Lexington-Fayette Urban County Council

Committee of the Whole (COW): FY26 Budget

April 29, 2025
1:00 PM

Council Chamber

Agenda

I. Quarterly Financial Update (p. 2 - 31)
(Hensley / Lueker / Holbrook)

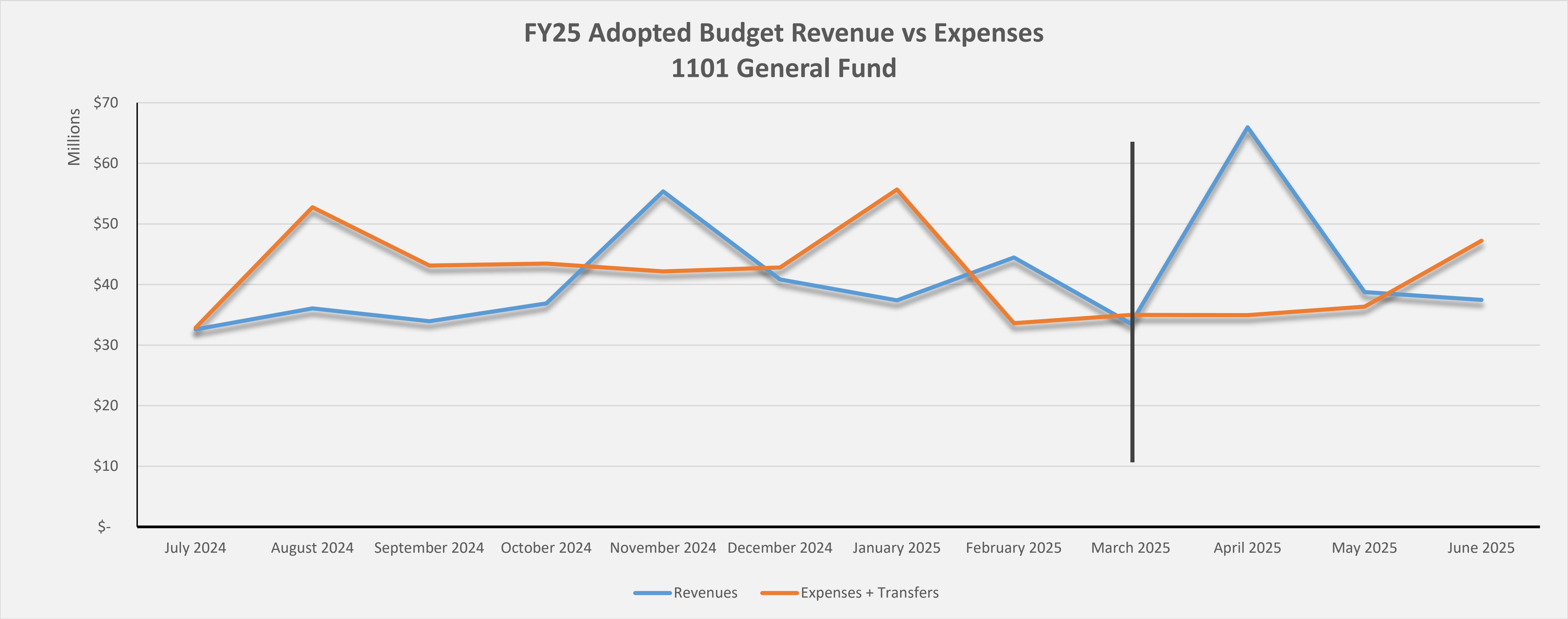
II. FY2026 Mayor's Proposed Budget Overview (p. 32 - 62)
(Hensley)

III. Revenue Adoption Discussion (p. NA)

FY2025 THIRD QUARTER FINANCIAL UPDATE

Urban County Council
Budget, Finance and Economic Development Committee
April 29, 2025

