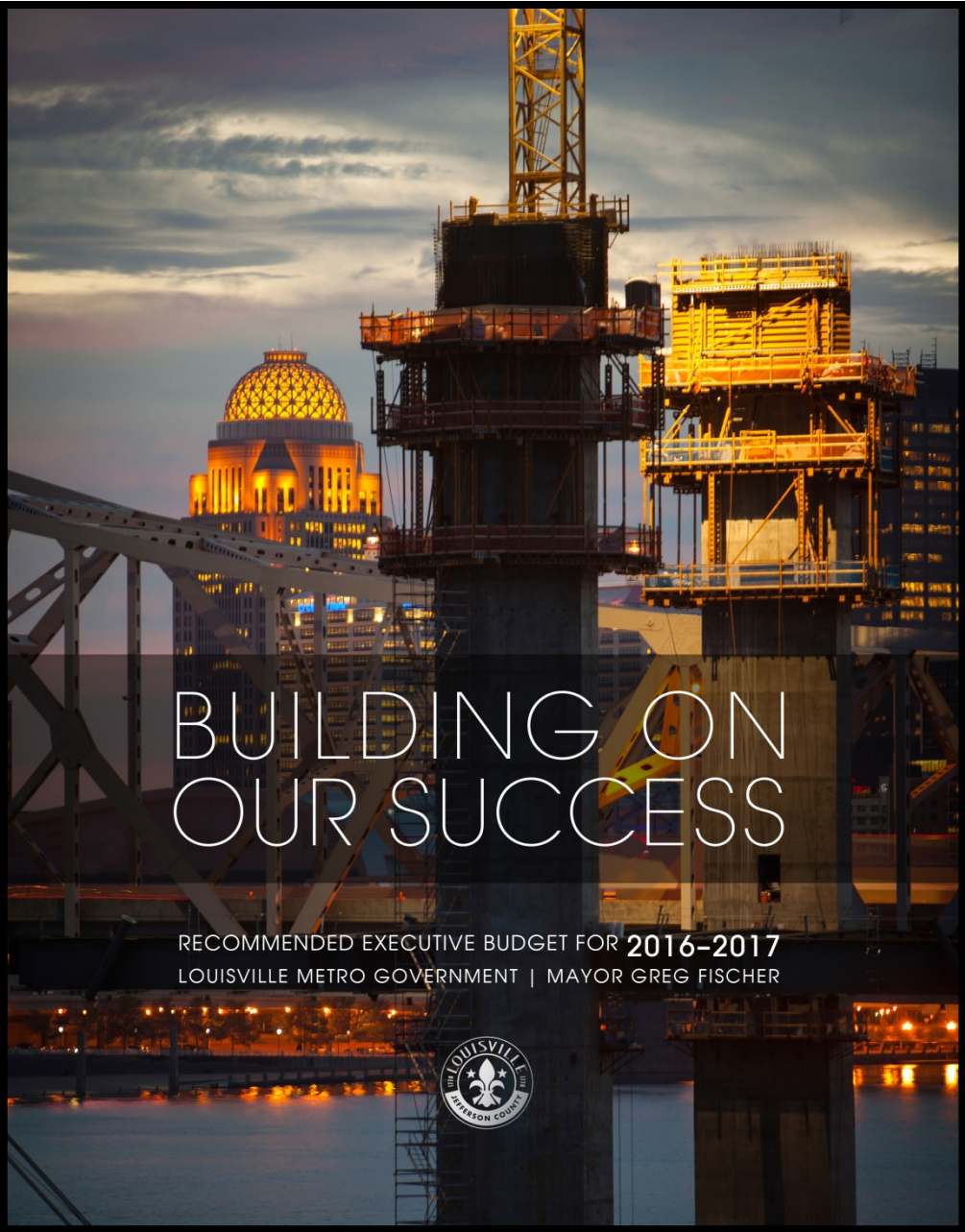




BUILDING ON OUR SUCCESS

RECOMMENDED EXECUTIVE BUDGET FOR **2016-2017**
LOUISVILLE METRO GOVERNMENT | MAYOR GREG FISCHER





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Metro Budget Overview, FY17 June 2, 2016

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



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

INTRODUCTION



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

The FY17 Budget Focuses On. . .

- Public Safety
- Housing
- Infrastructure
 - Streets, sidewalks, bridges, etc.
 - Facilities, Maintenance & General Repair - Library, Parks, Zoo & OMB Facilities
 - Technology
 - Vehicles & Equipment



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

The FY17 Budget . . .

