



RECOMMENDED EXECUTIVE BUDGET FY22

FY22 Metro Budget Overview May 3, 2021

- Introduction
- Revenue Overview
- Operating Overview
- Debt Management Overview
- Capital Overview
- Question & Answer



RECOMMENDED EXECUTIVE BUDGET FY22

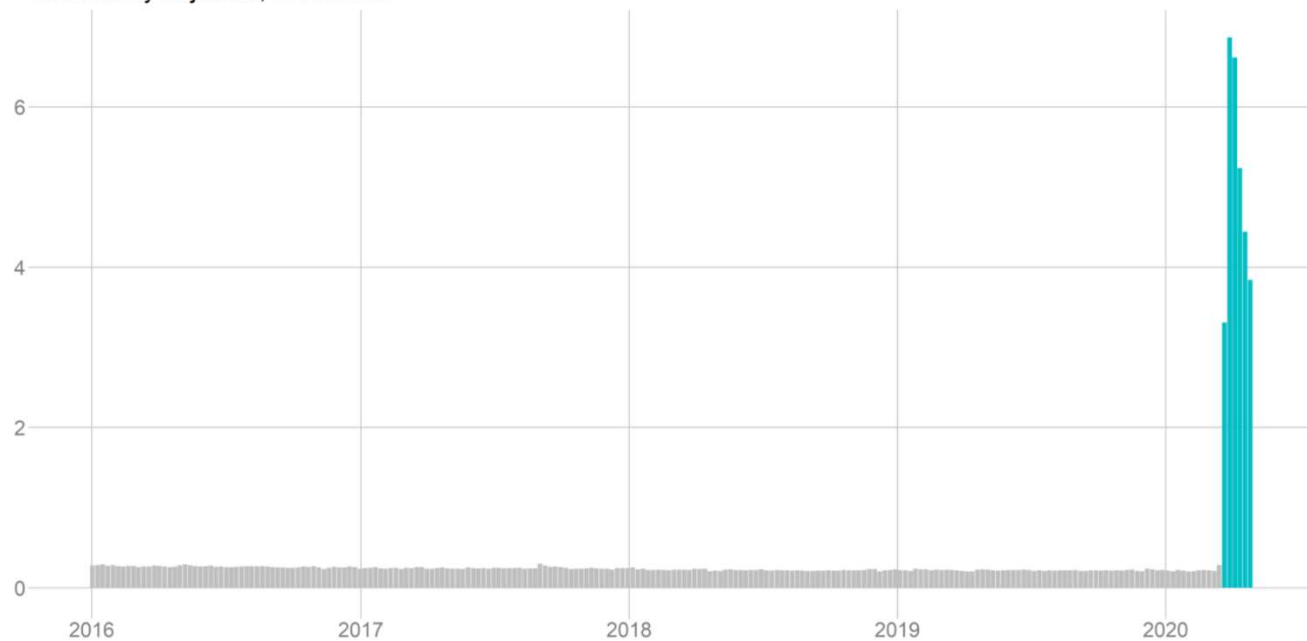
INTRODUCTION



Recommended Executive Budget FY22

National Economic Overview—From FY21 Budget Presentation 5/4/20

Initial Claims for Unemployment Insurance
Seasonally adjusted, in millions.



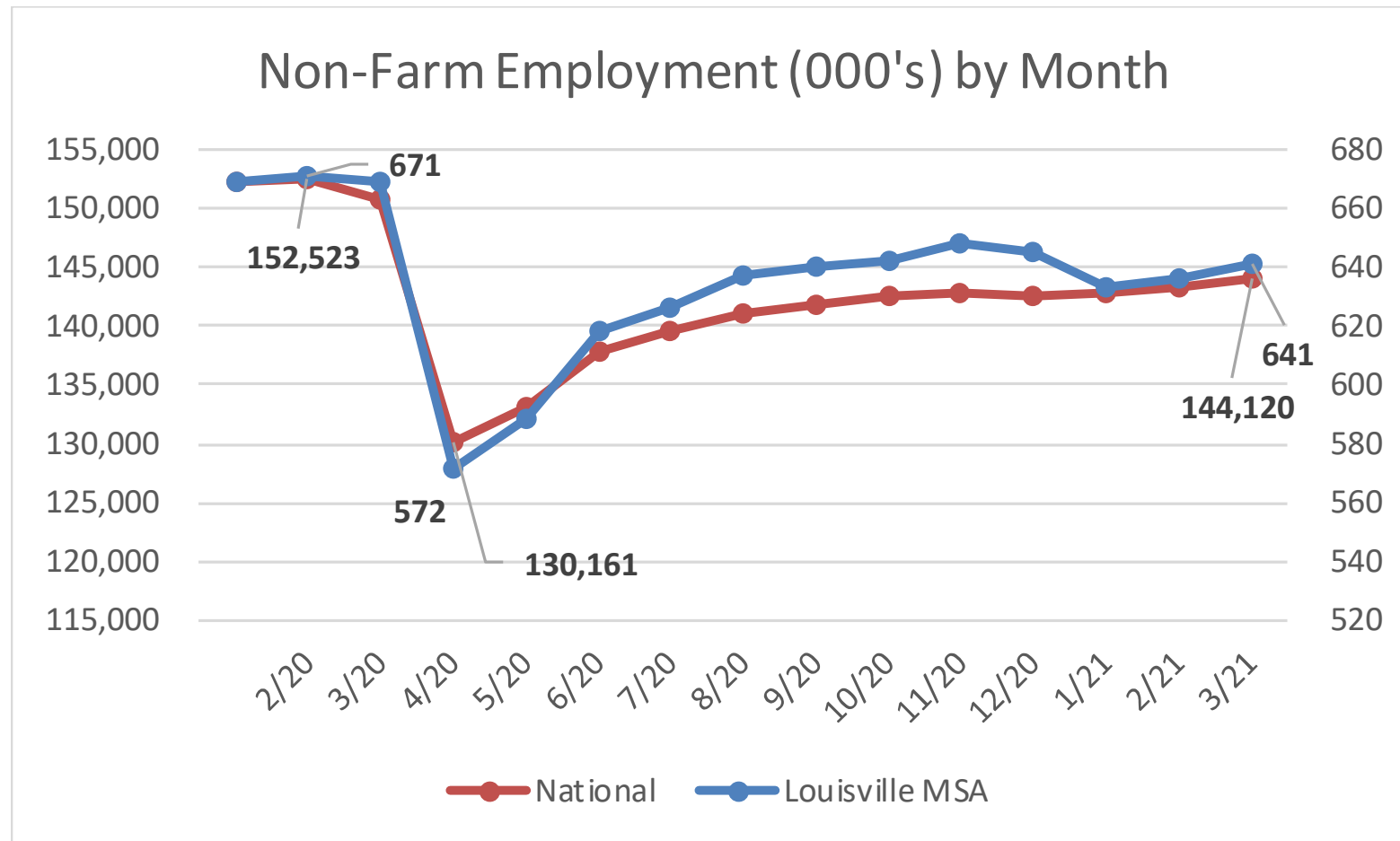
Source: Department of Labor via FRED

- 30M people filed for unemployment in the last 6 weeks



Recommended Executive Budget FY22

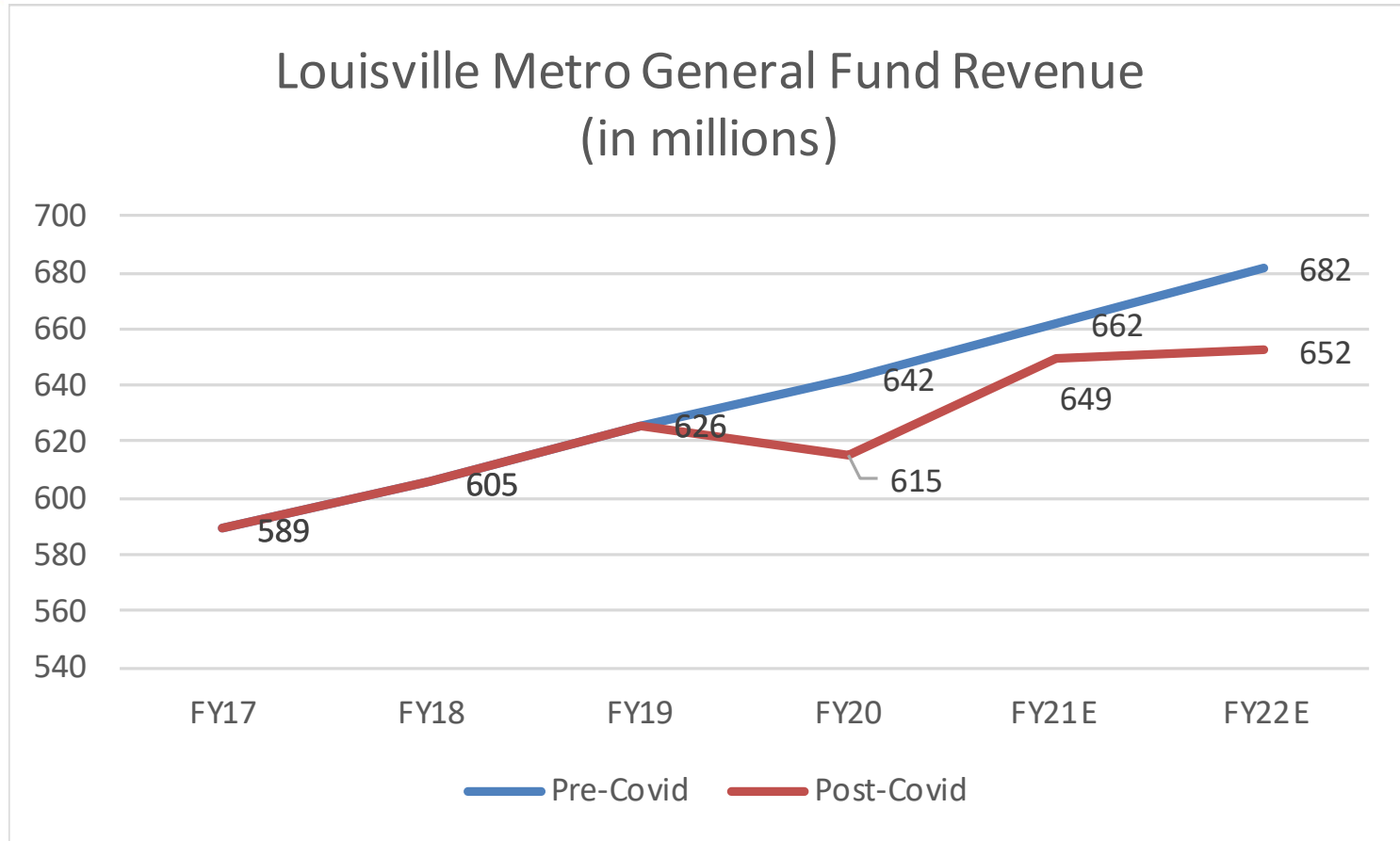
National Economic Overview





Recommended Executive Budget FY22

Local Economic Overview



Pre-Covid estimates are FY20 Q2 Forecast; FY21 and FY22 shown at 3% annual growth rate