FY25 Adopted Budgeted Revenues v. Expenses

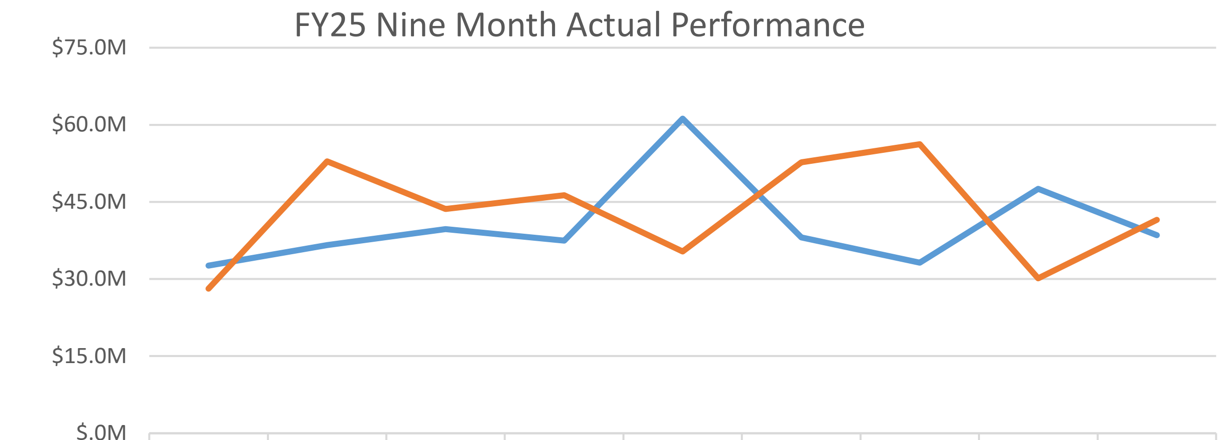


Quarter 3 Performance Review (Actuals)

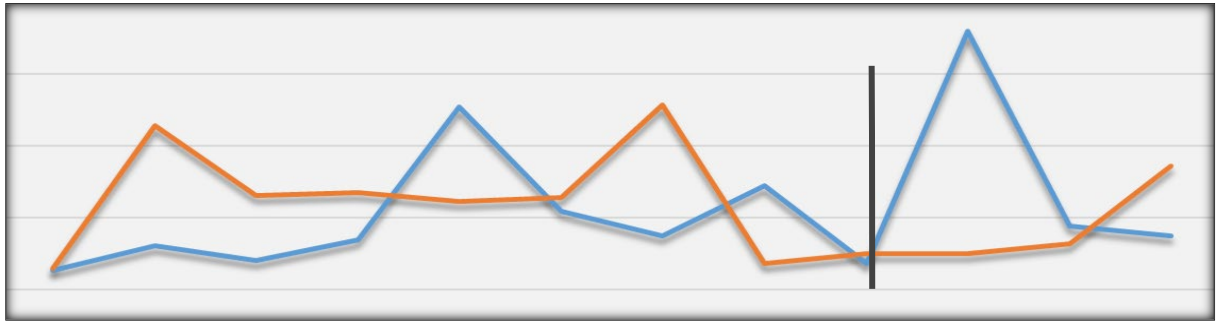
March FY25	
Revenues	$364,919,938
Expenses	($359,800,159)
Transfers	($ 27,122,562)
One-Year Surplus/(Deficit)	**($ 22,002,783)**

Factors to Consider

- Revenue collections are slightly exceeding budget through Quarter 3 with a positive variance of 3%. April is the largest revenue collection month of the fiscal year and will be reflected during Quarter 4.
- The personnel budget is currently reflecting a variance of 3.5% or $8 million. Most of these funds will be included in the prefunding reallocation as part of the Mayor’s Proposed Budget.
- March reporting includes transfers made for budget allocations added during the October 2024 Fund Balance conversation. While expenses and transfers are added to the budget and completed during the current year, new revenues are not. Instead, these transactions are intended to create a deficit in current year, or a use of the prior fund balance. These transactions are valued at $20.2 million.