- Replenishes the Unassigned Fund Balance

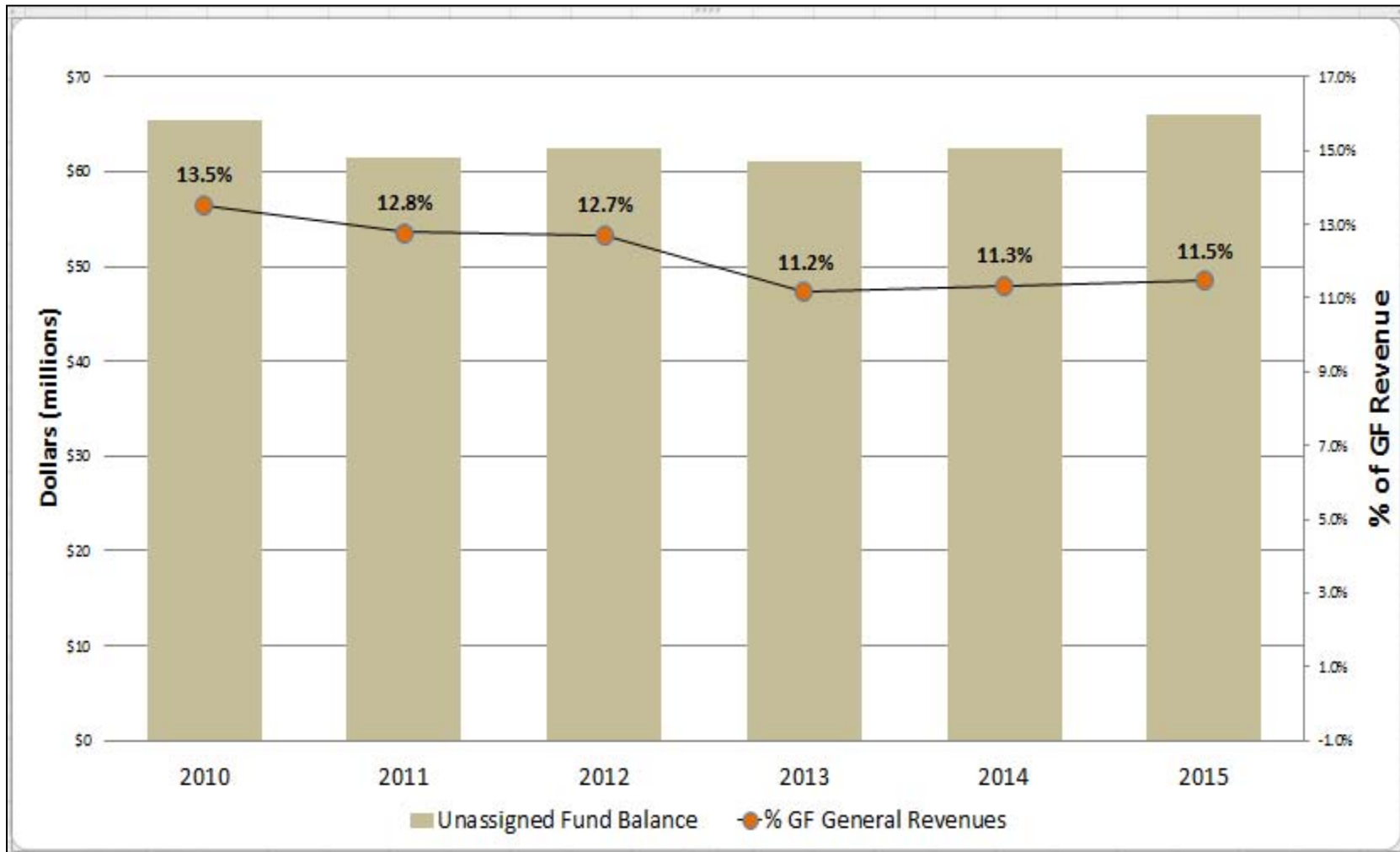
UNASSIGNED GENERAL FUND BALANCE PROJECTED ACTIVITY (In millions)

	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	
6/30/15 Fund Balance	66.1	
Ordinance No. 103, Series 2015	0.5	FY16 Budget authorization to replenish Fund
Est. 6/30/16 Fund Balance	\$66.6	
Budgeted FY17 Change	1.0	FY17 Budget proposal to replenish Fund Balance
Budgeted FY17 Fund Balance	\$67.6	



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

GF Unassigned Fund Balance





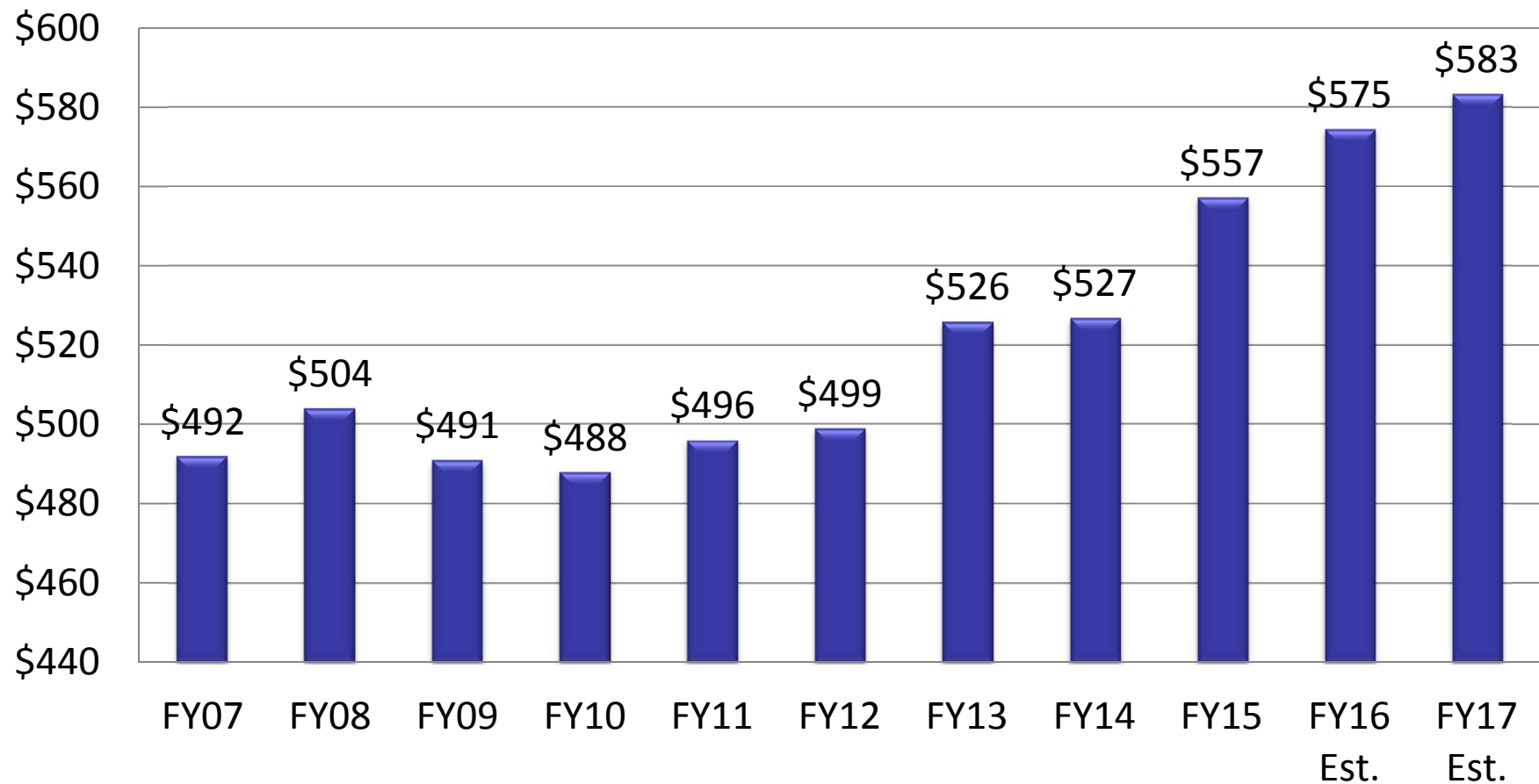
RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

