

ONE LOUISVILLE

1
CREATING A CONNECTED COMMUNITY



RECOMMENDED EXECUTIVE BUDGET FOR 2015-2016

LOUISVILLE METRO GOVERNMENT | GREG FISCHER, MAYOR



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Metro Budget Overview, FY16 June 4, 2015

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



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

INTRODUCTION



The FY16 Budget Focuses On. . .

- Public Safety
- Jobs and Community Development
- Education
- Compassion
- Infrastructure
 - Without raising taxes or reducing basic services and workforce levels
 - While restoring the “Rainy Day” Fund



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

The FY16 Budget . . .

- Replenishes the Unassigned Fund Balance

UNASSIGNED GENERAL FUND BALANCE PROJECTED ACTIVITY (In millions)		
	Amount	Note
6/30/11 Fund Balance	\$61.5	
6/30/12 Fund Balance	62.4	
6/30/13 Fund Balance	61.0	
6/30/14 Fund Balance	62.5	
Ordinance No. 102, Series 2014	0.5	FY15 Budget authorization to replenish Fund Balance
Est. 6/30/15 Fund Balance	\$63.0	
Budgeted FY16 Change	0.5	FY16 Budget proposal to replenish Fund Balance
Budgeted FY16 Fund Balance	\$63.5	



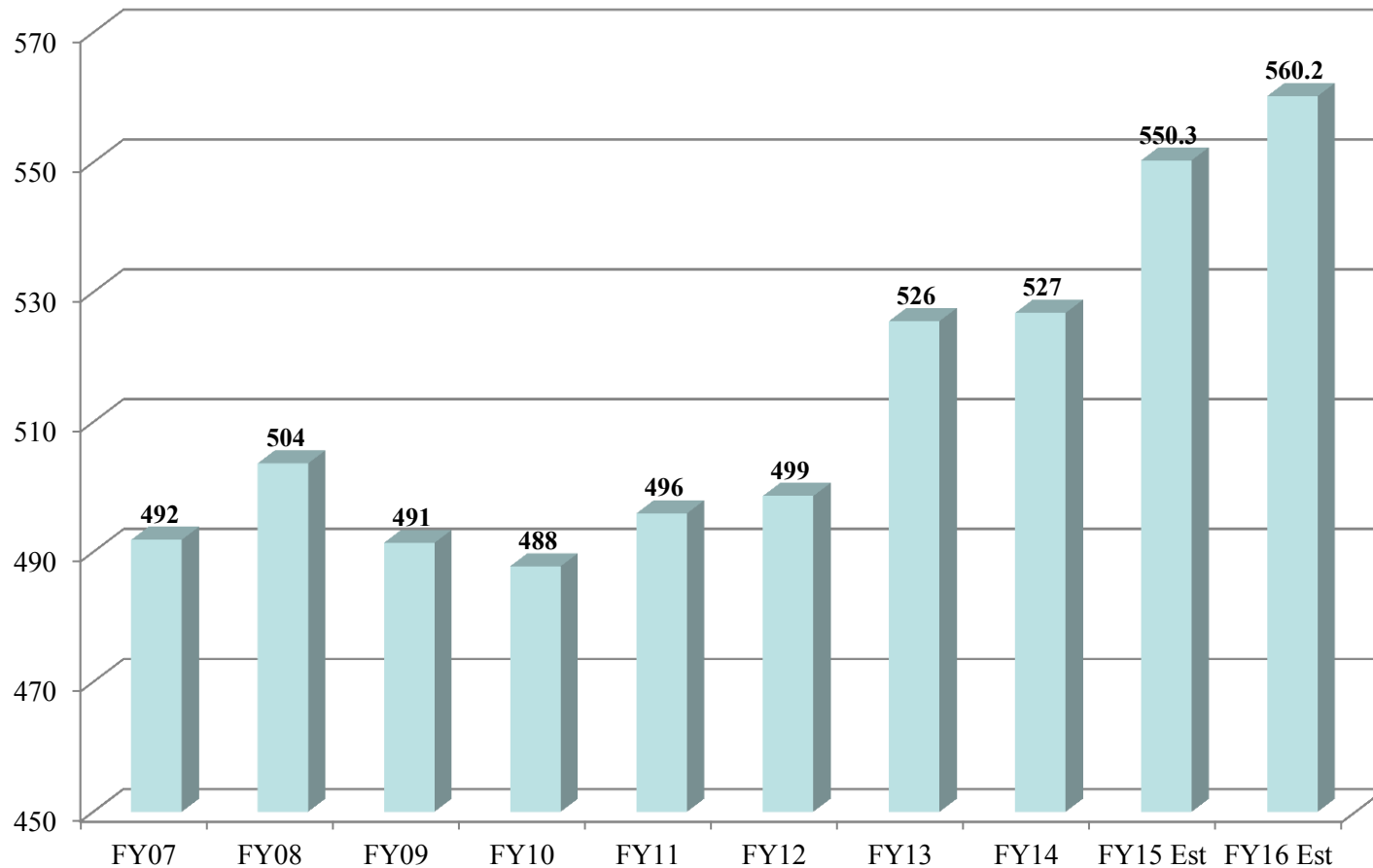
RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