Recommended Executive Budget FY22

FY22 Budget Focus

- **Defeating COVID-19**
- **Economic Growth**
- **Reimagining Public Safety**
- **Equity**



Recommended Executive Budget FY22

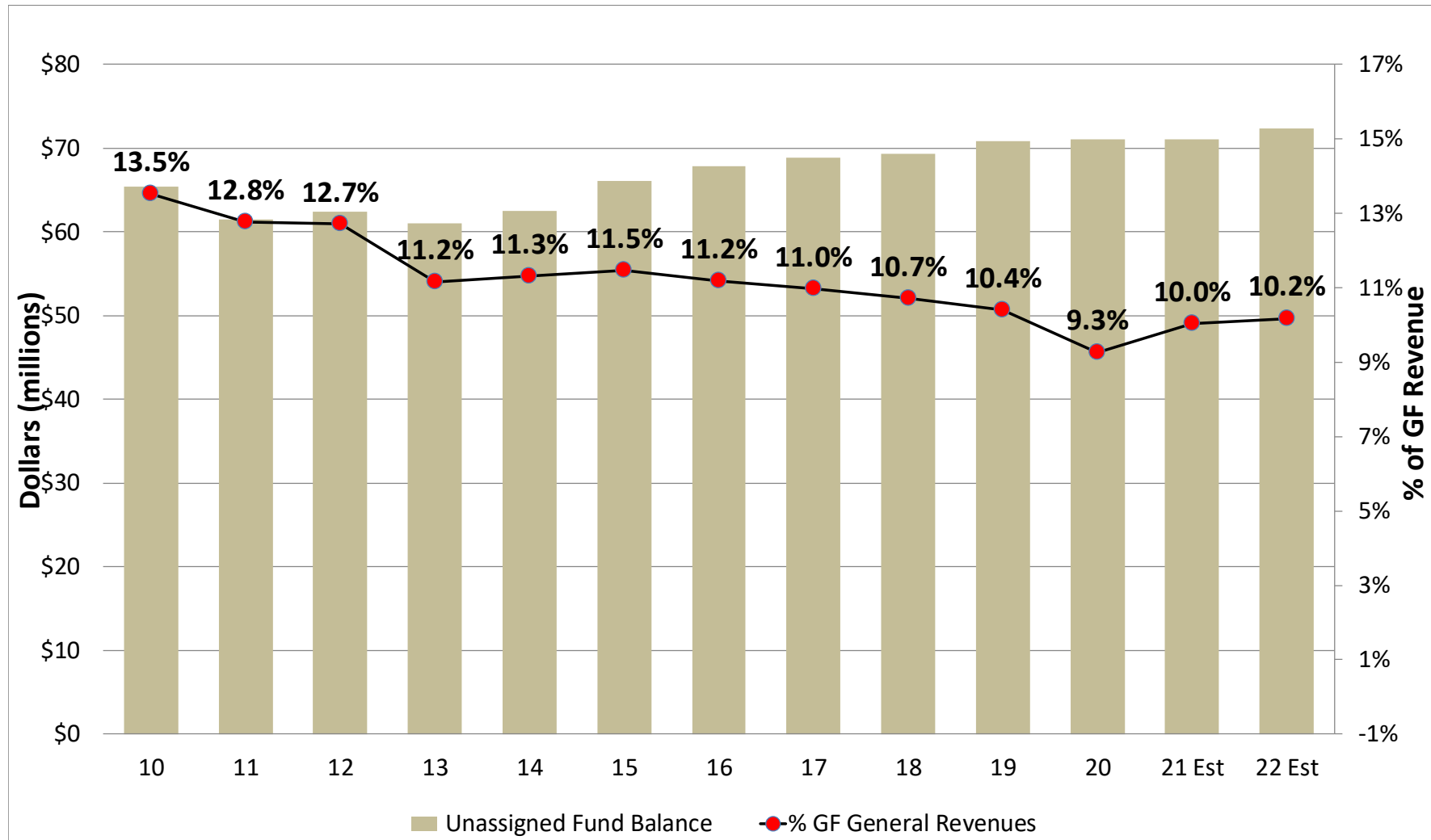
Federal Funds Update

- **\$133.8M of Coronavirus Aid, Relief, and Economic Security Act (CARES) funding received in March 2020 almost entirely expended**
- **\$22.9M of Emergency Rental Assistance Program (ERAP) funding received in January 2021 almost entirely expended**
- **Est. \$434M of American Rescue Plan (ARP) funding will likely have ½ received later in May 2021 along with US Treasury guidance on eligible expenditures (through 12/31/24)**
- **Notification of \$11.4 of additional HOME funding received and to be budgeted as an amendment to FY22 Recommended Budget**
- **Numerous other federal funding sources available to Metro and to the broader Louisville community through ARP**



