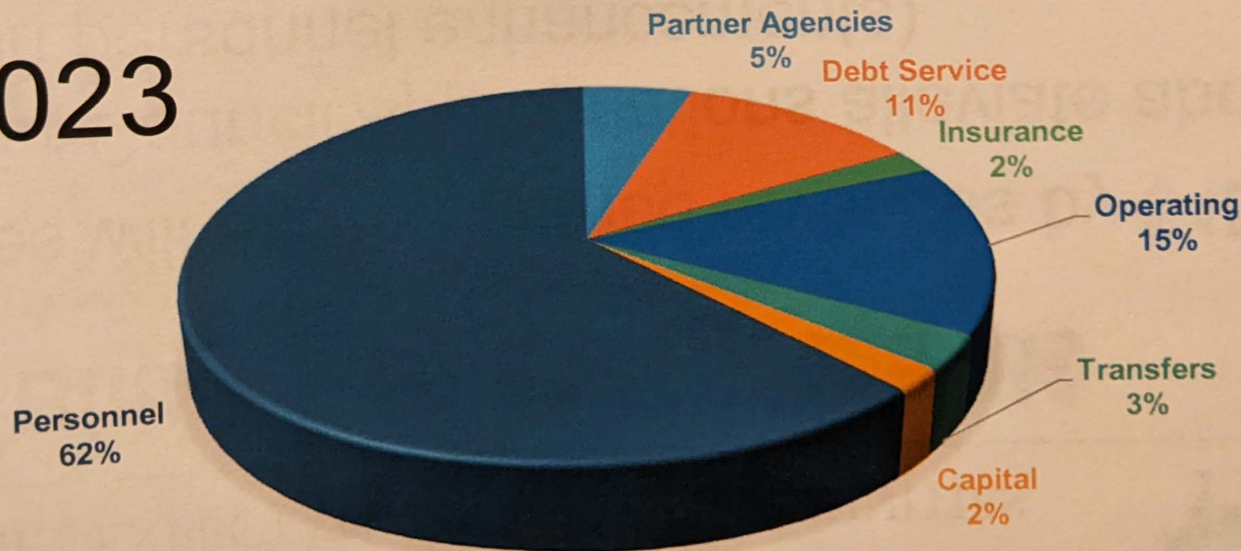


Historical Allocations

FY 2021



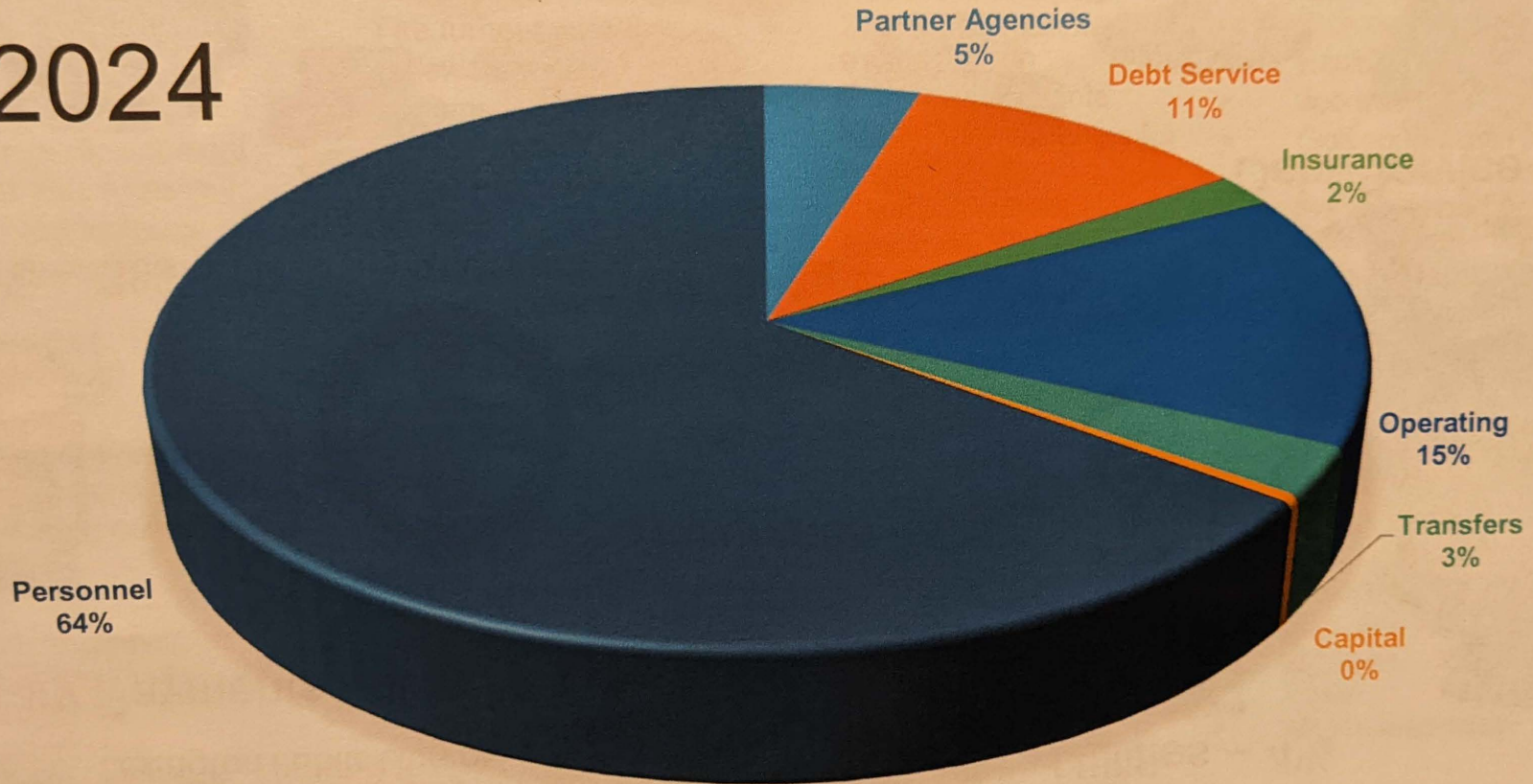
FY 2023






Expected Future Allocations

FY 2024



90% of the Budget is committed before we even begin!