REVENUE OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

General Fund (in millions)

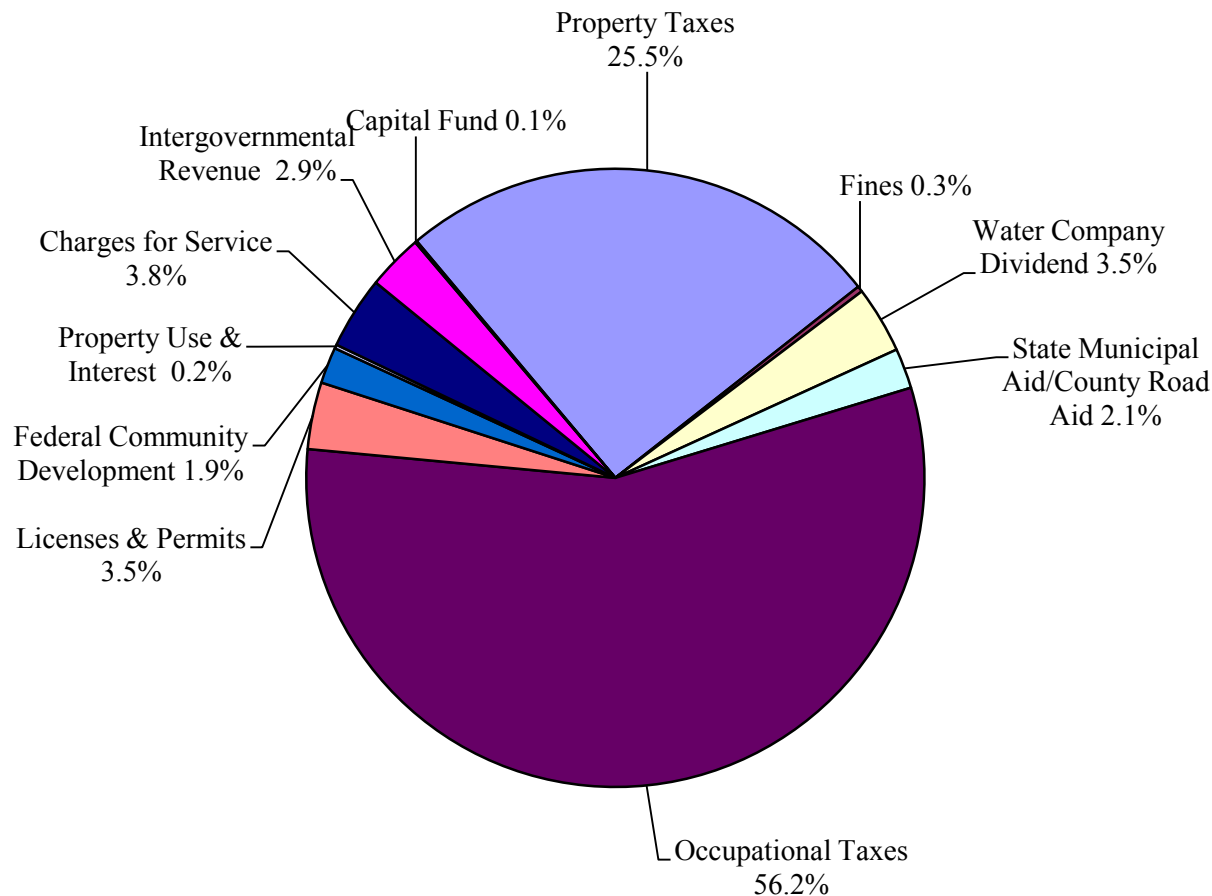




RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

LOUISVILLE METRO SOURCES OF REVENUE FISCAL YEAR 2015-2016

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





RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

FY16 GF Revenue (in \$000's) Growth Forecast

	FY15 Est.	FY16 Forecast	Growth Forecast	% Growth	*CAGR-5 %
Property	\$122,830	\$127,990	\$5,160	4.2%	0.8%
Payroll	245,680	254,050	8,370	3.4%	4.0%
Net Profits	53,820	56,510	2,690	5.0%	6.9%
Insurance	53,800	54,870	1,070	2.0%	1.5%
Water Co.	20,770	20,660	(110)	(0.5%)	2.7%
Other	53,358	46,147	(7,211)	(13.5%)	(2.9%)
Total GF	\$550,258	\$560,227	\$9,969	1.8%	2.4%

***CAGR-5% is the Compound Average Growth Rate for the past 5 years, FY10-FY15 Est.**



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Decrease in "Other" Category

	FY16	FY15	\$ Difference	% Difference
1. Contra (Rev Comm)	\$ (37,123,400)	\$ (32,450,000)	\$ (4,673,400)	14%
2. Public Service Corp.	9,000,000	10,000,000	(1,000,000)	(10%)
3. Fee Officers' Term	-	2,800,000	(2,800,000)	(100%)
4. All Other Items	74,270,000	73,008,000	1,262,000	2%
Total	\$ 46,146,600	\$ 53,358,000	\$ (7,211,400)	(14%)



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Requested Quarterly Revenue Spread