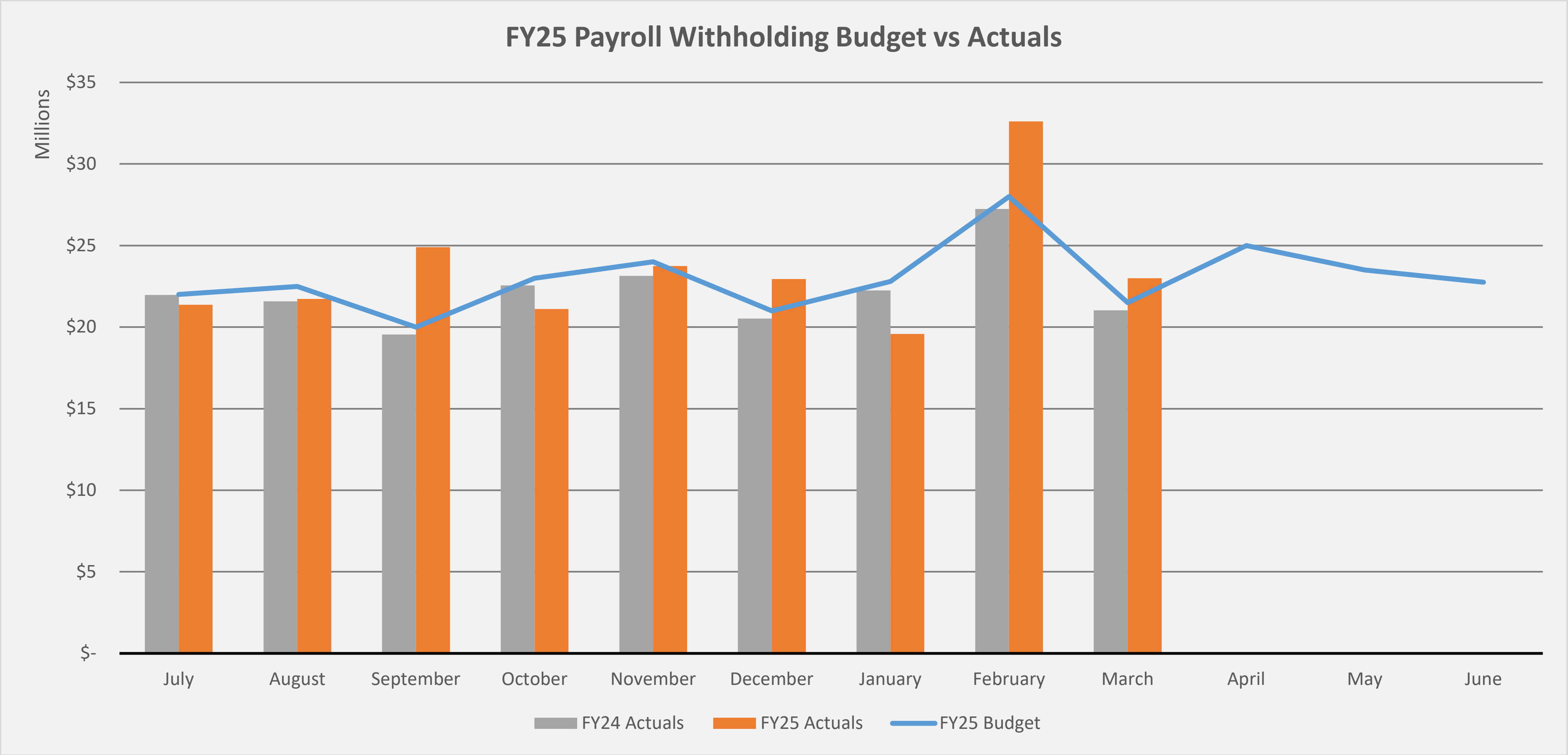


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Revenues	$32.61M	$36.58M	$39.71M	$37.47M	$61.20M	$38.09M	$33.17M	$47.57M	$38.51M
Exp/Xfers	$28.13M	$52.91M	$43.65M	$46.28M	$35.36M	$52.73M	$56.23M	$30.13M	$41.50M

