Directors,

At last night's Council Meeting the Council voted to table the bond ordinance that would fund the debt-related capital projects for Metro's FY19.  During the discussion, prior to tabling the bond ordinance there was concern expressed that Metro should not be taking on debt.  Until we have clarification on how much FY19 debt will be approved the prudent financial action to take is to **suspend all FY19 debt-related projects** so that we do not incur more costs without clarification of how those costs will be funded.

I understand the hardship this will cause as many of you have done your best to execute the FY19 capital budget, especially after the attached project list was approved in the following manner:

1. FY19 debt-funded capital projects approved by Ordinance No. 109, Series 2018 on 6/26/18
2. FY19 bond reimbursement resolution approved by Resolution No. 107, Series 2018 on 7/26/18

I understand the frustration that may be caused by potential funding reductions eight months into the fiscal year, but unfortunately we will need to await a determination of how much debt will be authorized and what associated projects will be reduced to match the authorization.  Obviously, we cannot "unspend" projects that have incurred expenses in good faith based on the above listed public actions of the Metro Council (currently $19.3 million expended with additional encumbrances of $19.0 million), but we have to recognize from the discussion last night that the Metro Council may want to revise its authorization level for debt associated with the FY19 capital projects.

Please work with your vendors, contractors, OMB Procurement, County Attorney, fiscal administrators, and project managers to minimize the damaging impact of this suspension in terms of any financial penalties, further project delays, or equipment purchases.  I will update you after the next Metro Council meeting on 3/21 to let you know if the bond is taken off the table to be approved (and if so, at what amount) or if it remains tabled.

To see more on the specific funding discussion please see minutes 1:09 to 1:14 of the meeting: <http://louisville.granicus.com/MediaPlayer.php?view_id=2&clip_id=5937>

The action last night was taken by an affirmative vote by 18 members of the Council to table this funding mechanism: LIST

OMB will assist you in any way possible—please work primarily with your fiscal administrators, budget analysts, and procurement team.  Joel Neaveill, our Procurement Director, will be following this email with more detail on how to address this issue with our vendors and contractors.

Best,

Daniel