	Q1	Q2	Q3	Q4	FY16 TOTAL
Employee Withholdings	61,630,000	61,460,000	68,130,000	62,830,000	254,050,000
Net Profits	9,760,000	7,090,000	11,010,000	28,650,000	56,510,000
Insurance Premiums	13,800,000	13,770,000	13,450,000	13,850,000	54,870,000
Water Co. Dividend	5,130,000	5,130,000	5,200,000	5,200,000	20,660,000
1 Real & Personal Property	1%	95%		4%	127,990,000
2 All Other	25%	25%	25%	25%	46,146,600

- 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 items is received during Q2 & Q3. This is demonstrated by a review of the last four fiscal years' receipts (in millions):

	Q2	Q3	Q2 & Q3
FY11	75.6	35.7	111.3
FY12	52.5	59.2	111.7
FY13	80.2	33.4	113.6
FY14	44.4	70.4	114.8
FY15	49.7	67.1	116.8
% Change from Prior Year			
	Q2	Q3	Q2 & Q3
FY12	(30.6%)	65.8%	0.4%
FY13	52.8%	(43.6%)	1.7%
FY14	(44.6%)	110.7%	1.1%
FY15	12.0%	(4.7%)	1.8%

- 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 FY 2015-2016

Requested Quarterly Revenue Spread

	Q1	Q2	Q3	Q4	FY16 TOTAL
Employee Withholdings	\$61,630,000	\$61,460,000	\$68,130,000	\$62,830,000	\$254,050,000
Net Profits	9,760,000	7,090,000	11,010,000	28,650,000	56,510,000
Insurance Premiums	13,800,000	13,770,000	13,450,000	13,850,000	54,870,000
Water Co. Dividend	5,130,000	5,130,000	5,200,000	5,200,000	20,660,000
Real & Personal Property	1,280,000	60,800,000	60,800,000	5,110,000	127,990,000
All Other	11,540,000	11,540,000	11,540,000	11,526,600	46,146,600
TOTAL:	\$103,140,000	\$159,790,000	\$170,130,000	\$127,166,600	\$560,226,600

	Q1 YTD	Q2 YTD	Q3 YTD	FY16 TOTAL
Employee Withholdings	\$61,630,000	\$123,090,000	\$191,220,000	\$254,050,000
Net Profits	9,760,000	16,850,000	27,860,000	56,510,000
Insurance Premiums	13,800,000	27,570,000	41,020,000	54,870,000
Water Co. Dividend	5,130,000	10,260,000	15,460,000	20,660,000
Real & Personal Property	1,280,000	62,080,000	122,880,000	127,990,000
All Other	11,540,000	23,080,000	34,620,000	46,146,600
TOTAL:	\$103,140,000	\$262,930,000	\$433,060,000	\$560,226,600



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

QUESTION AND ANSWER



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

OPERATING OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Metro Budget by Category

Total Budget for All Funds		
	FY16	FY15 Original Budget
Operating	\$679,168,000	\$672,557,900
Capital	193,965,700	65,701,300
Debt Service	11,858,700	14,137,800
Total	\$884,992,400	\$752,397,000

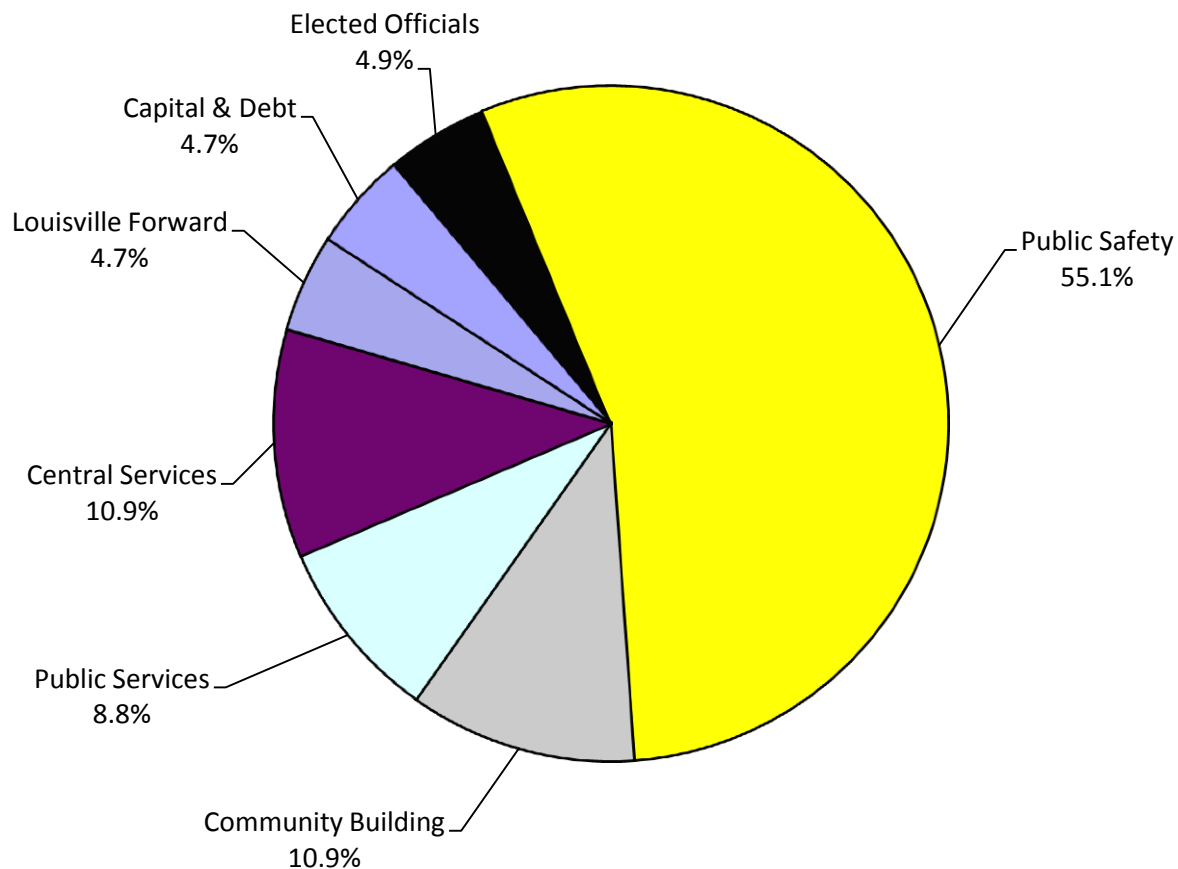
Changes from FY15 Original Budget to FY16:		
Operating	\$6,610,100	1.0%
Capital	\$128,264,400	195.2%
Debt Service	(2,279,100)	(16.1%)
Total	\$132,595,400	17.6%