90% Committed

 Lexington Public Library
Library Payments - 4%



Insurance - 2%

Utilities - 4%



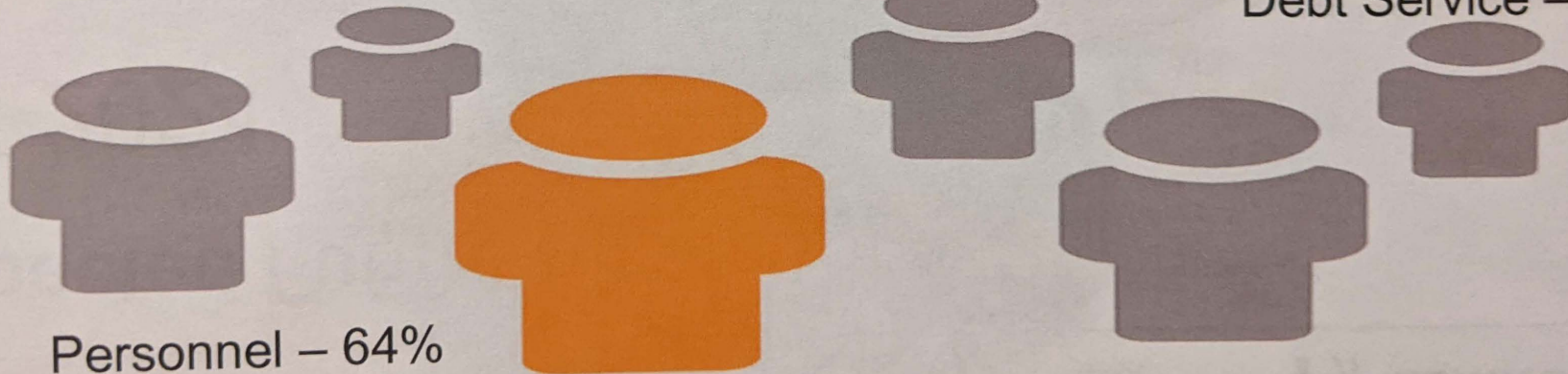
Debt Service - 11%



Transfers - 3%



Contracts @ DCC - 2%



Personnel - 64%



What's in the other 10%? – Just a few Examples

- Mowing contracts
- Scholarships
- External legal counsel
- Audit services
- Street tree replacement
- Citizens Fire Academy
- Parks programming
- Employee Assistance Program
- Fiesta Latina
- Pothole filling
- Salt
- Juneteenth events
- Body bags and stretchers
- Engineering consultants
- Trainings
- PPE
- Structural demolition
- Free Friday Flicks
- Conferences
- Neighborhood Development Funds
- Council office operations
- Weather warning sirens
- Voting materials and supplies
- EMS supplies
- Corridors Signs
- Software services
- Copiers and printing costs
- Fire turnout gear
- Sidewalk repair
- Citizens Police Academy
- Thriller parade
- Bullet-proof vests
- Phones
- Building security
- Body cameras and data storage
- Partner agencies other than the library
- Postage and freight costs
- Employee appreciation events
- Fiberoptic Upgrades
- Fitness and painting instructors
- Outside janitorial services
- 4th of July Celebration
- Roots and Heritage Festival
- Staff recruitment
- Valley View Ferry
- Wifi devices and services
- Fuel/Natural gas
- Indigent legal fees
- Everbridge alerting system
- Computer leases
- Repairs & maintenance
- Family Care Center transportation
- Moondance events
- Health memberships for employees
- Cleaning supplies
- Employee Flu Shots
- CSA vouchers
- Cyber-security upgrades
- Grant match
- Sweet 16 Hospitality
- Street signs
- Traffic calming (speedbumps)
- Record storage
- Kitefest
- Historical building guidance and signage
- Vehicle parts
- Translation services
- Financing and banking fees
- Fire prevention festival
- Animal Care and Control services
- Internal audit functions
- Violence prevention and intervention funding
- Temporary staffing
- Bluegrass 10,000
- Explorium
- Job training skills
- Golf course and pool chemicals
- Neighborhood Action Match Grant Program
- Adoption assistance
- Lyric Maintenance and Cleaning
- LexTV access for residents
- Summer camps
- Dirt Bowl
- Main street beautification – flowers and holiday lights
- Paddleboats
- ADA improvements
- Professional Association Dues
- MLK Celebration

AND MUCH, MUCH MORE!

FY 2024 Budget – Existing Debt Service

- **FY 2023 Debt Service** is \$52 million
- **FY 2023 Ratio** is projected at **11.77%**
- **Goal of debt ratio** is 10%



FY 2023 Debt Service
General Fund
\$52 million

\$1 million = \$122,000/year
for 10 years
(and rising)



Conclusions

- Personnel increases (sworn and non-sworn) continue to require significant resources
- Mid-range bond issuance expected, but further discussion required
- Expenses are projected to exceed recurring revenues
- Funding the proposed FY 2024 items from ARPA and pre-funding will alleviate current year resources in the General Fund. These actions are necessary to balance the FY 2024 budget.