



DISTRICT 12 DIALOGUE
COUNCILMAN RICK
BLACKWELL
METRO BUDGET FY2020

Tuesday, February 19, 2019

FISCAL YEAR 2020 BUDGET

Facing \$35 Million Budget Deficit

Rising Pension Costs – 12%
increase each year until FY2023

Rising Health Care Costs

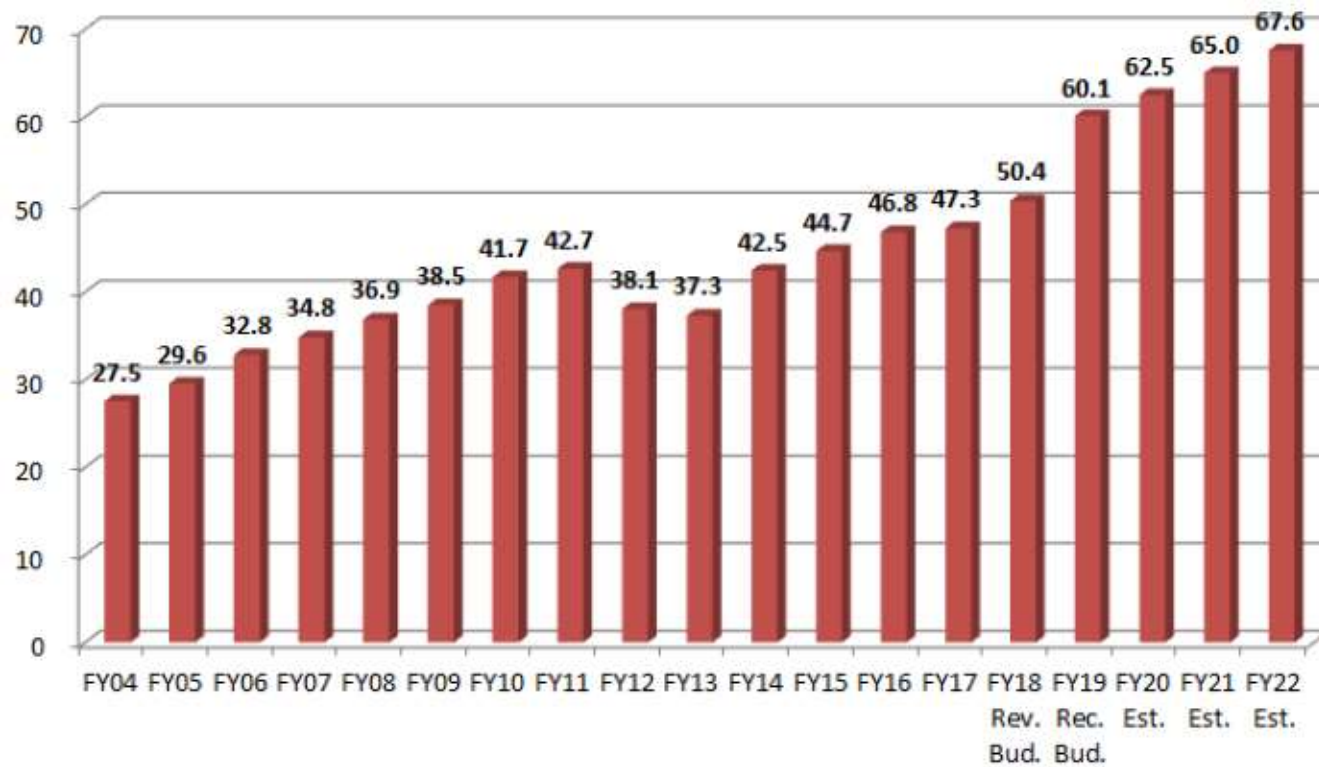
\$65 Million Deficit by FY2023

METRO CERS CONTRIBUTION HISTORY (IN MILLIONS)