REVENUE OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

General Fund (in millions)

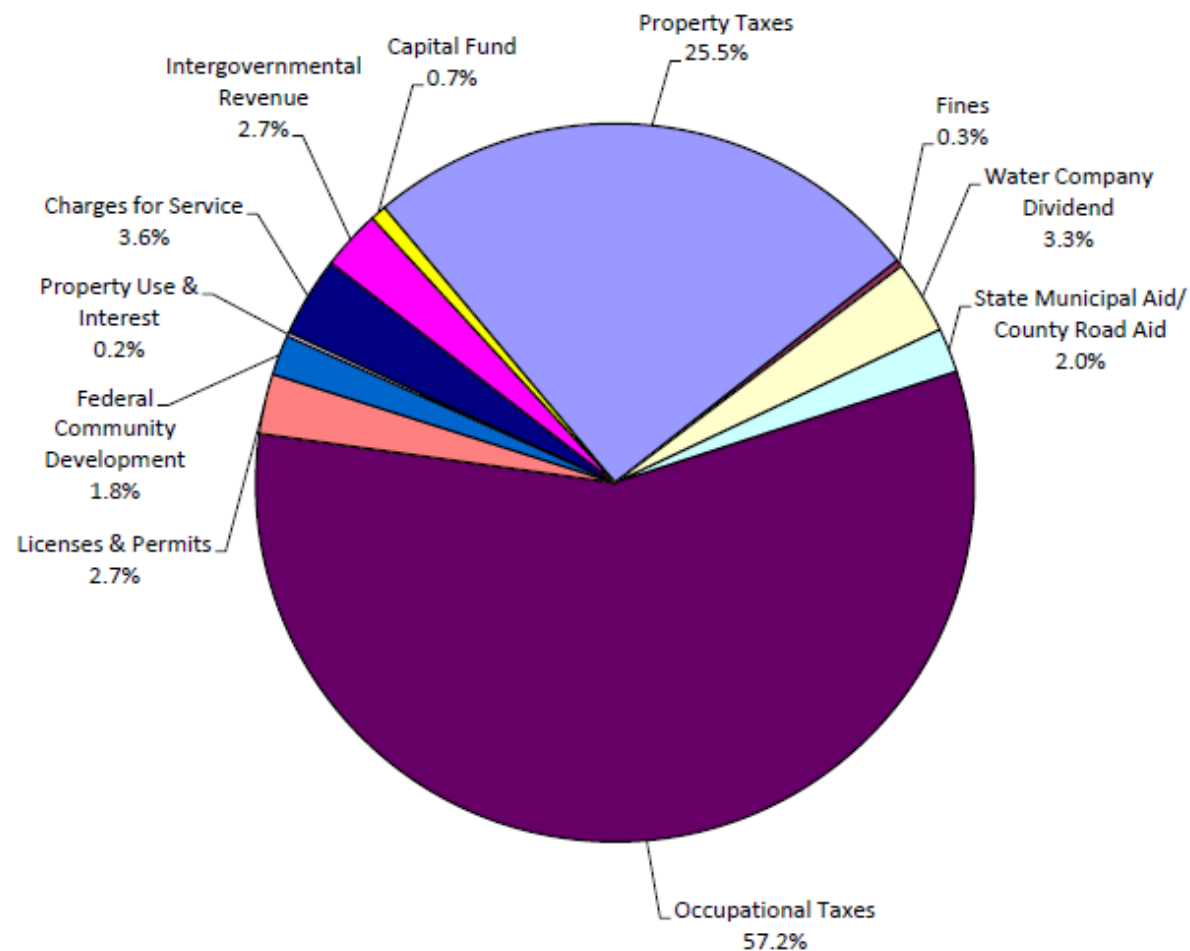




RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

LOUISVILLE METRO
SOURCES OF REVENUE
FISCAL YEAR 2016-2017

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





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

FY17 GF Revenue (in \$000's) Growth Forecast

	FY16 Est.	FY17 Forecast	Growth Forecast	% Growth	*CAGR-5 %
Property	\$150,500	\$155,730	\$5,230	3.5%	1.6%
Payroll	257,800	268,570	10,770	4.2%	4.1%
Net Profit	65,300	65,920	620	0.9%	8.8%
Insurance	57,010	58,440	1,430	2.5%	3.5%
Water Co.	20,560	20,320	(240)	(1.2%)	2.4%
Other	23,347	14,444	(8,903)	(38.1%)	(8.9%)
Total GF	\$574,517	\$583,424	\$8,907	1.6%	3.0%

*CAGR-5% is the Compound Average Growth Rate for the past 5 years, FY11-FY16 Est.