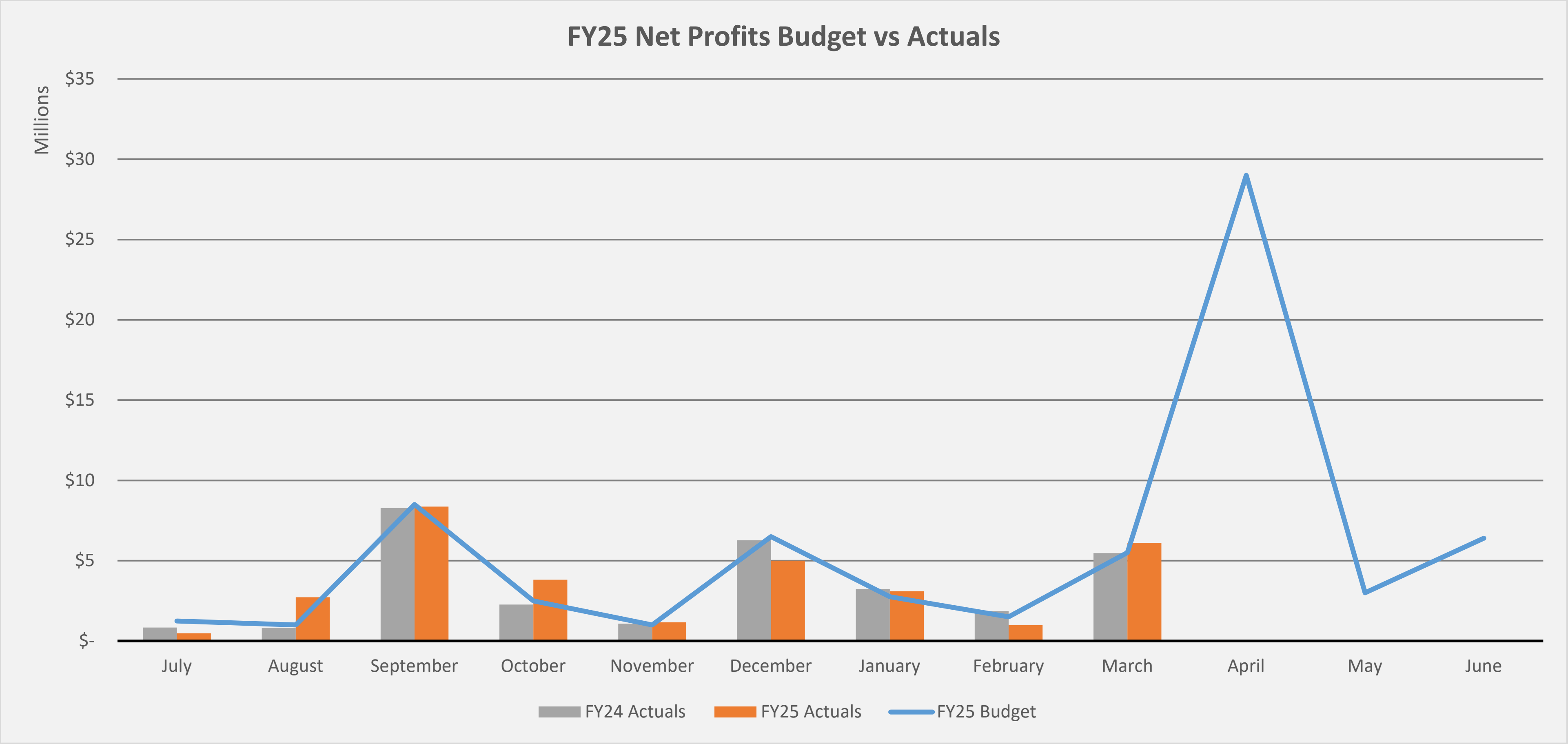


FY2025 Adopted Budget

FY25 Payroll WH Actuals vs. Budget



FY25 Net Profit WH Actuals vs. Budget



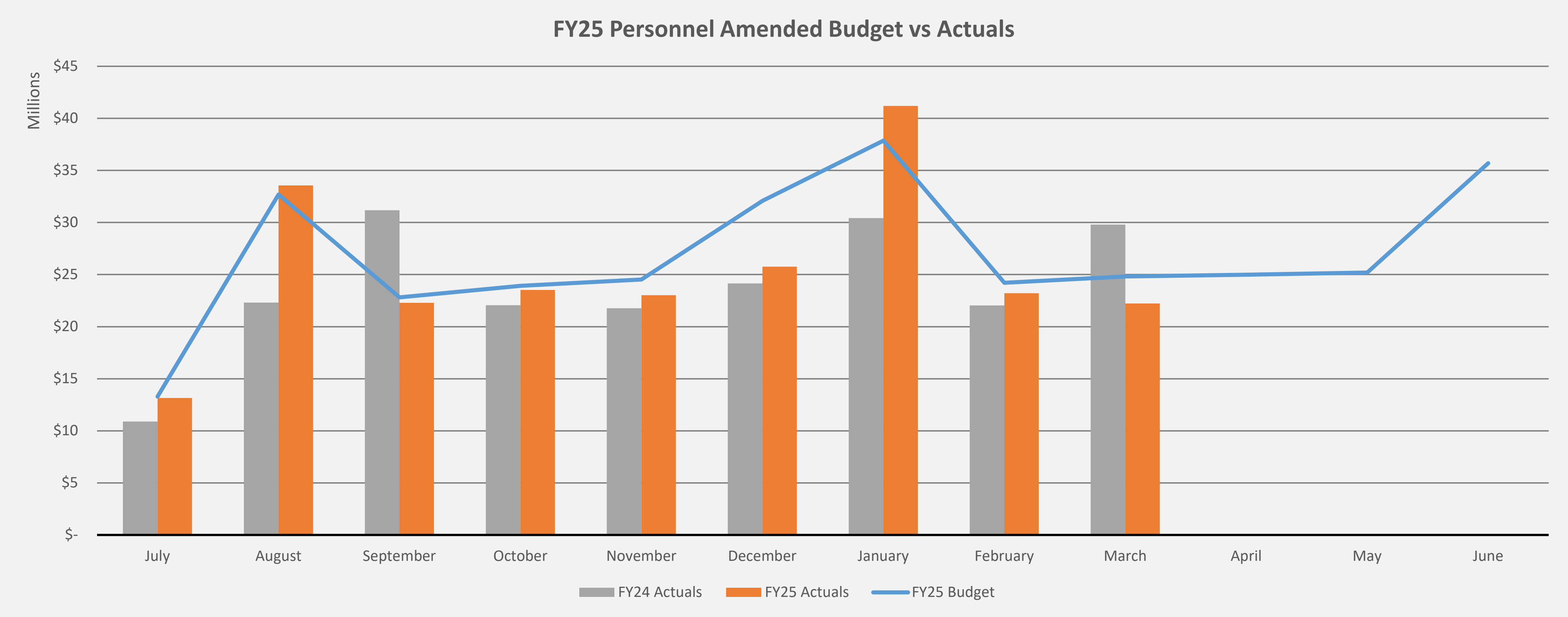
2025 Fiscal Year – Cash Flow Variance Revenue (Actual to Budget)

For the nine months ended March 31, 2025	Actuals	Budget	Variance	% Var
Revenue				
Payroll Withholding	210,976,958	204,800,000	6,176,958	3.0%
Net Profit	31,748,059	30,500,000	1,248,059	4.1%
Insurance	35,719,684	33,900,000	1,819,684	5.4%
Franchise Fees	22,128,979	21,750,000	378,979	1.7%
Other Licenses & Permits	5,789,267	5,434,109	355,158	6.5%
Property Tax Accounts	31,045,953	31,207,739	(161,786)	-0.5%
Services	20,224,842	20,833,963	(609,121)	-2.9%
Fines and Forfeitures	42,775	166,349	(123,574)	-74.3%
Intergovernmental Revenue	679,244	492,504	186,740	37.9%
Property Sales	215,070	119,490	95,580	80.0%
Investment Income	450,233	212,793	237,440	111.6%
Other Financing Sources	1,718,583	1,540,125	178,458	11.6%
Other Income	4,180,291	3,180,294	999,997	31.4%
Total Revenues	**$364,919,938**	**$354,137,366**	**$10,782,572**	**3.0%**