Recommended Executive Budget FY22

GF Unassigned Fund Balance



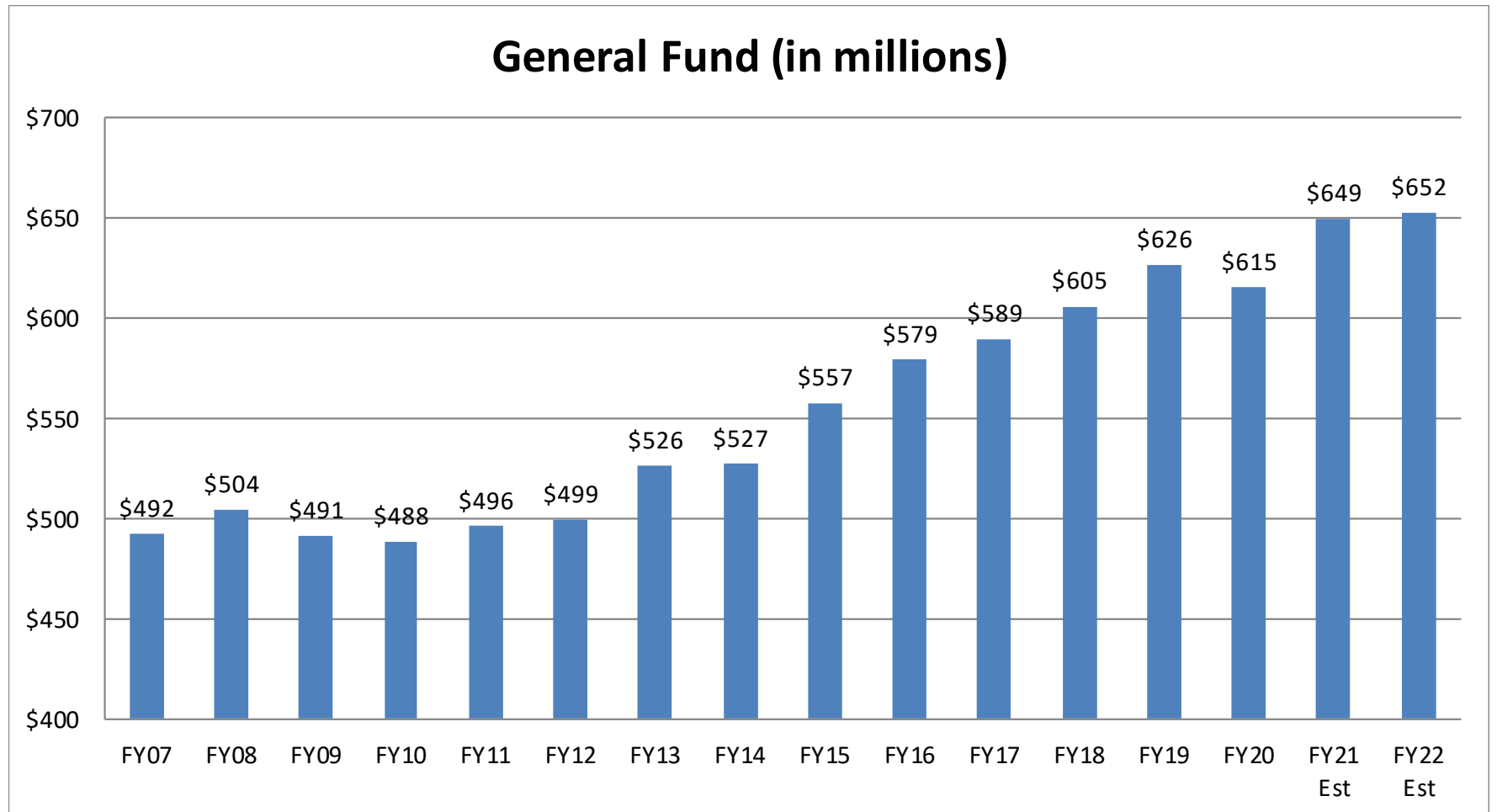


Recommended Executive Budget FY22

REVENUE OVERVIEW



Recommended Executive Budget FY22

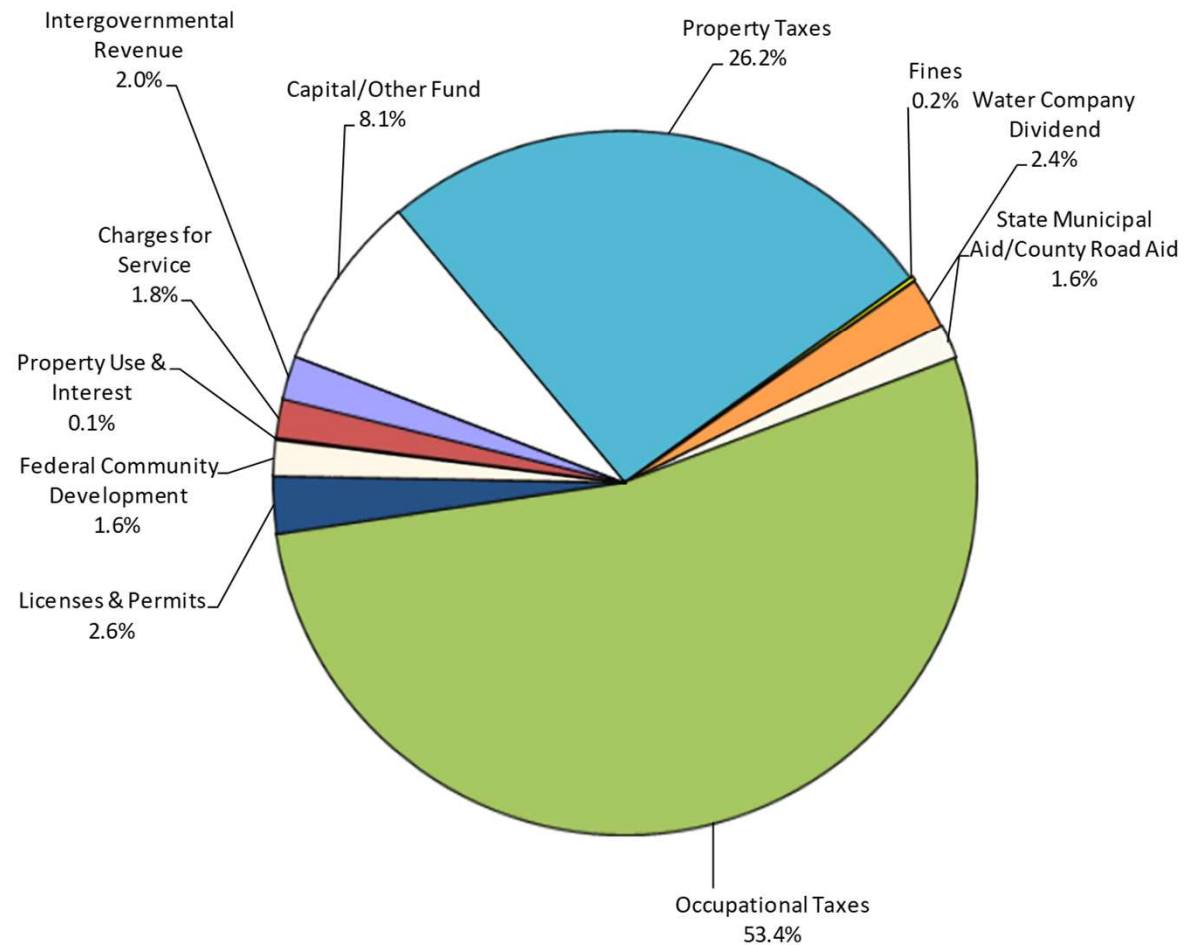




Recommended Executive Budget FY22

LOUISVILLE METRO
SOURCES OF REVENUE
FISCAL YEAR 2021-2022

General Fund - Municipal Aid/County Road Aid
Community Development Fund - Capital/Other Fund





Recommended Executive Budget FY22

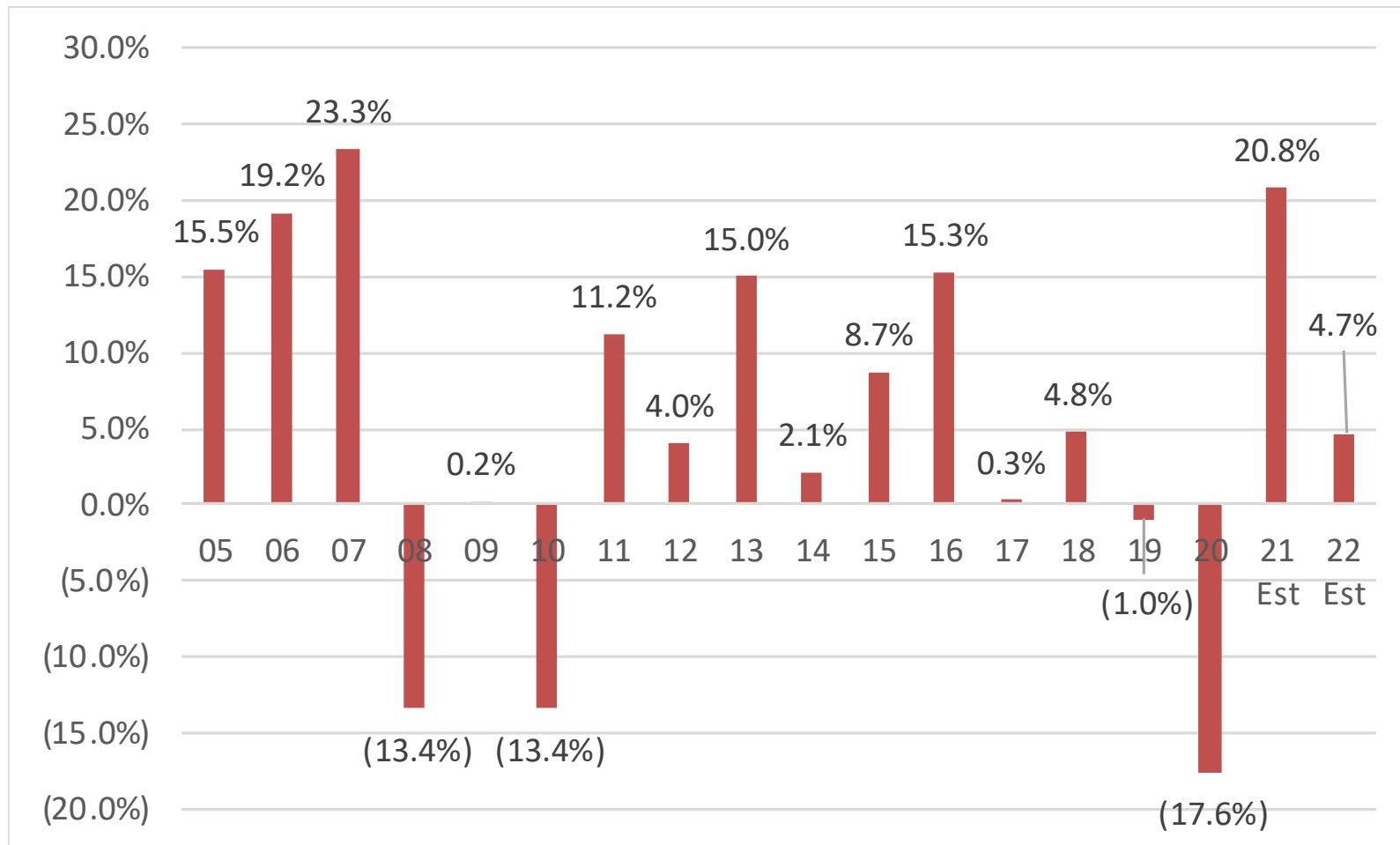
FY22 GF Revenue (in \$000s) Growth Forecast

	FY21 Est	FY22 Forecast	Growth Forecast	% Growth	*CAGR 5 %
R&P Property	\$157,500	\$163,350	\$5,850	3.7%	3.8%
Payroll	302,550	314,090	11,540	3.8%	4.1%
Net Profits	79,310	70,980	(8,330)	(10.5%)	(4.7%)
Insurance	67,400	68,750	1,350	2.0%	4.0%
Water Co.	17,910	17,910	-	0.0%	(2.1%)
Other	24,680	17,030	(7,650)	(31.0%)	(8.9%)
Total GF	\$649,350	\$652,110	\$2,760	0.4%	2.0%
Net Profits w/o \$11.5M shift FY20-->FY21	67,810	70,980	3,170	4.7%	(4.7%)
Total GF	\$637,850	\$652,110	\$14,260	2.2%	2.0%
*CAGR 5% is the Compound Average Growth Rate for the past 5 years, FY15-FY20					



Recommended Executive Budget FY22

Metro Net Profits Growth Rate by Fiscal Year

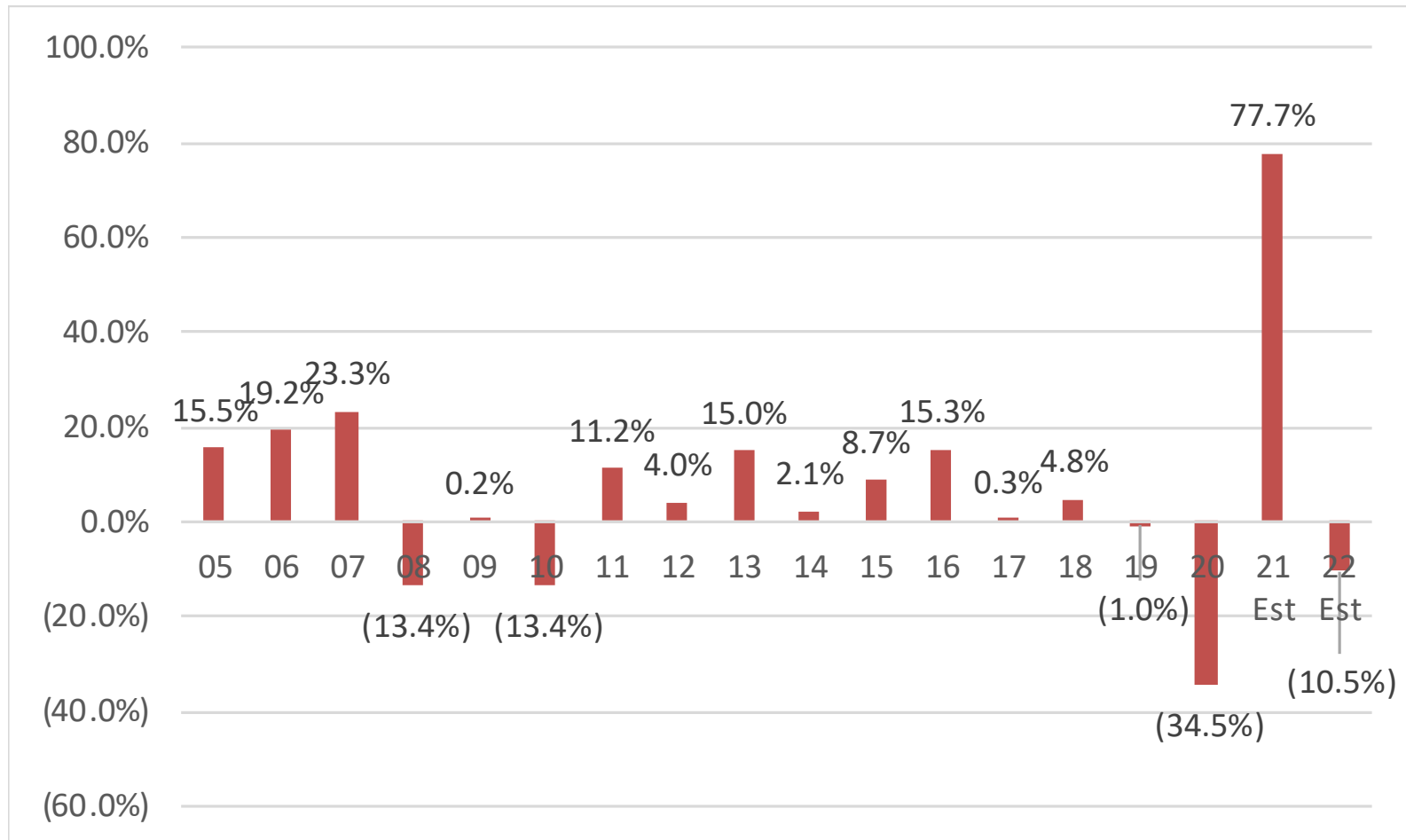


Display shows totals with the effect of shifting approximately \$11.5M from 4/15/20 to 7/15/20