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Decreases Reflected in "Other" Category

	FY17	FY16 Est.	\$ Difference	% Difference
1. Contra (Rev Comm)	\$ (43,526,400)	\$ (38,023,400)	\$ (5,503,000)	14%
2. Privileges	80,000	3,180,000	(3,100,000)	(97%)
3. Intergovernmental - Corrections	4,860,000	5,150,000	(290,000)	(6%)
4. Intergovernmental - Youth Det.	3,280,000	3,600,000	(320,000)	(9%)
5. All Other Items	49,750,000	49,440,000	310,000	1%
Total	\$ 14,443,600	\$ 23,346,600	\$ (8,903,000)	(38%)



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Requested Quarterly Revenue Spread

	Q1	Q2	Q3	Q4	FY17 TOTAL
Employee Withholdings	63,690,000	64,050,000	72,230,000	68,600,000	268,570,000
Net Profits	10,350,000	9,300,000	11,400,000	34,870,000	65,920,000
Insurance Premiums	14,960,000	14,360,000	14,320,000	14,800,000	58,440,000
Water Co. Dividend	5,200,000	5,200,000	4,710,000	5,210,000	20,320,000
1 Real & Personal Property	1%	95%		4%	133,330,000
2 All Other	25%	25%	25%	25%	36,843,600

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 item 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
FY16	54.9	67.2	122.1
% 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%
FY16	10.4%	0.2%	4.5%

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 2016-2017

Requested Quarterly Revenue Spread

	Q1	Q2	Q3	Q4	FY17 TOTAL
Employee Withholdings	\$63,690,000	\$64,050,000	\$72,230,000	\$68,600,000	\$268,570,000
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Insurance Premiums	14,960,000	14,360,000	14,320,000	14,800,000	58,440,000
Water Co. Dividend	5,200,000	5,200,000	4,710,000	5,210,000	20,320,000
Real & Personal Property	1,330,000	63,330,000	63,330,000	5,340,000	133,330,000
All Other	9,210,000	9,210,000	9,210,000	9,213,600	36,843,600
TOTAL:	\$104,740,000	\$165,450,000	\$175,200,000	\$138,033,600	\$583,423,600

	Q1 YTD	Q2 YTD	Q3 YTD	FY17 TOTAL
Employee Withholdings	\$63,690,000	\$127,740,000	\$199,970,000	\$268,570,000
Net Profits	10,350,000	19,650,000	31,050,000	65,920,000
Insurance Premiums	14,960,000	29,320,000	43,640,000	58,440,000
Water Co. Dividend	5,200,000	10,400,000	15,110,000	20,320,000
Real & Personal Property	1,330,000	64,660,000	127,990,000	133,330,000
All Other	9,210,000	18,420,000	27,630,000	36,843,600
TOTAL:	\$104,740,000	\$270,190,000	\$445,390,000	\$583,423,600



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

QUESTION AND ANSWER



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

OPERATING OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Metro Budget by Category

Total Budget for All Funds		
	FY17	FY16 Original Budget
Operating	\$706,674,700	\$678,999,600
Capital	107,847,800	212,087,304
Debt Service	7,458,800	11,858,700
Total	\$821,981,300	\$902,945,604

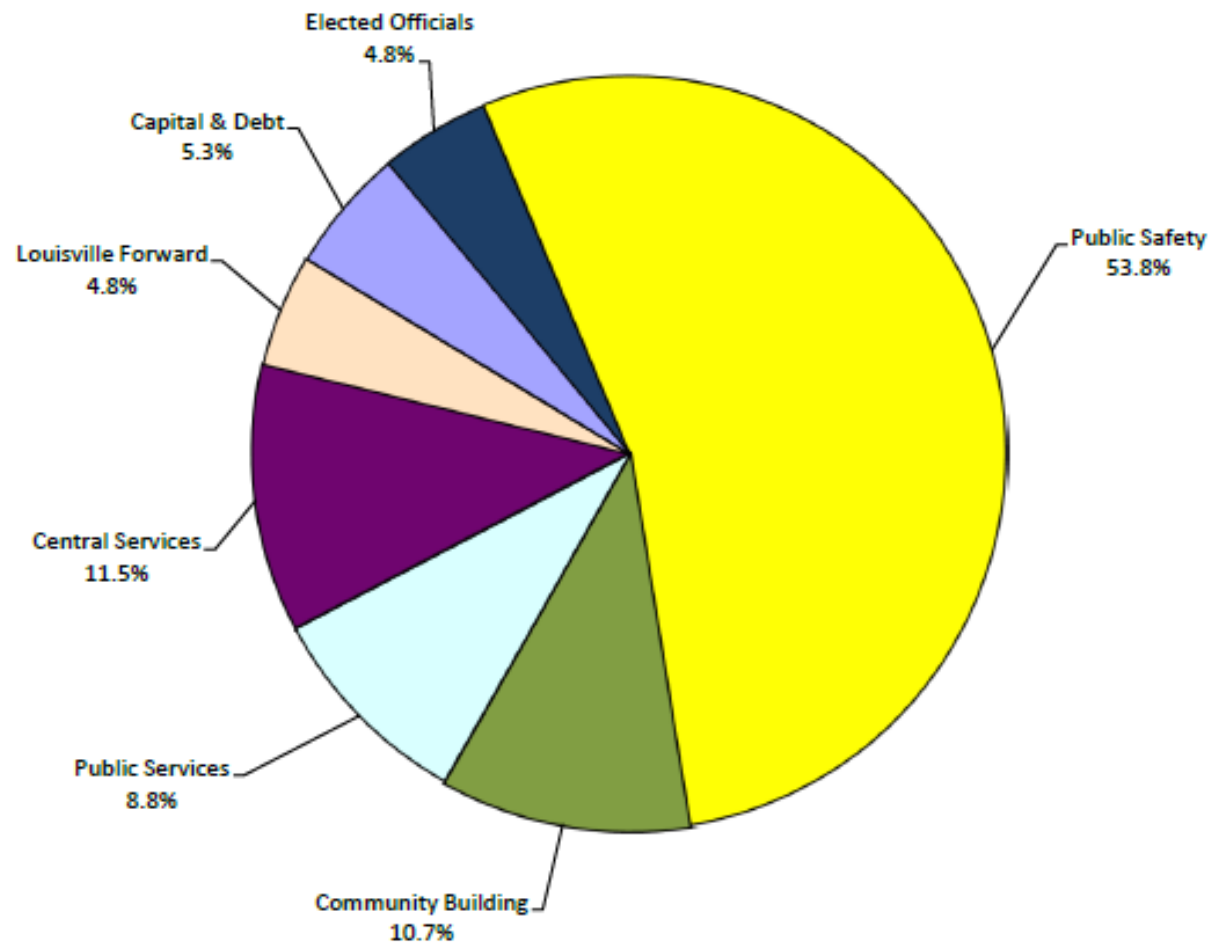
Changes from FY16 Original Budget to FY17:		
Operating	\$27,675,100	4.1%
Capital	(\$104,239,504)	(49.1%)
Debt Service	(4,399,900)	(37.1%)
Total	(\$80,964,304)	(9.0%)