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

LOUISVILLE METRO EXPENDITURES FISCAL YEAR 2015-2016

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





RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

The FY16 Budget . . .is built on Metro's Strategic Plan

Metro Objectives	Metro Goals
 Deliver Excellent City Services	1 Improve Multi-modal Transportation and Community Streetscapes
	2 Enhance EMS Service Delivery in Order to Address the Entire Spectrum of 911 Patients' needs
	3 Reduce Crime by 3% and Rank in Top Quartile of Safest Large Cities
	4 Make More Services, Information and Data Available Online
	5 Deliver Better Fire Protection



Capital Project Highlights

•Goal #1: Improve Multi-modal Transportation and Community Streetscapes

- \$13.6M in Public Works & Assets for improvements to Metro's streets, bike lanes, sidewalks, and road/pedestrian safety
- \$400K as local match to leverage a 12:1 funding for five additional electric buses at TARC



Capital Project Highlights

- **Goal #2: Enhance EMS Service Delivery in Order to Address the Entire Spectrum of 911 Patients' needs**

- \$7.8M to upgrade the emergency radio system
- \$2.5M for vehicles/equipment for Fire/EMS first responders

- **Goal #3: Reduce Crime by 3% and Rank in Top Quartile of Safest Large Cities**

- \$3.5M for vehicles/equipment for Police
- \$2.8M for on-officer cameras (operating/capital)
- \$500K for upgrades to in-car Mobile Data Terminals



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

The FY16 Budget . . .is built on Metro's Strategic Plan

Metro Objectives		Metro Goals	
 Solve Systemic Budget Issues			
		6	Enact a Structurally Balanced Budget



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

The FY16 Budget . . .is built on Metro's Strategic Plan

Metro Objectives	Metro Goals	
 Take Job Creation To The Next Level	7	Create More Jobs
	8	Increase Educational Attainment
	9	Improve Wages
	10	Promote Our Local Food Economy



Capital Project Highlights

- **Goal #8: Increase Education Attainment**

- \$14.5M for construction of the South Central Regional Library
- \$175K for the Early Childhood Gallery and other capital maintenance at the Kentucky Science Center



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016



Rendering of South Central Regional Library



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

The FY16 Budget . . .is built on Metro's Strategic Plan

Metro Objectives	Metro Goals
 Invest In Our People & Neighborhoods	11 Revitalize Our Parks and Enhance Recreational Opportunities
	12 Develop and Preserve Affordable Housing
	13 Help Our Citizens Get Healthy
	14 Invest in the Art Community
	15 Advance Inclusion and Diversity
	16 Decrease Abandoned Structures



Capital Project Highlights

•Goal #11: Revitalize Our Parks and Enhance Recreational Opportunities

- \$4.7M for Louisville Loop projects throughout the community
- \$1.6M for deferred maintenance and general repair across the park system
- \$250K for community center improvements

•Goal #12: Develop and Preserve Affordable Housing

- \$1.3M to administer and support a \$12.0M bond issuance to make 1,500 affordable housing units available



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016





RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

The FY16 Budget . . .is built on Metro's Strategic Plan

Metro Objectives	Metro Goals
 Create Plans For A Vibrant Future	17 Plan for Our future
	18 Increase Diversion: Reduce, Reuse, Recycle
	19 Foster a Culture of Life-Long Learning, Creativity, and Innovation
	20 Create a More Sustainable Louisville
	21 Grow as a Compassionate City



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Currently Filled Personnel Comparison:

	Filled Position Comparison			
	Full-Time	Part-Time	Other	Total
4/1/2015	5,453	297	198	5,948
4/1/2014	5,428	294	215	5,937
Net	25	3	(17)	11



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

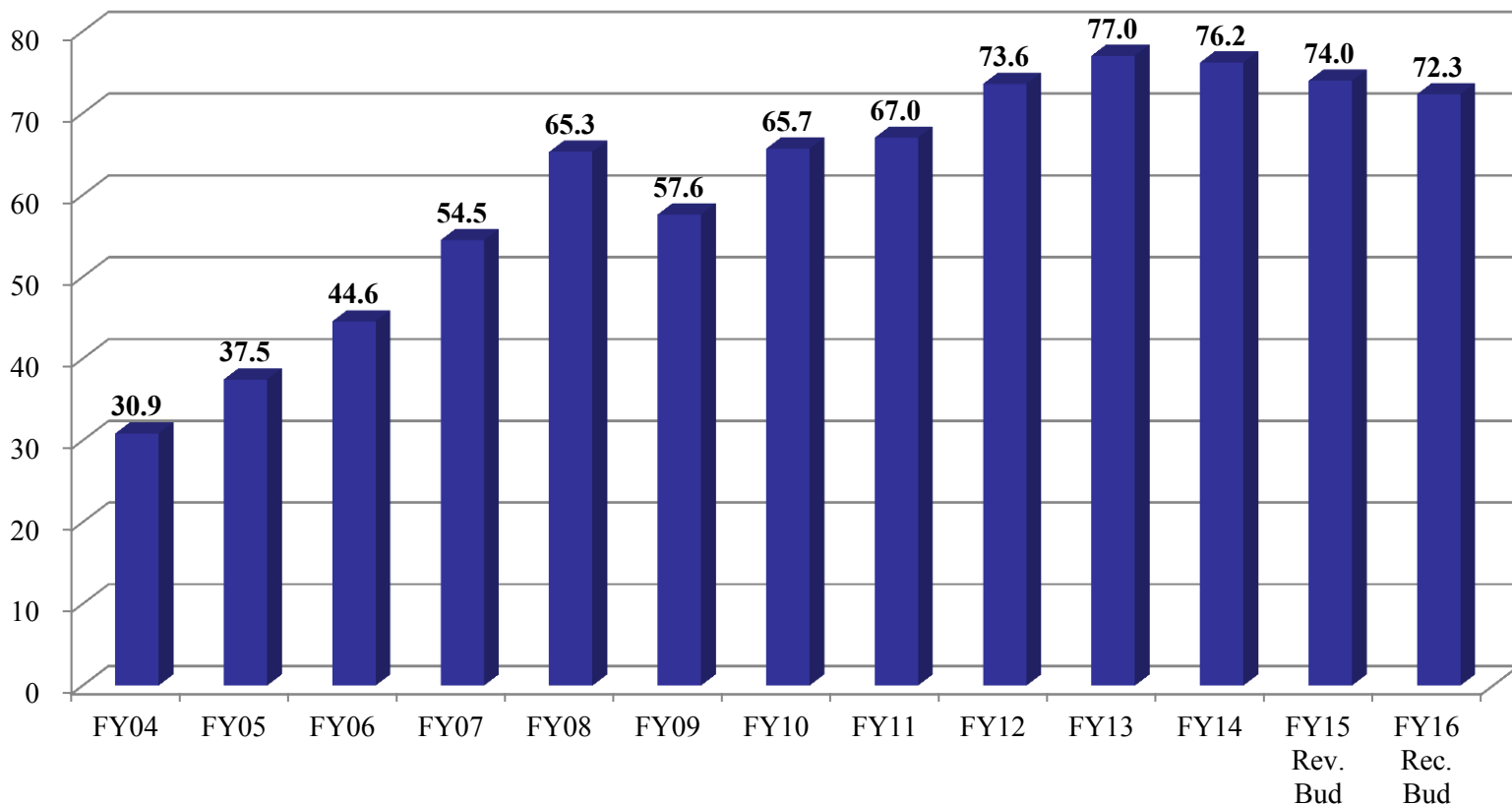
CERS Rate History:

<u>Hazardous Duty</u>				<u>Non-Hazardous Duty</u>			
<u>Year</u>	<u>Rate</u>	<u>% Change from Prior Year</u>	<u>Cumulative % Change since FY03-04</u>	<u>Year</u>	<u>Rate</u>	<u>% Change from Prior Year</u>	<u>Cumulative % Change since FY03-04</u>
FY 2003-04	18.51	13.7%		FY 2003-04	7.34	15.8%	
FY 2004-05	22.08	19.3%	19%	FY 2004-05	8.48	15.5%	16%
FY 2005-06	25.01	13.3%	35%	FY 2005-06	10.98	29.5%	50%
FY 2006-07	28.21	12.8%	52%	FY 2006-07	13.19	20.1%	80%
FY 2007-08	33.87	20.1%	83%	FY 2007-08	16.17	22.6%	120%
FY 2008-09	29.50	(12.9%)	59%	FY 2008-09	13.50	(16.5%)	84%
FY 2009-10	32.97	11.8%	78%	FY 2009-10	16.16	19.7%	120%
FY 2010-11	33.25	0.8%	80%	FY 2010-11	16.93	4.8%	131%
FY 2011-12	35.76	7.5%	93%	FY 2011-12	18.96	12.0%	158%
FY 2012-13	37.60	5.1%	103%	FY 2012-13	19.55	3.1%	166%
FY 2013-14	35.70	(5.1%)	93%	FY 2013-14	18.89	(3.4%)	157%
FY 2014-15	34.31	(3.9%)	85%	FY 2014-15	17.67	(6.5%)	141%
FY 2015-16	32.95	(4.0%)	78%	FY 2015-16	17.06	(3.5%)	132%