Recommended Executive Budget FY22

Metro Net Profits Growth Rate by Fiscal Year

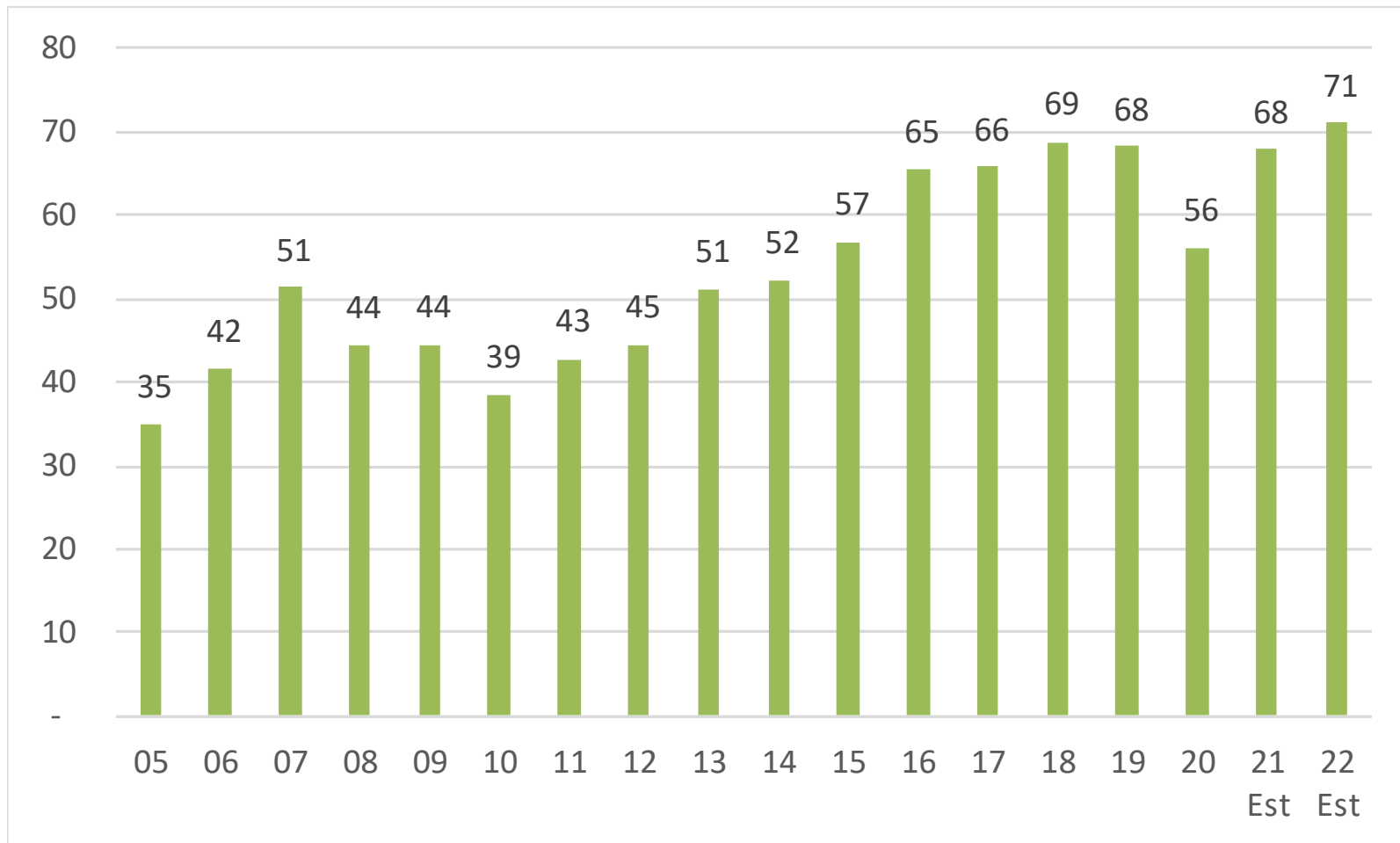


Display shows totals without the effect of shifting approximately \$11.5M from 4/15/20 to 7/15/20



Recommended Executive Budget FY22

Metro Net Profits by Fiscal Year (in millions)

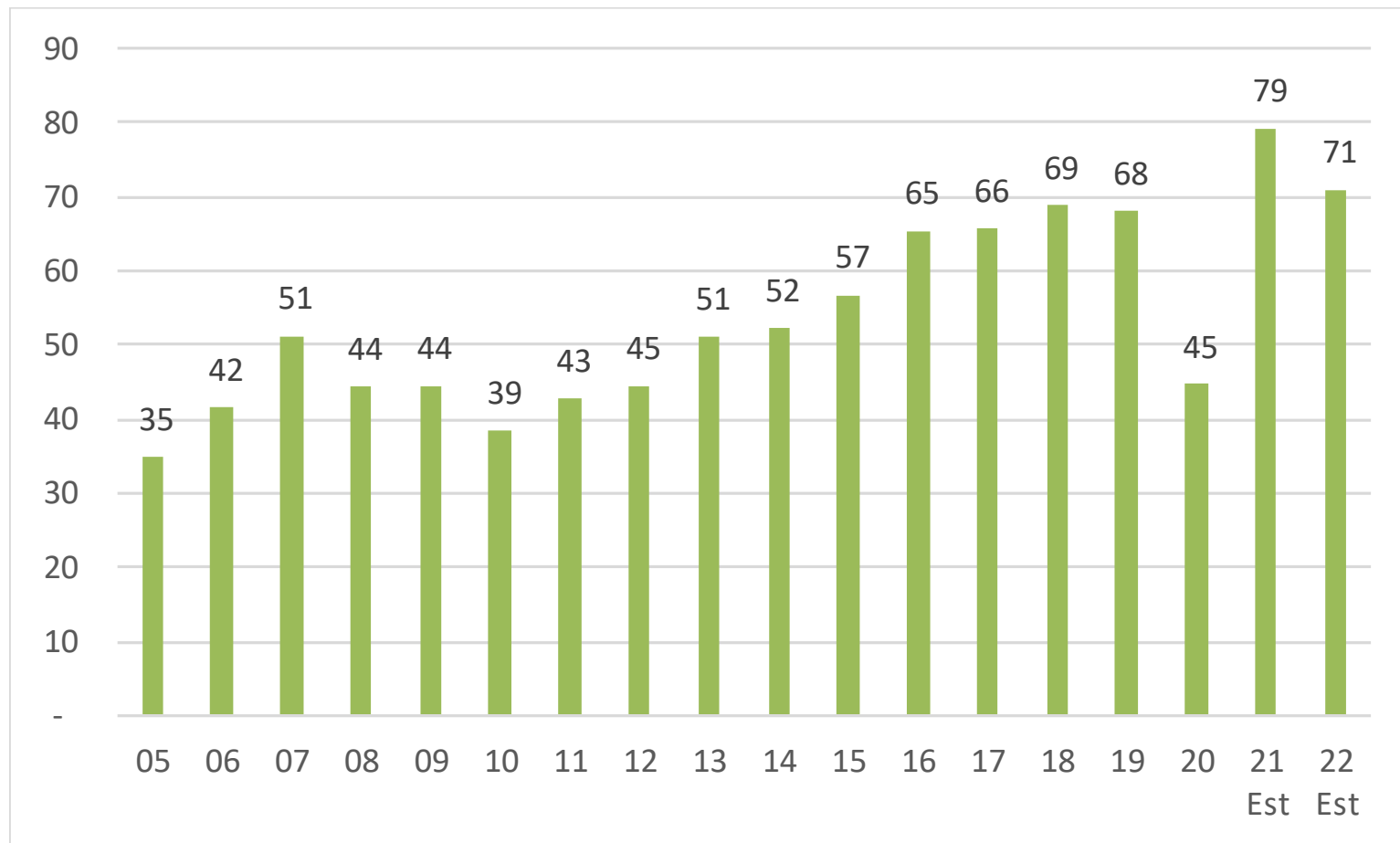


Display shows totals with the effect of shifting approximately \$11.5M from 4/15/20 to 7/15/20



Recommended Executive Budget FY22

Metro Net Profits by Fiscal Year (in millions)



Display shows totals without the effect of shifting approximately \$11.5M from 4/15/20 to 7/15/20



Recommended Executive Budget FY22

Requested Quarterly Revenue Spread

	Q1	Q2	Q3	Q4	FY22 TOTAL
Employee Withh	75,850,000	77,190,000	81,030,000	80,020,000	314,090,000
Net Profits	12,400,000	11,270,000	11,610,000	35,700,000	70,980,000
Insurance Premi	17,520,000	17,330,000	16,590,000	17,310,000	68,750,000
Water Co. Divide	4,710,000	4,280,000	4,460,000	4,460,000	17,910,000
1 Real & Personal P	1%	95%		4%	163,350,000
2 All Other	25%	25%	25%	25%	17,030,000
TOTAL:					652,110,000
1 As the Council is aware, Real & Personal Property taxes are due by 12/31 of each year, leading to large swings in the amount of revenue recorded in each quarter, but overall approximately 95% of this line item is received during Q2 & Q3. This is demonstrated by a review of the last 11 fiscal years' receipts including swings of up to -45% and +111% by quarter. 2 The remaining line items are not forecasted on a quarterly basis, but have been evenly divided, per the Council's request.					