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

LOUISVILLE METRO
EXPENDITURES
FISCAL YEAR 2016-2017

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





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

The FY17 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	Improve Citizen Interaction and Transparency	
	5	Deliver Better Fire Protection	



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

Goal #1: Improve Multi-Modal Transportation and Community Streetscapes

- \$24.1M in Public Works & Assets for improvements to Metro's streets, bicycle infrastructure, sidewalks, bridges and cross drains, guardrails, and general street safety
- \$770K in Public Works & Assets (operating) to hire additional engineers and permit inspectors to facilitate capital project completion



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

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

- \$3.5M for vehicles/equipment for Fire/EMS first responders
- \$680K to modernize the audio/video distribution system that provides situational awareness for EMS and other first responders

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

- \$4.0M for vehicles/equipment for Police



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

Goal #4: Improve Citizen Interaction and Transparency

- \$6.2M for a new work order management system
- \$640K to enhance network infrastructure and continue CyberSecurity improvements
- \$7.5M for new tax collection system
- \$3.4M to replace Animal Service's shelter

Goal #5: Deliver Better Fire Protection

- \$3.5M for vehicles/equipment for Fire/EMS first responders (mentioned under Goal #2)



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

The FY17 Budget . . .is built on Metro's Strategic Plan

Metro Objectives	Metro Goals
 Ensure Fiscal Integrity	6 Enact Comprehensive Financial Management



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

The FY17 Budget . . .is built on Metro's Strategic Plan

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



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

Goal #7: Create Jobs

- \$750K for the Develop Louisville Fund to support private development efforts and job creation with a commitment to the Russell Neighborhood

Goal #8: Increase Educational Attainment

- \$650K to the Louisville Free Public Library for the design of a new Northeast Regional Library

Goal #10: Promote Our Local Food Economy

- \$350K to Develop Louisville for the construction of perimeter sidewalks at the West Louisville FoodPort



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

The FY17 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	Increase and Preserve Affordable Housing Choices throughout Louisville Metro
	13	Help Our Citizens Get Healthy
	14	Build Opportunities for the Arts and Creative Industries
	15	Increase Inclusion and Create Equity
	16	Decrease Abandoned Structures



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

Goal #11: Revitalize Our Parks and Enhance Recreational Opportunities

- \$1.7M for deferred maintenance and general repair across the park system
- \$675K for improvements to Shawnee, William Harrison, Russell Lee and Wyandotte Parks
- \$400K for community center improvements
- \$4M to Slugger Field for capital improvements



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

Goal #12: Develop and Preserve Affordable Housing

- \$3M for Home Repair
- \$2.5M in funding to the Affordable Housing Trust Fund
- \$600K HOME match paired with \$2.4M of federal funding





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

Goal #13: Help Our Citizens Get Healthy

- \$63,500 to fully fund the match for a \$1.3M federal grant to facilitate a bike sharing program in downtown Louisville

Goal #14: Build Opportunities for the Arts and Creative Industries

- \$100K for the Public Art Pilot Project
- \$225K for Parks & Recreation's West Louisville Outdoor Learning Initiative



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

The FY17 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 Creativity and Innovation
	20 Create a More Sustainable Louisville
	21 Grow as a Compassionate City



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Project Highlights

Goal #17: Plan for Our Future

- \$350K for the second phase of Comprehensive Plan development

Goal #20: Create a More Sustainable Louisville

- \$600K for tree planting to increase the city tree canopy



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Currently Filled Personnel Comparison:

Filled Position Comparison				
	Full-Time	Part-Time	Other	Total
4/1/2016	5,488	295	225	6,008
4/1/2012	5,456	379	226	6,061
Net	32	(84)	(1)	(53)