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

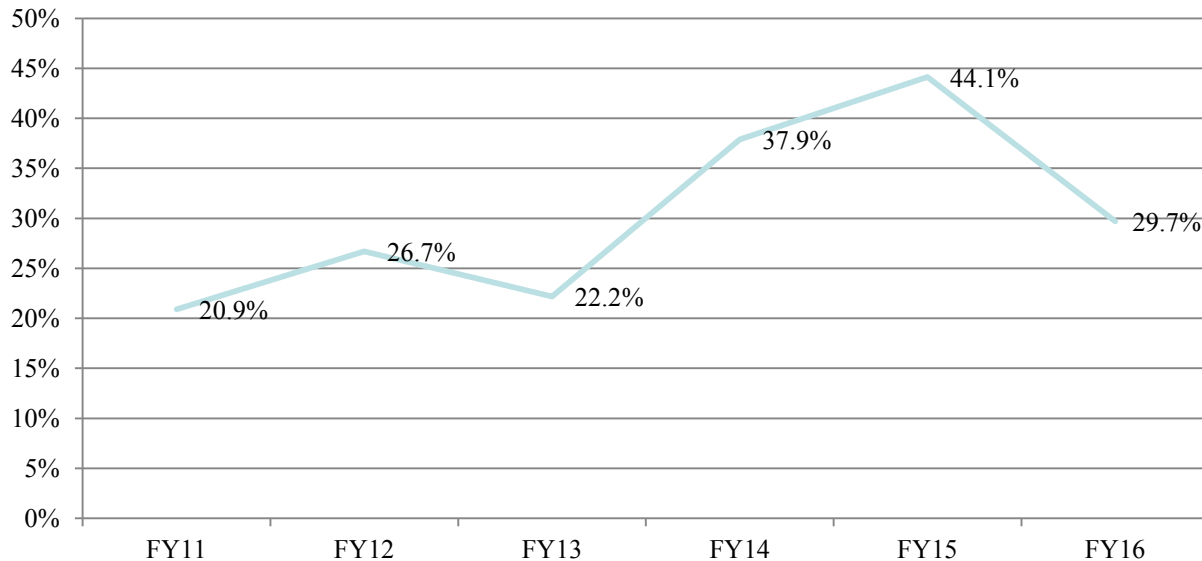
Metro CERS Contribution History (in millions)





RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

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



Percentage of MAP funds in capital budget

	FY11	FY12	FY13	FY14	FY15	FY16
Operating	9,463,700	10,693,700	11,641,000	9,441,000	8,541,000	8,541,000
Capital	2,502,700	3,896,300	3,319,000	5,759,700	6,749,000	3,609,000
Total	11,966,400	14,590,000	14,960,000	15,200,700	15,290,000	12,150,000



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Public Health & Wellness (without FHC or QCCT)				
	FY16	FY15	\$ Change	% Change
GF Appropriation	7,560,000	7,312,600	247,400	3.4%
Other Receipts	1,926,500	1,541,800	384,700	25.0%
Federal	8,373,800	8,771,800	(398,000)	(4.5%)
State	2,163,300	2,292,800	(129,500)	(5.6%)
Total	20,023,600	19,919,000	104,600	0.5%



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

QUESTION AND ANSWER



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

DEBT MANAGEMENT OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

FY16 Debt Service Paid by the Revenue Commission

Issue	Gross Debt Service	External Source of		Budgeted Amount
		Debt Service	Net Debt Service	
2006A	\$1,608,300	-	\$1,608,300	\$1,608,400
2009A	793,035	-	793,035	793,100
2009B	3,782,988	-	3,782,988	3,783,000
2009C	1,759,663	-	1,759,663	1,759,700
2009D	1,317,750	-	1,317,750	1,317,800
2009E	5,177,825	-	5,177,825	5,177,800
2009F	3,245,353	1,688,081	1,557,271	1,557,300
2010A	4,350,900	-	4,350,900	4,350,900
2010B	419,150	-	419,150	419,200
2010C	733,199	237,468	495,732	495,800
2010D	3,825,663	2,100,000	1,725,663	1,725,700
2010E	681,525	-	681,525	681,600
2013A	674,119	-	674,119	674,200
2013B	577,504	-	577,504	577,600
2013C	252,125	-	252,125	252,200
2013D	833,000	-	833,000	833,000
2014A	412,633	-	412,633	412,700
2014B	1,022,483	-	1,022,483	1,022,500
2014D	746,800	-	746,800	746,800
2014E	4,409,100	-	4,409,100	4,409,100
2014F	683,400	-	683,400	683,400
2015A	877,338	460,000	417,338	417,400
2015B	365,557	-	365,557	365,600
2015C	1,055,821	-	1,055,821	1,055,900
2015D	2,111,642	-	2,111,642	2,111,700
2015E	0	-	0	0
SUBTOTAL:	\$41,716,872	\$4,485,549	\$37,231,323	\$37,232,400