*Provided by Metro Finance

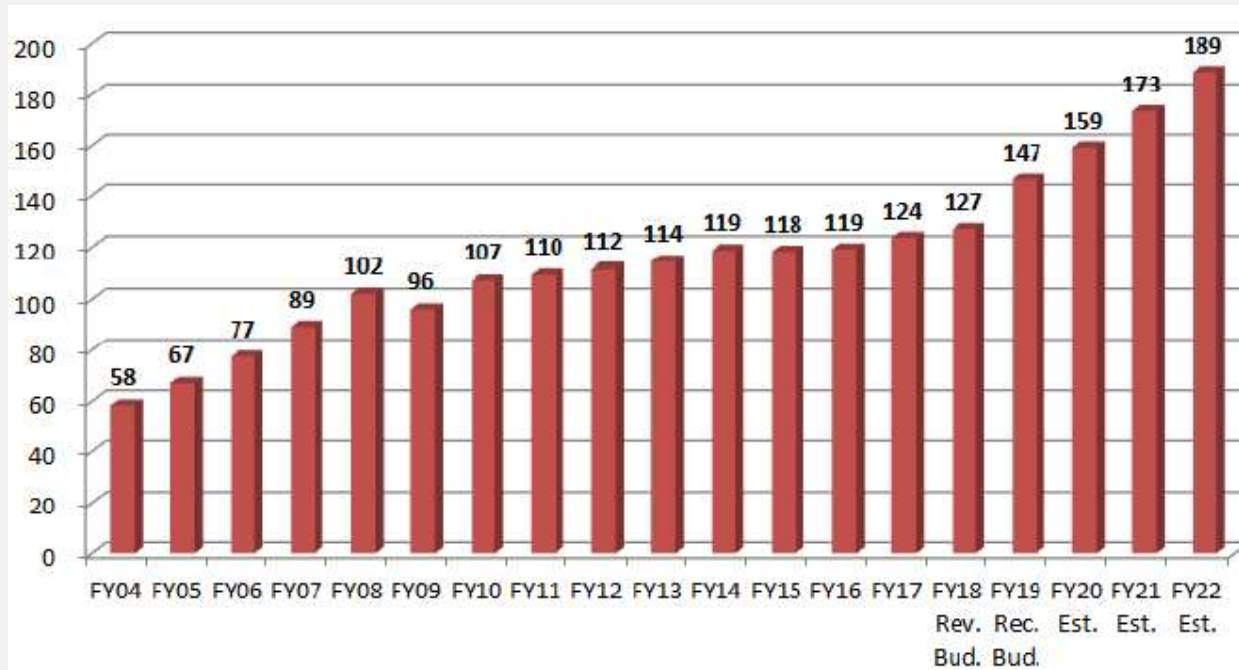
METRO HEALTH INSURANCE COSTS (IN MILLIONS)



Note: estimated 4% health insurance annual rate increase assumed for FY20-FY22

*Provided by Metro Finance

METRO CERS & HEALTH INSURANCE COSTS (IN MILLIONS)



Note: estimated 12% CERS rate annual increase and 4% health insurance rate annual increase assumed for FY20-FY22

*Provided by Metro Finance

HOW DID WE GET HERE?

LMG always paid 100% pension assumption
bill from State

KY State Government mandates the
pension plan local governments offer
employees

Invoice

From
Ky Retirement System

To
Metro Louisville

Number INV0001

Date Feb 18, 2019

Terms Due On Receipt

Description	Price	Qty	Amount
Additional Pension Costs	\$10,000,000.00	1	\$10,000,000.00
Subtotal			\$10,000,000.00
Total			\$10,000,000.00
Balance Due			\$10,000,000.00

WHAT ARE OUR OPTIONS?



Budget Cuts



Increased Revenue



Combination of both

WHAT ARE OUR OPTIONS?

BUDGET CUTS

- **Budget Cuts - Reduction in personnel and services provided by Metro**
 - Public Safety – Could affect staffing levels of LMPD, EMS, and MetroSafe
 - Codes & Regulations – Reduction in Code Enforcement Officers
 - Eliminate External Agency Funds – Southwest Community Ministries, Shively Area Ministries, South Louisville Community Ministries
 - Louisville Free Public Library – Shorten operating hours for branches
 - Metro Parks – Eliminate 4 of 17 Community Centers
 - Eliminate 4 of 5 Pools (potentially Sun Valley)
 - Eliminate 4 of 10 Golf Courses (potentially Bobby Nichols, Iroquois and/or Sun Valley)
 - Public Health & Wellness – Eliminate immunization program

WHAT ARE OUR OPTIONS?

**INCREASED REVENUE
WHAT OPTIONS ARE AVAILABLE BY KRS?**



Property Tax Increase

An increase of more than 4% subject to recall by voters

Doubling the tax would raise \$70-75 million



Utility Franchise Fee

5% Fee generate \$13 million; could not be applied in suburban cities



Car Rental Tax

3% tax maximum would create \$500,000 - \$1M annually



**Insurance Premium
Tax Increase**

WHAT ARE OUR OPTIONS?

INCREASED REVENUE
OPTIONS **NOT** AVAILABLE



TRANSIENT ROOM
TAX



RESTAURANT TAX



OCCUPATIONAL
LICENSE FEE
INCREASE



LOCAL OPTION
SALES TAX

WHAT ARE OUR OPTIONS?

**INCREASED REVENUE
INSURANCE PREMIUM
TAX PROPOSAL**

Current Insurance Premium Tax
Rate – 5%

FY 2020 – 12.5%

FY 2022 – 13.5%

FY 2023 – 15%

WHAT ARE OUR OPTIONS?

INCREASED REVENUE

POLICIES AFFECTED



Life



Marine



Fire



Casualty



Miscellaneous*

**includes malpractice and
extra liability policies*

POLICIES EXEMPTED



HEALTH
INSURANCE



AUTO
INSURANCE

WHAT ARE OUR OPTIONS?
COMBINATION BUDGET CUTS & INCREASED REVENUE



Less Devastating Cuts



Other form of Increased
Revenue

QUESTIONS I NEED ANSWERS TO



How would an increase insurance tax affect homeowners and residents in District 12?



Will Metro's pension obligations decrease in the future?



What do my constituents think?



What services are most important to you?



Q&A