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

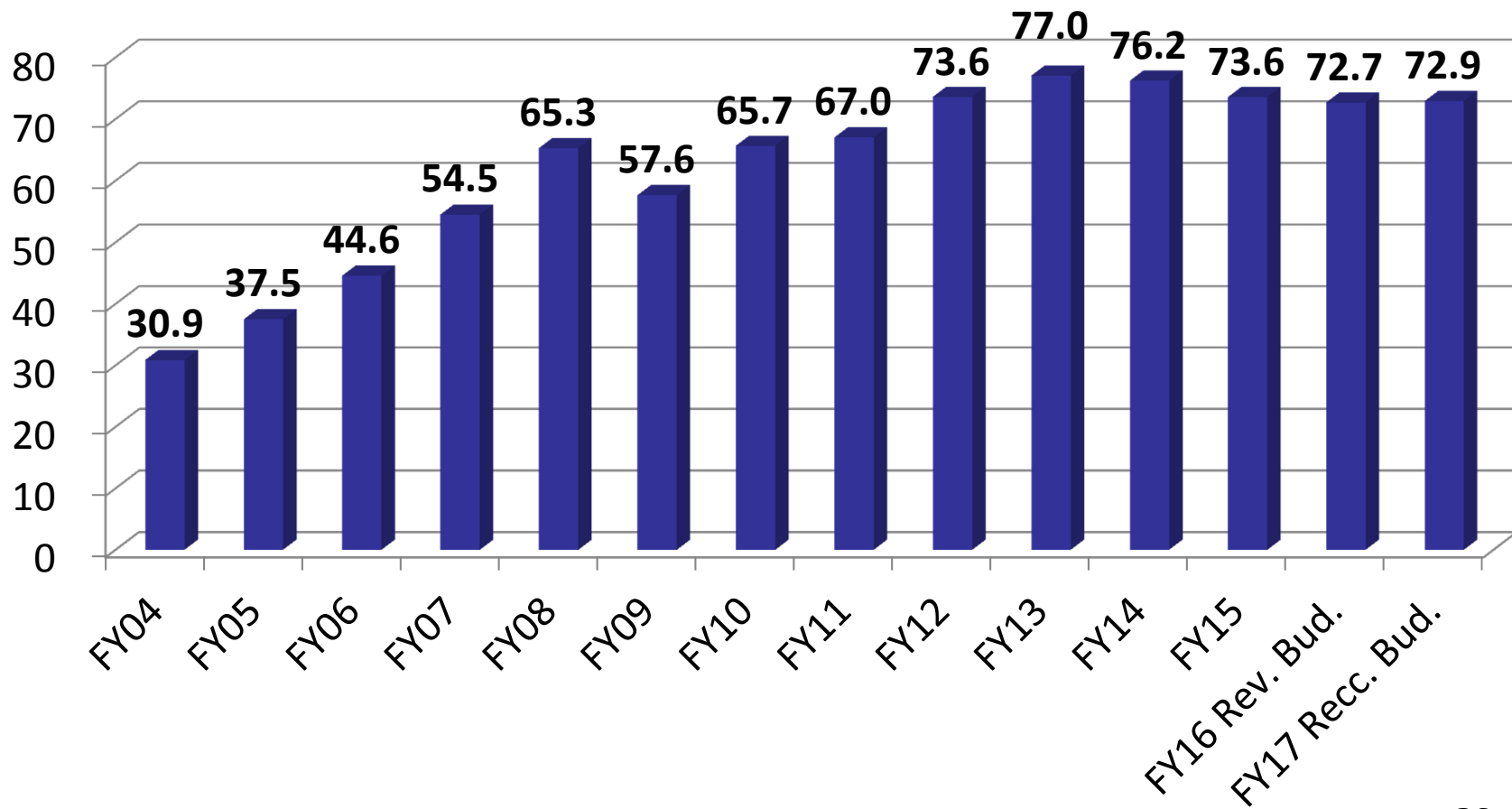
CERS Rate History:

<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%
FY 2016-17	31.06	(5.7%)	68%	FY 2016-17	18.68	9.5%	154%



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

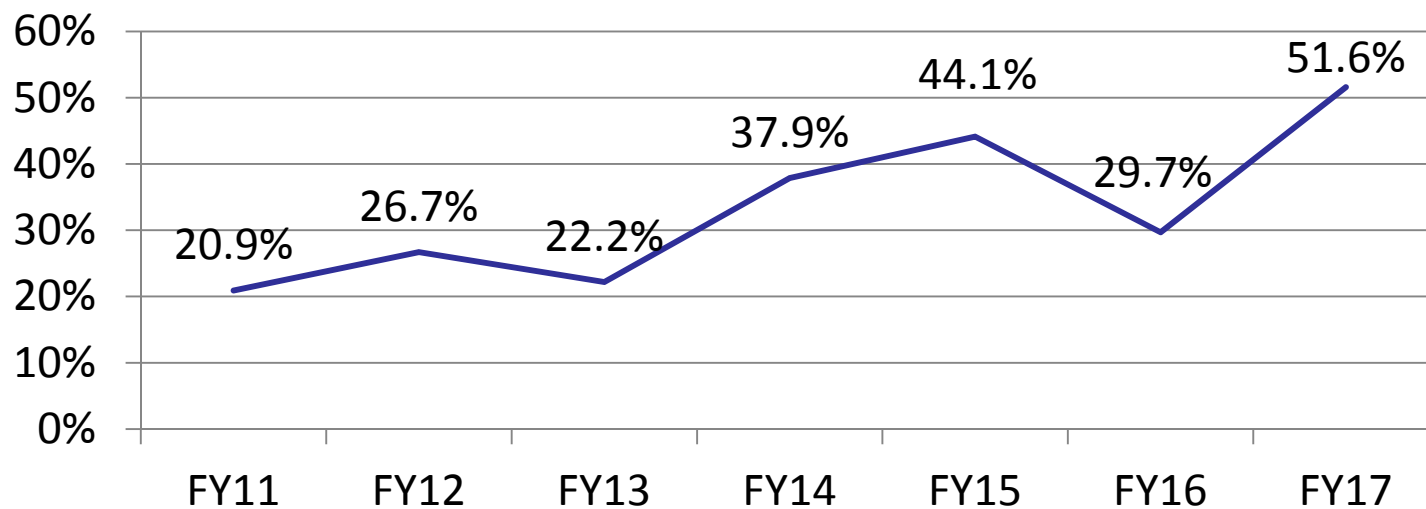
Metro CERS Contribution History (in millions)