Recommended Executive Budget FY22

Requested Quarterly Revenue Spread

	Q1	Q2	Q3	Q4	FY22 TOTAL
Employee Withholdings	\$75,850,000	\$77,190,000	\$81,030,000	\$80,020,000	\$314,090,000
Net Profits	12,400,000	11,270,000	11,610,000	35,700,000	70,980,000
Insurance Premiums	17,520,000	17,330,000	16,590,000	17,310,000	68,750,000
Water Co. Dividend	4,710,000	4,280,000	4,460,000	4,460,000	17,910,000
Real & Personal Property	1,630,000	77,590,000	77,590,000	6,540,000	163,350,000
All Other	4,260,000	4,260,000	4,260,000	4,250,000	17,030,000
TOTAL:	\$116,370,000	\$191,920,000	\$195,540,000	\$148,280,000	\$652,110,000

	Q1 YTD	Q2 YTD	Q3 YTD	FY22 TOTAL
Employee Withholdings	\$75,850,000	\$153,040,000	\$234,070,000	\$314,090,000
Net Profits	12,400,000	23,670,000	35,280,000	70,980,000
Insurance Premiums	17,520,000	34,850,000	51,440,000	68,750,000
Water Co. Dividend	4,710,000	8,990,000	13,450,000	17,910,000
Real & Personal Property	1,630,000	79,220,000	156,810,000	163,350,000
All Other	4,260,000	8,520,000	12,780,000	17,030,000
TOTAL:	\$116,370,000	\$308,290,000	\$503,830,000	\$652,110,000



Recommended Executive Budget FY22

QUESTION AND ANSWER



Recommended Executive Budget FY22

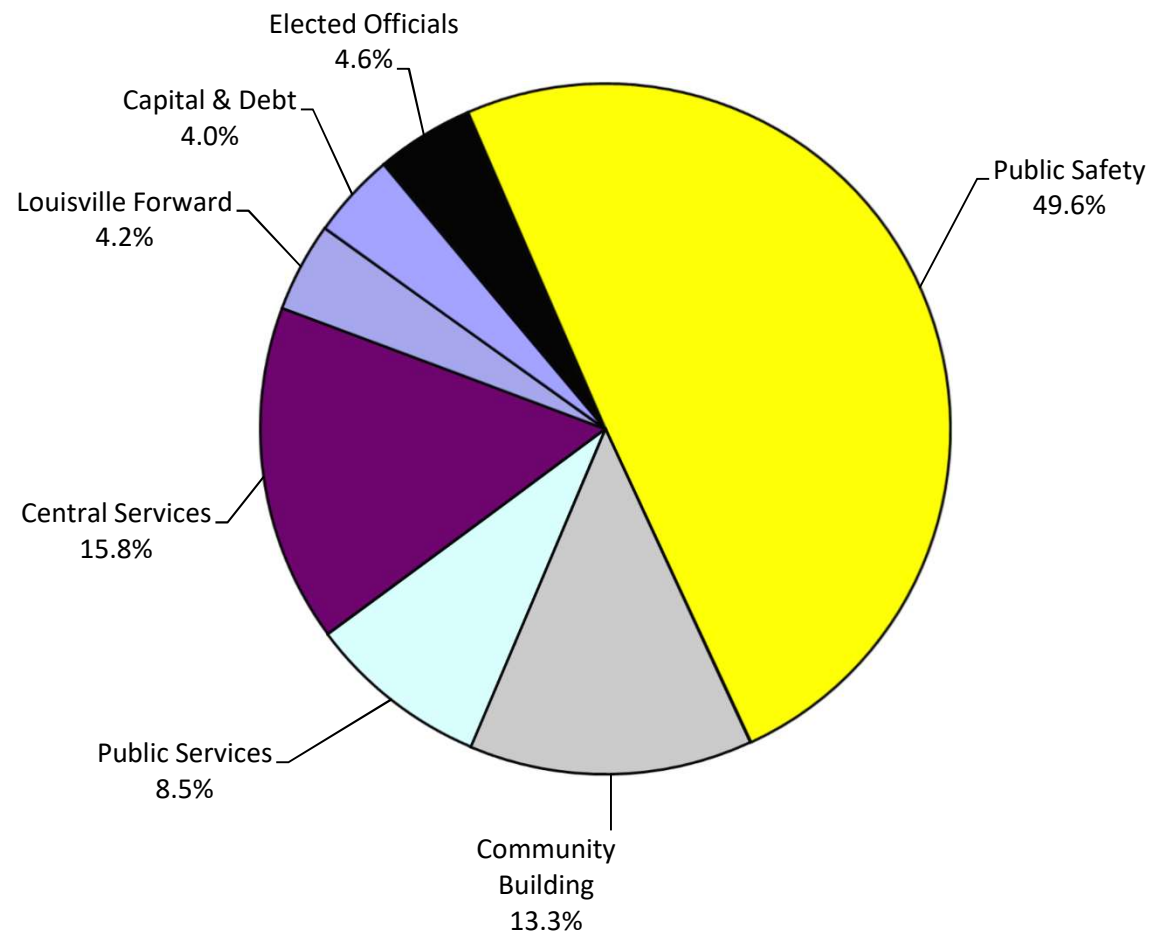
OPERATING OVERVIEW



Recommended Executive Budget FY22

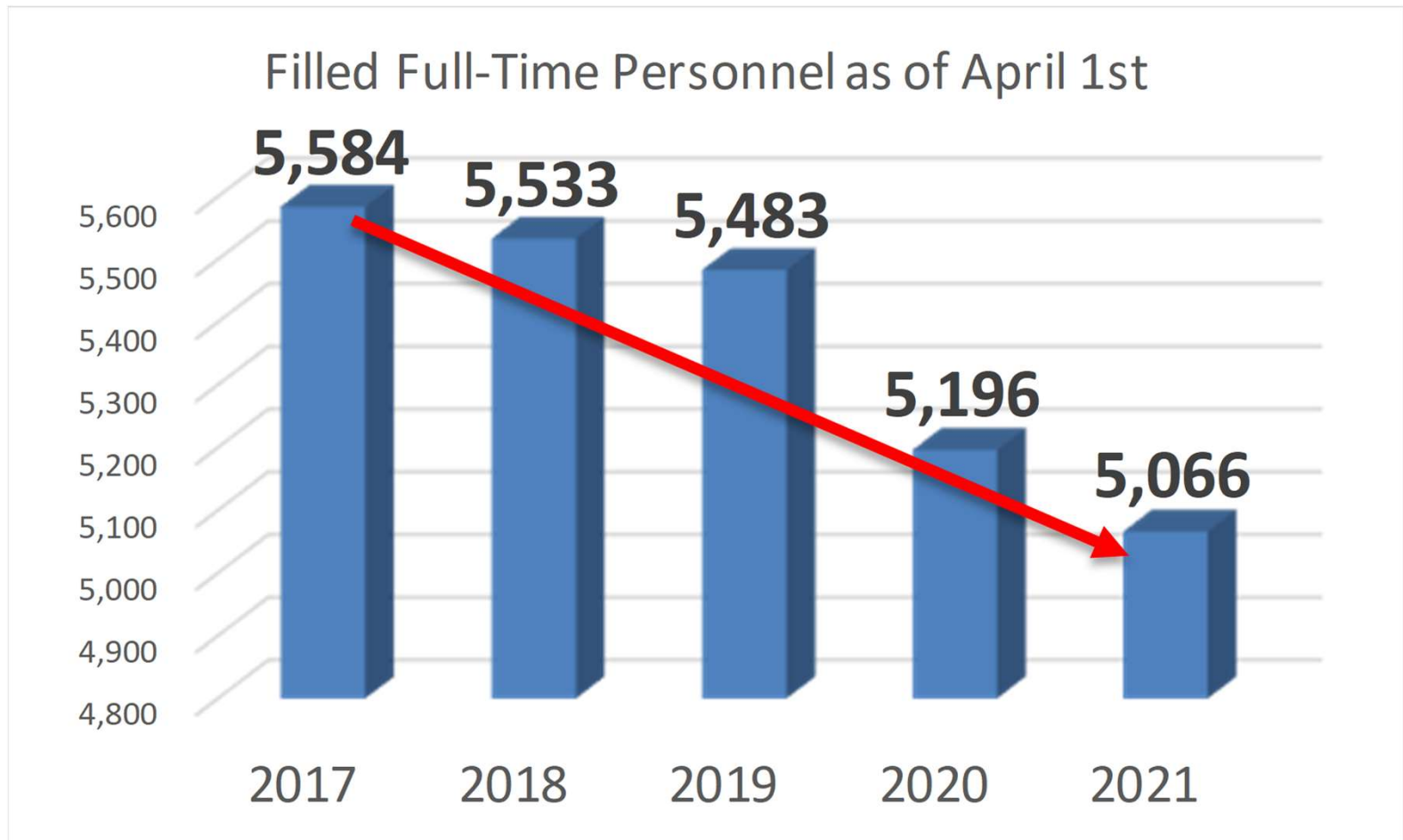
LOUISVILLE METRO
EXPENDITURES (BY CATEGORY)
FISCAL YEAR 2021-2022

General Fund
Municipal Aid/County Road Aid
Community Development Fund
Capital/Other Fund





Recommended Executive Budget FY22





Recommended Executive Budget FY22

Personnel

Filled Position Comparison				
	Full-Time	Part-Time	Other	Total
4/1/2021	5,066	263	134	5,463
4/1/2020	5,196	284	133	5,613
4/1/2019	5,483	318	136	5,937
4/1/2018	5,533	316	185	6,034
4/1/2017	5,584	285	190	6,059
Net	(518)	(22)	(56)	(596)