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

FY16 DEBT SERVICE

FY16 Debt Service Paid by the Office of Management & Budget

Issue	Gross Debt Service	External Source of		Net Debt Service	Budgeted Amount
		Debt Service			
1992A	\$6,990,000	\$0		\$6,990,000	\$6,990,000
2007A	4,482,779	4,393,123		89,656	89,700
2011 Lease	728,077	0		728,077	728,100
2015 Water Co.	1,773,380	0		1,773,380	1,773,400
2015 Line of Credit	2,250,000	0		2,250,000	2,250,000
2015 Letter of Credit	27,500	0		27,500	27,500
SUBTOTAL:	\$16,251,736	\$4,393,123		\$11,858,613	\$11,858,700



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Outstanding Debt Level:

	Totals in Millions					Est. FY15	Est. FY16	*Est. FY16
	FY10	FY11	FY12	FY13	FY14			
Outstanding Debt (CAFR)	\$450	\$428	\$393	\$371	\$340	\$339	\$468	\$374
General Fund Table (Budget)	\$488	\$496	\$499	\$526	\$527	\$550	\$560	\$560
Debt as a % of General Fund:	92%	86%	79%	71%	65%	62%	84%	67%

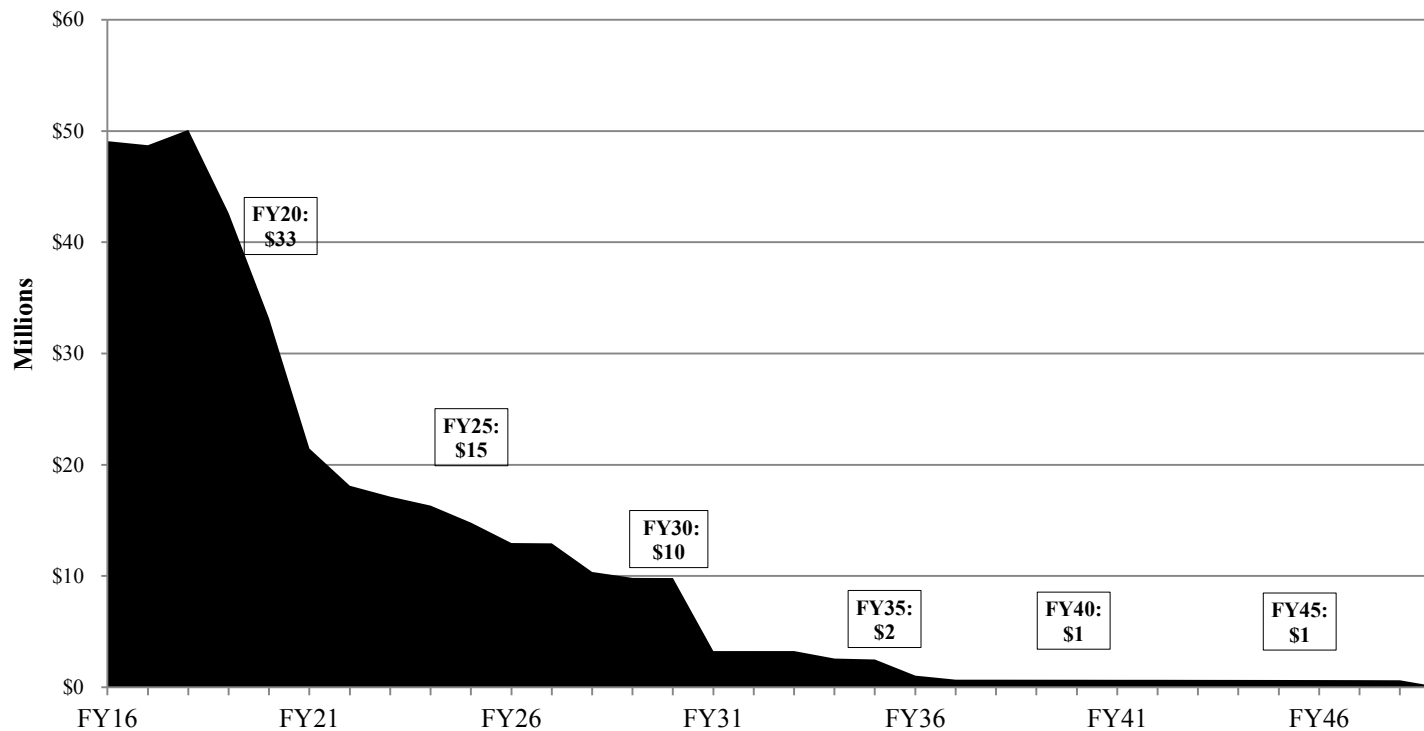
*Outstanding estimated debt with 10.4% of the Center City project displayed to be consistent with anticipated local debt service obligation.