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

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



Percentage of MAP funds in Capital Budget

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Operating \$	9,463,700	\$ 10,693,700	\$ 11,641,000	\$ 9,441,000	\$ 8,541,000	\$ 8,541,000	\$ 6,000,000
Capital	2,502,700	3,896,300	3,319,000	5,759,700	6,749,000	3,609,000	6,400,000
Total \$	11,966,400	\$ 14,590,000	\$ 14,960,000	\$ 15,200,700	\$ 15,290,000	\$ 12,150,000	\$ 12,400,000



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

QUESTION AND ANSWER



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

DEBT MANAGEMENT OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

FY17 Debt Service Paid by the Revenue Commission

Issue	Gross Debt Service	External Source of Debt Service	Net Debt Service	Budgeted Amount
2006A	\$1,606,500	-	\$1,606,500	\$1,606,500
2009A	789,360	-	789,360	789,400
2009B	3,788,375	-	3,788,375	3,788,400
2009C	1,756,000	-	1,756,000	1,756,000
2009E	5,177,450	-	5,177,450	5,177,500
2009F	3,245,353	1,497,254	1,748,098	1,748,100
2010A	4,352,500	-	4,352,500	4,352,500
2010C	733,199	237,468	495,732	495,800
2010D	3,830,438	2,369,103	1,461,335	1,461,400
2010E	679,497	-	679,497	679,500
2013A	675,519	-	675,519	675,600
2013B	1,706,735	-	1,706,735	1,706,800
2013D	703,750	-	703,750	703,800
2014A	412,633	-	412,633	412,700
2014B	1,022,483	-	1,022,483	1,022,500
2014D	746,850	-	746,850	746,900
2014E	4,410,500	-	4,410,500	4,410,500
2014F	683,400	-	683,400	683,400
2015A	7,975,550	460,000	7,515,550	7,515,600
2015B	686,953	-	686,953	687,000
2015B Ctr City	-	-	-	-
2016A	3,704,354	-	3,704,354	3,704,400
2016B	-	-	-	-
SUBTOTAL:	\$48,687,399	\$4,563,825	\$44,123,574	\$44,124,300
FY17 TOTAL:	\$60,537,216	\$8,954,988	\$51,582,228	\$51,583,100



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

FY17 DEBT SERVICE

FY17 Debt Service Paid by the Office of Management & Budget

Issue	Gross Debt Service	External Source of		Budgeted Amount
		Debt Service	Net Debt Service	
1992A	\$7,005,000	-	\$7,005,000	\$7,005,000
2007A	4,480,779	4,391,163	89,616	89,700
2011 Lease	364,039	-	364,039	364,100
SUBTOTAL:	\$11,849,817	\$4,391,163	\$7,458,654	\$7,458,800



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Outstanding Debt Level:

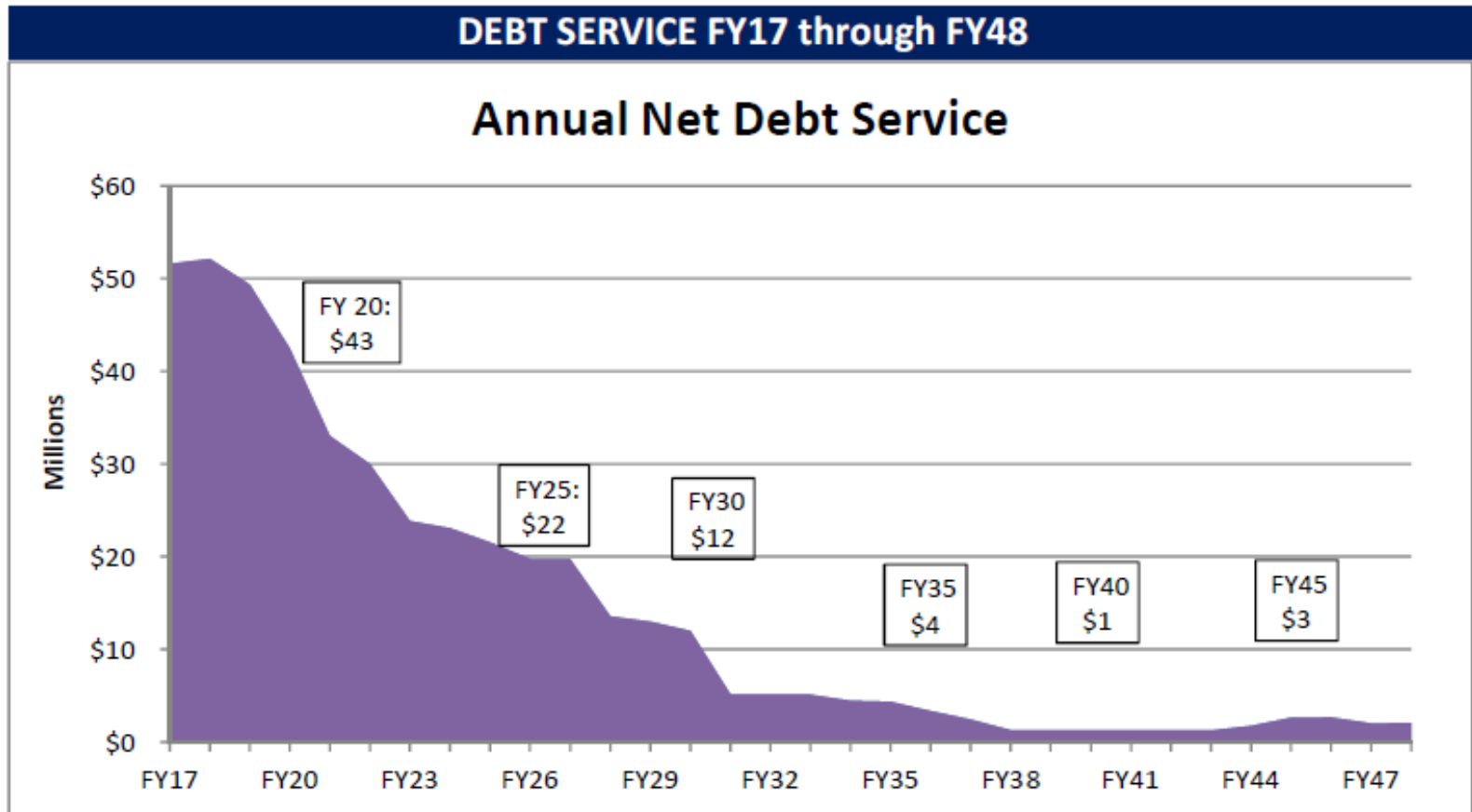
	Totals in Millions								
	FY10	FY11	FY12	FY13	FY14	FY15	Est. FY16	Est FY17	*Est FY17
Outstanding Debt (CAFR)	\$450	\$428	\$393	\$371	\$340	\$331	\$379	\$491	\$402
General Fund Table (Budget)	\$488	\$496	\$499	\$526	\$527	\$557	\$575	\$583	\$583
Debt as a % of General Fund:	92%	86%	79%	71%	65%	59%	66%	84%	69%