Recommended Executive Budget FY22

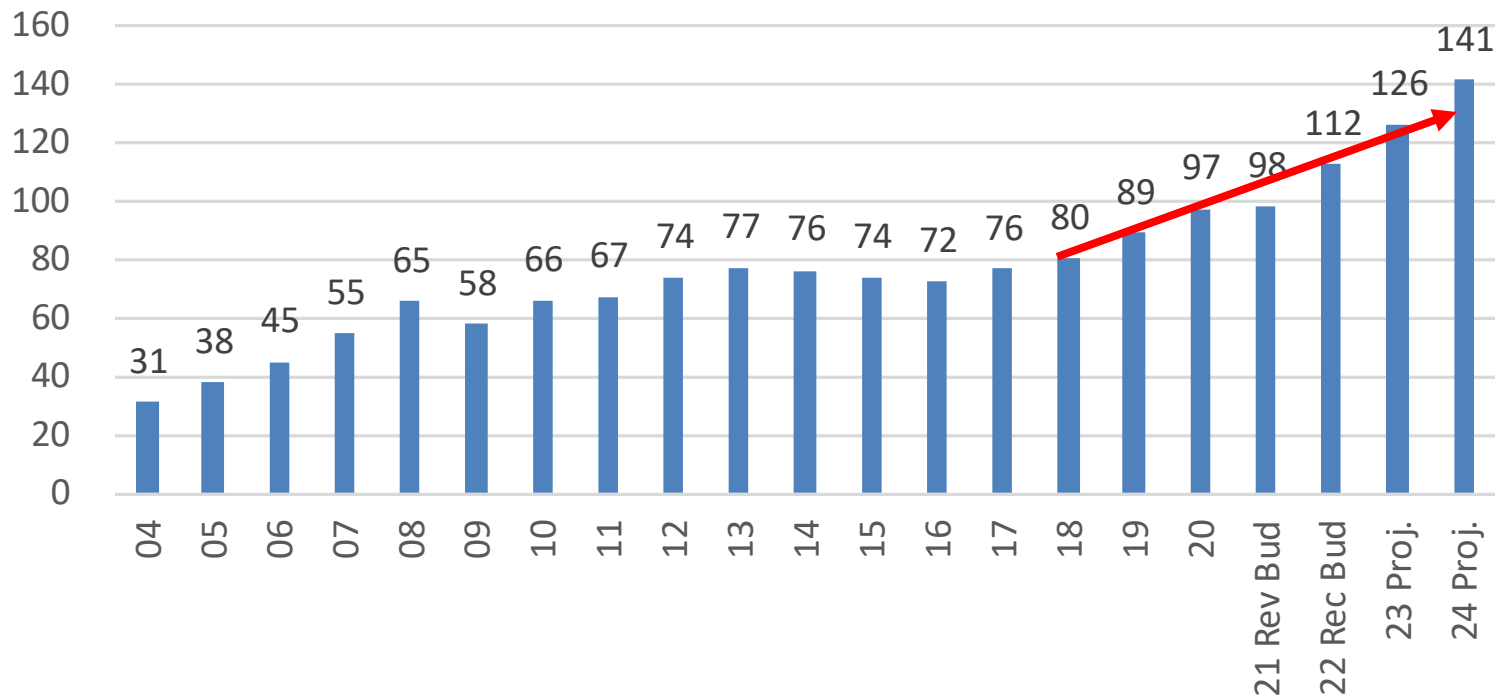
CERS Rate History:

<u>Hazardous Duty</u>				<u>Non-Hazardous Duty</u>			
<u>Year</u>	<u>Rate</u>	<u>% Change from Prior</u>	<u>Cumulative % Change since FY04</u>	<u>Year</u>	<u>Rate</u>	<u>% Change from Prior</u>	<u>Cumulative % Change since FY04</u>
FY04	18.51	13.7%		FY04	7.34	15.8%	
FY05	22.08	19.3%	19%	FY05	8.48	15.5%	16%
FY06	25.01	13.3%	35%	FY06	10.98	29.5%	50%
FY07	28.21	12.8%	52%	FY07	13.19	20.1%	80%
FY08	33.87	20.1%	83%	FY08	16.17	22.6%	120%
FY09	29.50	(12.9%)	59%	FY09	13.50	(16.5%)	84%
FY10	32.97	11.8%	78%	FY10	16.16	19.7%	120%
FY11	33.25	0.8%	80%	FY11	16.93	4.8%	131%
FY12	35.76	7.5%	93%	FY12	18.96	12.0%	158%
FY13	37.60	5.1%	103%	FY13	19.55	3.1%	166%
FY14	35.70	(5.1%)	93%	FY14	18.89	(3.4%)	157%
FY15	34.31	(3.9%)	85%	FY15	17.67	(6.5%)	141%
FY16	32.95	(4.0%)	78%	FY16	17.06	(3.5%)	132%
FY17	31.06	(5.7%)	68%	FY17	18.68	9.5%	154%
FY18	31.55	1.6%	70%	FY18	19.18	2.7%	161%
FY19	35.34	12.0%	91%	FY19	21.48	12.0%	193%
FY20	39.58	12.0%	114%	FY20	24.06	12.0%	228%
FY21	39.58	0.0%	114%	FY21	24.06	0.0%	228%
FY22	44.33	12.0%	139%	FY22	26.95	12.0%	267%
FY23	49.65	12.0%	168.2%	FY23	30.18	12.0%	311%
FY24	55.61	12.0%	200.4%	FY24	33.81	12.0%	361%



Recommended Executive Budget FY22

Metro CERS Contributions (in millions) by Fiscal Year (All Funding Sources)

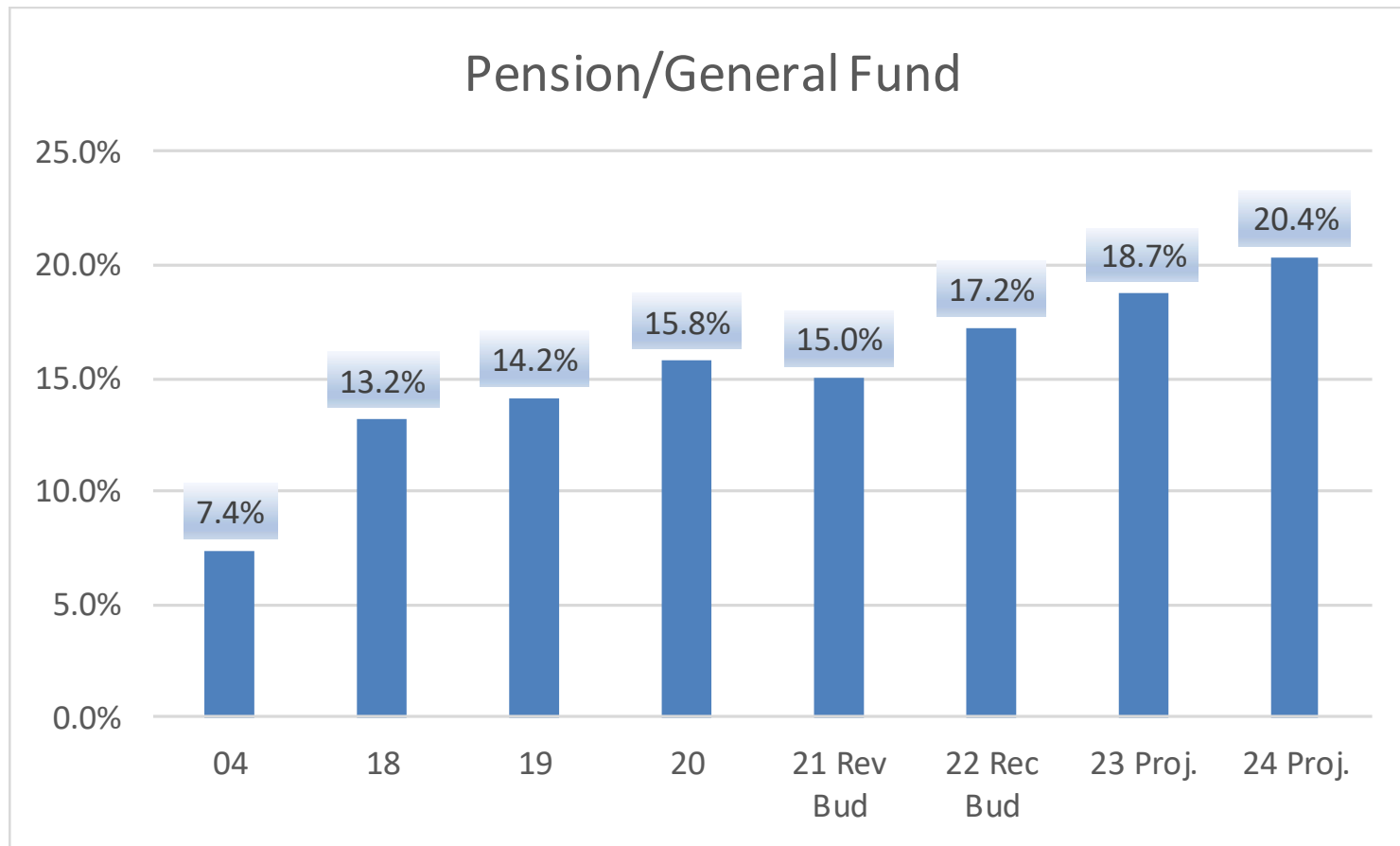


Note: estimated 12% CERS annual rate increase assumed for FY23 & FY24 without any assumed wage growth



Recommended Executive Budget FY22

Pension as a Percentage of General Fund Revenues by Fiscal Year



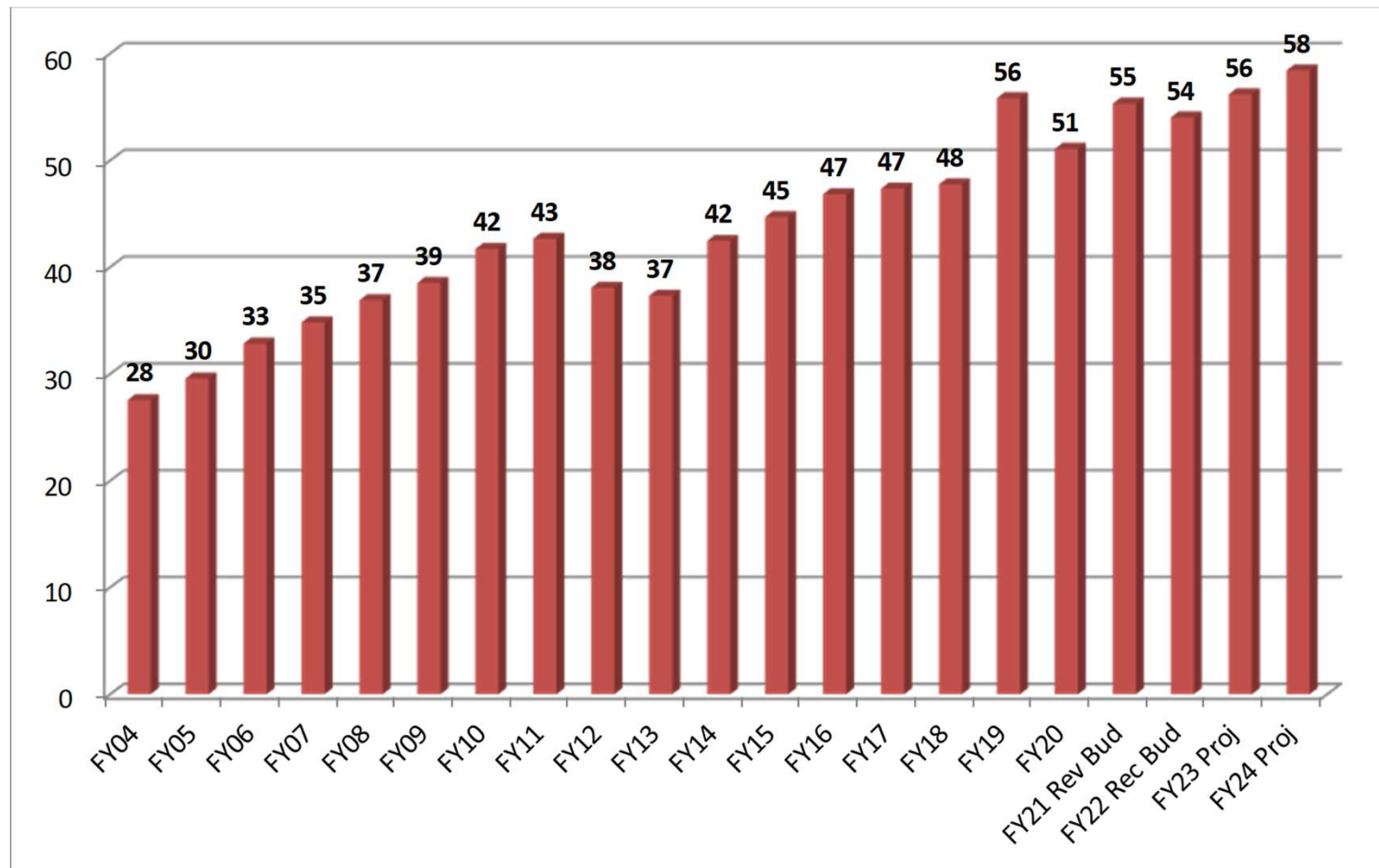
FY23 & FY24 Projections assume General Fund revenue growth of 3%/year
and CERS pension growth of 12%/year with no wage increases