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

LONG-TERM DEBT SERVICE

Annual Net Debt Service





RECOMMENDED EXECUTIVE BUDGET FY 2014-2015

Metro Financial Strength

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



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

“In our opinion, Louisville & Jefferson County Metro Government’s management conditions are very strong with “strong” financial practices under our Financial Management Assessment methodology, indicating practices are, in our opinion, strong, well embedded and likely sustainable”

--S&P Ratings Report for Louisville, 11/6/14

“The debt burden is modest, amortization is rapid. . .”

--Fitch Ratings Report for Louisville, 11/5/14

“The Aa1 rating reflects Louisville Metro’s large and regionally significant tax base, average socioeconomic profile, narrow yet stable operating reserves, and manageable debt burden with plans for additional near term borrowing.”

--Moody’s Ratings Report for Louisville, 11/5/14



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

QUESTION AND ANSWER



RECOMMENDED EXECUTIVE BUDGET FY 2014-2015

CAPITAL OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2014-2015

Metro Capital Budget

Capital Budget	FY15	FY16	FY16-v-FY15 Inc./ (Dec.)	% Inc./ (Dec.)
CCRF	\$1,792,700	\$6,286,100	\$4,493,400	251%
MAP/CRAP	6,749,000	3,609,000	(3,140,000)	(47%)
CDBG	4,420,000	5,530,900	1,110,900	25%
Subtotal	12,961,700	15,426,000	2,464,300	19%
Center City Dev. Bond	-	104,750,000	104,750,000	N/A
Affordable Housing Bond	-	12,000,000	12,000,000	N/A
South Central Library Bond	-	12,000,000	12,000,000	N/A
Paving/Sidewalk Bond	-	10,000,000	10,000,000	N/A
Vehicles/Equipment Note	12,700,000	10,000,000	(2,700,000)	(21%)
General Projects Debt	19,685,400	20,000,000	314,600	2%
Other	20,354,200	21,789,700	1,435,500	7%
TOTAL	\$65,701,300	\$205,965,700	\$140,264,400	213%



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016



Rendering of the Omni Hotel, apartments, and grocery



Capital Project Highlights

- Animal Shelter at Newburg location: \$3.4M
- Technology Investments:
 - Enhanced Network Security (\$900K)
 - Telephone Upgrades—VoIP (\$950K)
- Siren upgrades and additions: \$108K
- Roof repairs at:
 - Louisville Gardens (\$400K)
 - Corrections (\$350K)
 - Louisville Memorial Auditorium (\$208K)



Capital Project Highlights

- Facilities Repairs and Improvements:
 - City Hall (\$2.1M)
 - Across Metro-owned buildings (\$1.6M)
 - Zoo (\$800K)
 - Belle of Louisville Dry Docking (\$400K)
 - Cooling towers at MetroSafe/Judicial Center (\$350K)
 - Libraries (\$300K)
 - Mary T. Meagher Pool Filters (\$300K)
 - Codes & Regulations Facility at 22nd St. (\$300K)
 - Signage Shop Renovation (\$250K)



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Capital Budget Funding Sources

CAPITAL FUND

FY16 Current Year Transfer from the General Fund	\$4,956,100
Capital Cumulative Reserve Fund (CCRF) Interest	130,000
Surplus Property Sale	1,200,000
TOTAL:	\$6,286,100



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Municipal & County Aid Funding Sources and Projects

MUNICIPAL & COUNTY AID FUNDING	
Municipal Aid Funds	\$2,889,000
County Road Aid Funds	720,000
TOTAL:	\$3,609,000

MUNICIPAL & COUNTY AID FUNDED PROJECTS	
#1 Metro Council: Capital Infrastructure Fund	\$1,300,000
#13 PW&A: Bridge/Cross Drain Repairs	1,539,000
#15 PW&A: Metro Roads Safety Improvements	170,000
#17 PW&A: Signs & Markings	500,000
#25 PW&A: Guardrail Replacement	100,000
TOTAL:	\$3,609,000



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

Capital Budget Funding Sources

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING

Estimated Formula Entitlement	\$10,304,000
Funds Recommended for Reappropriation	47,200
Carryforward Funds	550,400
Program Income	400,000
Subtotal:	\$11,301,600
 Appropriated for Operating Budget:	 5,770,700
 CAPITAL TOTAL:	 \$5,530,900



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

CDBG Funded Projects

CDBG FUNDED PROJECTS

#37 Parks: Huston Quin Park Improvements	\$510,000
#53 Develop Louisville: Shawnee Portland Homeownership	400,000
#54 Develop Louisville: Ramp & Barrier Removal	175,000
#55 Develop Louisville: Shawnee Revitalization	800,000
#56 Develop Louisville: Home Repair	2,845,900
#57 Develop Louisville: Louisville Central Community Ctr	500,000
#58 Develop Louisville: Oak St. Streetscape	300,000
TOTAL:	\$5,530,900



RECOMMENDED EXECUTIVE BUDGET FY 2015-2016

QUESTION AND ANSWER