*Outstanding estimated debt with 17% of the Center City project displayed to be consistent with anticipated local debt service obligation.



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

LONG-TERM DEBT SERVICE





RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

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 2016-2017

“We consider the metro government’s economy to be strong. . .broad and diverse. We view the metro government’s management to be strong. . .”

--S&P Ratings Report for Louisville, 10/30/15

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

--Fitch Ratings Report for Louisville, 11/5/15

“The adopted fiscal 2016 General Fund budget is structurally balanced. . .we expect Louisville Metro’s debt profile will remain manageable in the near term. ”

--Moody’s Ratings Report for Louisville, 11/2/15



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

QUESTION AND ANSWER



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

CAPITAL OVERVIEW



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Metro Capital Budget by Function

Capital Project	FY16 Recommended	FY17 Recommended	FY17-v-FY16 Inc./ (Dec.)	% Inc./ (Dec.)
Housing	\$7,270,300	\$12,018,300	\$4,748,000	65%
Street Infrastructure				
Metro Street Improvements	8,100,000	18,541,000	10,441,000	129%
Bridge/Cross Drain	1,539,000	1,539,000	-	0%
Bicycle Infrastructure*	400,000	500,000	100,000	25%
Metro Sidewalk Repair	1,500,000	2,900,000	1,400,000	93%
Street Infrastructure Subtotal	\$11,539,000	\$23,480,000	\$11,941,000	103%
*Bicycle Infrastructure included in Metro Street Improvements in FY16				
General Repairs				
Louisville Free Public Library	300,000	300,000	-	0%
Parks & Recreation	1,600,000	1,700,000	100,000	6%
Zoo	800,000	800,000	-	0%
OMB Facilities	1,600,000	2,200,000	600,000	38%
General Repairs Subtotal	\$4,300,000	\$5,000,000	\$700,000	16%
Technology	1,850,000	14,600,000	12,750,000	689%
Vehicles & Equipment	10,000,000	12,000,000	2,000,000	20%



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Budget Funding Sources

CAPITAL FUND	
FY17 Current Year Transfer from the General Fund	\$13,033,500
Capital Cumulative Reserve Fund (CCRF) Interest	130,000
TOTAL:	\$13,163,500



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Municipal & County Aid Funding Sources and Projects

MUNICIPAL & COUNTY AID FUNDING

Municipal Aid Funds	\$5,800,000
County Road Aid Funds	600,000
TOTAL:	\$6,400,000

MUNICIPAL & COUNTY AID FUNDED PROJECTS

#11 PW&A: Metro Street Improvements	\$4,261,000
#12 PW&A: Bridge/Cross Drain Repairs	1,539,000
#13 PW&A: Signs & Markings	500,000
#25 PW&A: Guardrail Replacement	100,000
TOTAL:	\$6,400,000



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

Capital Budget Funding Sources

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING	
Estimated Formula Entitlement	\$10,311,000
Carryforward Funds	483,000
Program Income	200,000
Subtotal:	\$10,994,000
Appropriated for Operating Budget:	\$5,724,000
CAPITAL TOTAL:	\$5,270,000



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

CDBG Funded Projects

CDBG FUNDED PROJECTS

#25 Parks: William Harrison Park Improvements	\$175,000
#26 Parks: Russell Lee Park Walking Path Installation	100,000
#27 Parks: Wyandotte Park Improvements	250,000
#28 Parks: West Louisville Outdoor Learning Initiative	225,000
#40 Develop Louisville: Home Repair	3,070,000
#41 Develop Louisville: Youthbuild Campus Expansion	400,000
#42 Develop Louisville: Russell NRSA	1,000,000
#52 Develop Louisville: Oak Street Corridor Design	50,000
TOTAL:	\$5,270,000



RECOMMENDED EXECUTIVE BUDGET FY 2016-2017

QUESTION AND ANSWER