Recommended Executive Budget FY22

Metro Health Insurance Costs

(All Funding Sources/in millions)

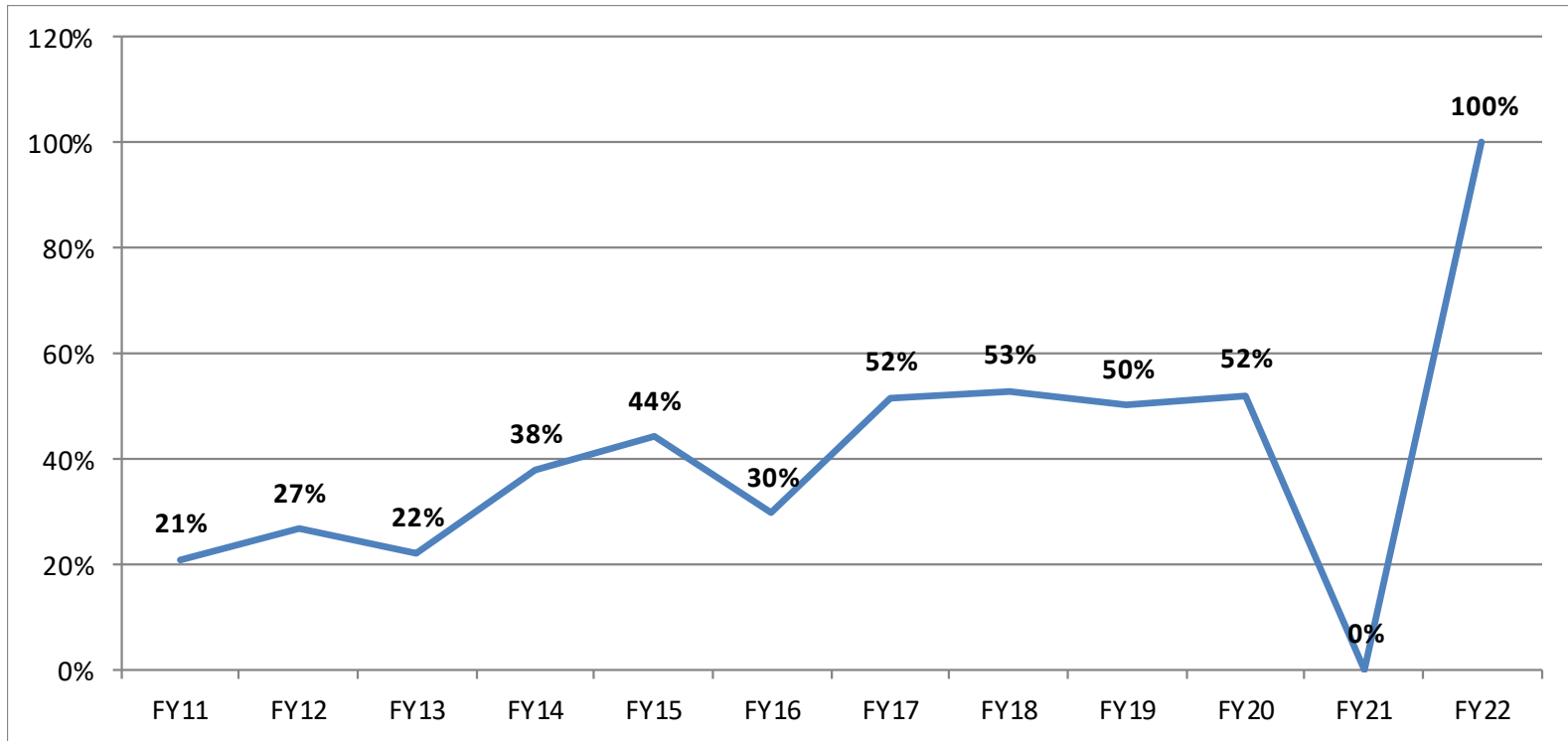


Note: FY23 & FY24 assume a 4% increase per year



Recommended Executive Budget FY22

Road Funding (MAP) Historical Ratios of Capital and Operating Appropriations



	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Operating \$	9,463,700	10,693,700	11,641,000	9,441,000	8,541,000	8,541,000	6,000,000	6,000,000	6,500,000	6,500,000	12,270,000	-
Capital	2,502,700	3,896,300	3,319,000	5,759,700	6,749,000	3,609,000	6,400,000	6,750,000	6,550,000	7,090,400	-	12,210,000
Total \$	11,966,400	14,590,000	14,960,000	15,200,700	15,290,000	12,150,000	12,400,000	12,750,000	13,050,000	13,590,400	12,270,000	12,210,000



Recommended Executive Budget FY22

QUESTION AND ANSWER



Recommended Executive Budget FY22

DEBT MANAGEMENT OVERVIEW



Recommended Executive Budget FY22

FY22 Debt Service Paid by the Office of Management & Budget

Issue	Gross Debt Service	External Source of		Budgeted Amount
		Debt Service	Net Debt Service	
2007A	4,322,019	4,235,578	86,440	86,500
Line of Credit	400,000	-	400,000	400,000
SUBTOTAL:	4,722,019	4,235,578	486,440	486,500

FY22 Debt Service Paid by the Revenue Commission

Issue	Gross Debt Service	External Source of		Budgeted Amount
		Debt Service	Net Debt Service	
2009A	785,800	-	785,800	785,800
2009F	8,434,684	1,346,912	7,087,772	7,087,800
2010C	733,199	240,027	493,173	493,200
2010D	3,822,206	500,000	3,322,206	3,322,300
2010E	677,931	-	677,931	678,000
2013A	673,769	-	673,769	673,800
2013B	1,831,960	-	1,831,960	1,832,000
2014D	748,650	-	748,650	748,700
2014F	2,386,700	-	2,386,700	2,386,700
2015A	1,788,800	460,000	1,328,800	1,328,800
2015B	688,853	-	688,853	688,900
2015B Ctr City	1,554,078	319,003	1,235,075	1,235,100
2016A	10,051,900	-	10,051,900	10,051,900
2016B	4,184,794	859,005	3,325,788	3,325,800
2017A	9,369,569	207,390	9,162,179	9,162,200
2017B	261,170	-	261,170	261,200
2018A	588,994	-	588,994	589,000
2018B	1,569,019	-	1,569,019	1,569,100
2019A	5,794,150	-	5,794,150	5,794,200
2020A	4,981,525	-	4,981,525	4,981,600
2021A	2,993,154	-	2,993,154	2,993,200
SUBTOTAL:	\$63,920,904	3,932,337	\$59,988,567	\$59,989,300
FY22 TOTAL:	\$68,642,922	\$8,167,915	\$60,475,007	\$60,475,800



Recommended Executive Budget FY22

Outstanding Debt Level

Outstanding Debt as a Percentage of Budgeted General Fund Revenue

	Totals in Millions											Est FY21	Est FY22
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20		
Outstanding Debt (Audit)	\$450	\$428	\$393	\$371	\$340	\$331	\$468	\$494	\$544	\$502	\$494	\$494	\$494
General Fund Table (Budget)	\$488	\$496	\$499	\$526	\$527	\$557	\$579	\$589	\$605	\$626	\$615	\$649	\$652
Debt as a % of General Fund:	92%	86%	79%	71%	65%	59%	81%	84%	90%	80%	80%	76%	76%

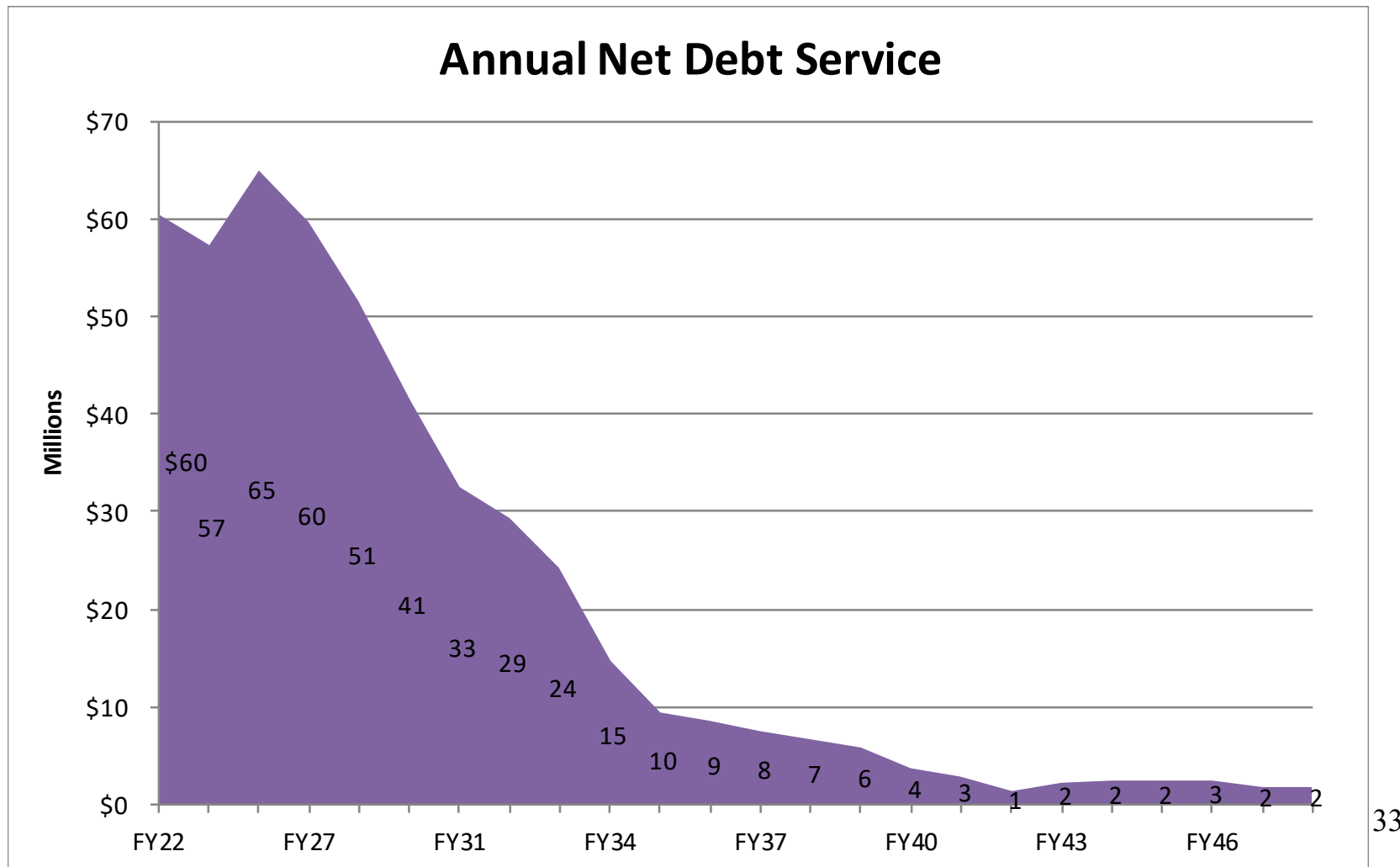
Debt Service as a Percentage of Budgeted General Fund Revenue

	Totals in Millions											Est FY21	Est FY22
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20		
GF Budgeted Revenue	\$488	\$496	\$499	\$526	\$527	\$557	\$559	\$583	\$605	\$626	\$615	\$649	\$652
Contra Addback	\$18	\$24	\$25	\$25	\$29	\$33	\$38	\$44	\$47	\$49	\$49	\$53	\$62
Total Revenue	\$506	\$520	\$523	\$550	\$556	\$590	\$597	\$627	\$652	\$675	\$664	\$702	\$714
Budgeted Net Debt Service	\$37	\$43	\$45	\$45	\$44	\$48	\$50	\$52	\$55	\$56	\$56	\$52	\$60
Net Debt Service/Total Rev:	7.4%	8.2%	8.6%	8.2%	8.0%	8.1%	8.4%	8.2%	8.4%	8.3%	8.5%	7.4%	8.5%



Recommended Executive Budget FY22

LONG-TERM DEBT SERVICE





Recommended Executive Budget FY22

Metro Credit Ratings

Metro Louisville Bond Ratings				
	Pre-Merger County	Pre-Merger City	Merger	Current
Fitch	N/A	N/A	N/A	AAA
S&P	AA	AA-	AA	AA
Moody's	Aa2	Aa3	Aa2	Aa1

Excerpts from the S&Ps Ratings Report for Louisville, 10/2/20:

The 'AA' rating further reflects our assessment of the metro government's:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment methodology

<https://louisvilleky.gov/government/management-budget/credit-rating-agency-reports>



Recommended Executive Budget FY22

QUESTION AND ANSWER



Recommended Executive Budget FY22

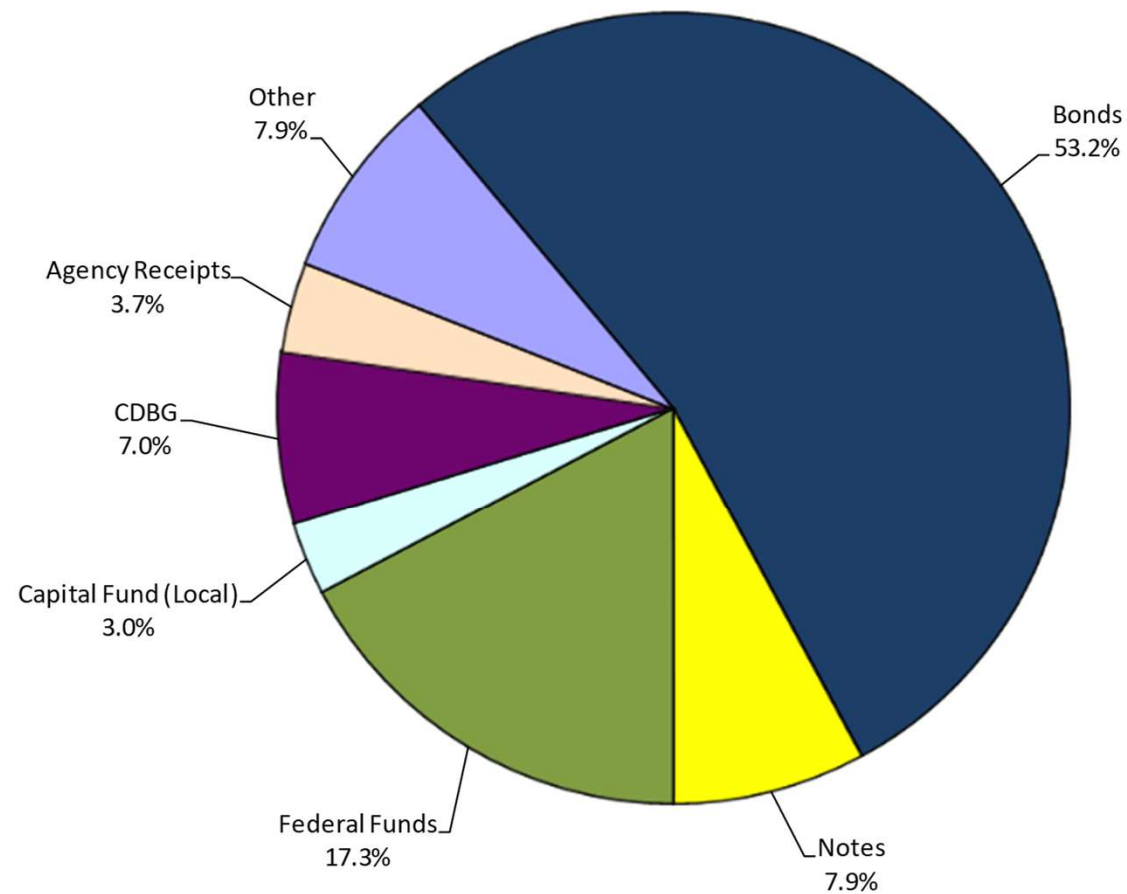
CAPITAL OVERVIEW



Recommended Executive Budget FY22

LOUISVILLE METRO
CAPITAL BUDGET
FISCAL YEAR 2021-2022

Funding Sources

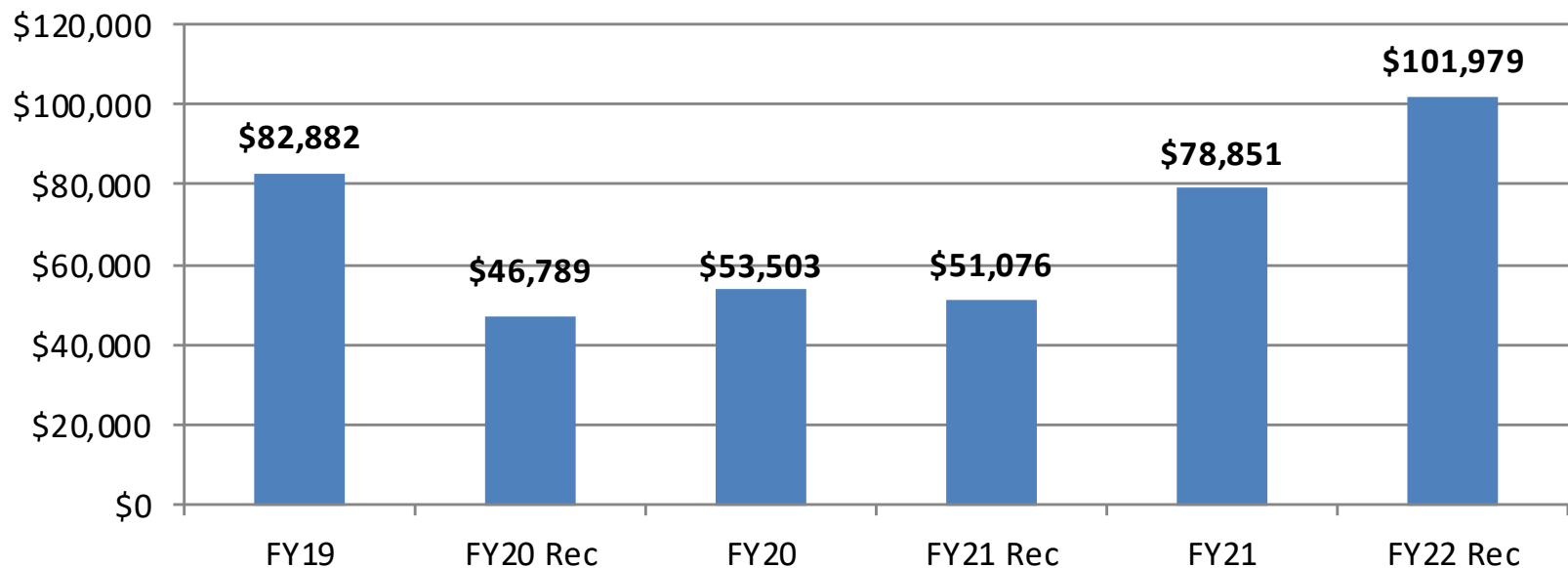




Recommended Executive Budget FY22

Capital Budget Funding Sources

Debt Funding in Capital Budgets (In \$000s)



DEBT	
10-Year Bond	\$88,778,500
Note	13,200,000
TOTAL:	\$101,978,500



Recommended Executive Budget FY22

CDBG Funded Projects

CDBG FUNDED PROJECTS

#49 Develop Louisville: Russell Choice Neighborhood Infrastructure	\$ 3,125,000
#50 Develop Louisville: Affordable Housing Homeowner Unit Preservation - Russell and Other at Risk Areas	3,200,000
#51 Develop Louisville: Home Repair - Emergency/Exterior/Code Alleviation & Rental Rehabilitation	4,570,400
#52 Develop Louisville: Ramp and Barrier Removal Projects	200,000
#53 Develop Louisville: Maple Street Park	500,000
TOTAL:	\$11,595,400



Recommended Executive Budget FY22

QUESTION AND ANSWER