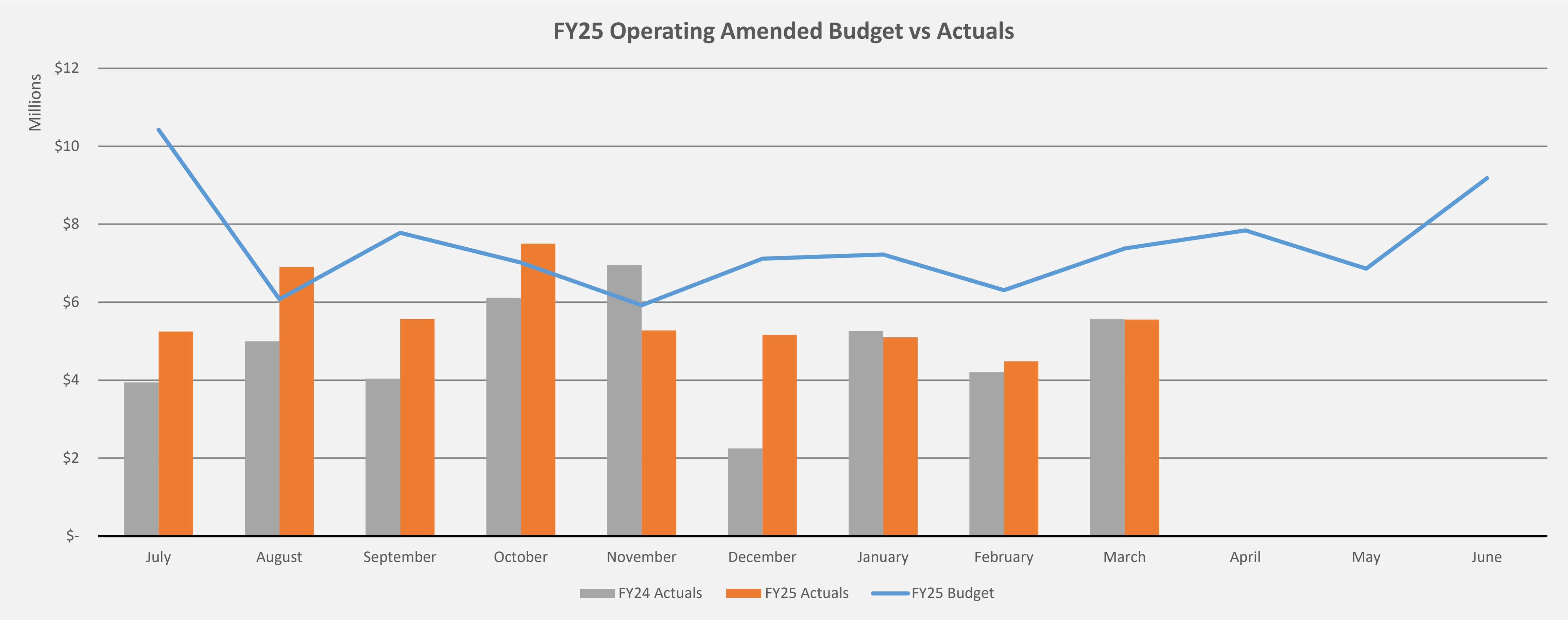
2025 Fiscal Year – Cash Flow Variance Revenue (CY to PY)

For the nine months ended March 31, 2025	FY 2025	FY 2024	Variance	% Var
Revenue				
Payroll Withholding	210,976,958	199,898,169	11,078,789	5.5%
Net Profit	31,748,059	30,154,042	1,594,017	5.3%
Insurance	35,719,684	32,611,987	3,107,697	9.5%
Franchise Fees	22,128,979	21,084,768	1,044,211	5.0%
Other Licenses & Permits	5,789,267	5,523,484	265,783	4.8%
Property Tax Accounts	31,045,953	29,222,772	1,823,181	6.2%
Services	20,224,842	23,058,445	(2,833,603)	-12.3%
Fines and Forfeitures	42,775	201,090	(158,315)	-78.7%
Intergovernmental Revenue	679,244	598,941	80,303	13.4%
Property Sales	215,070	183,130	31,940	17.4%
Investment Income	450,233	1,706,961	(1,256,728)	-73.6%
Other Financing Sources	1,718,583	461,631	1,256,952	272.3%
Other Income	4,180,291	3,984,882	195,409	4.9%
Total Revenues	**$364,919,938**	**$348,690,302**	**$16,229,636**	**4.7%**

FY25 Personnel Actuals vs. Budget



FY25 Operating Actuals vs. Budget



2025 Fiscal Year – Cash Flow Variance Expense (Actual to Budget)

For the nine months ended March 31, 2025				
	Actuals	Budget	Variance	% Var
<u>Expense</u>				
Personnel	227,974,538	236,197,964	8,223,426	3.5%
Operating	50,788,570	65,238,165	14,449,595	22.1%
Insurance Expense	10,060,099	10,026,628	(33,471)	-0.3%
Debt Service	45,166,532	46,827,226	1,660,694	3.5%
Partner Agencies	22,151,471	23,154,285	1,002,814	4.3%
Capital	3,658,949	3,437,231	(221,718)	-6.5%
Total Expenses	**$359,800,159**	**$384,881,499**	**$25,081,340**	**6.5%**
Transfers	**27,122,562**	**28,419,190**	**1,296,628**	**4.6%**
Change in Fund Balance	**($22,002,783)**	**($59,163,323)**	**$37,160,540**	

2025 Fiscal Year – Cash Flow Variance Expense (CY to PY)

For the nine months ended March 31, 2025	FY 2025	FY 2024	Variance	% Var
Expense				
Personnel	227,974,538	214,637,227	13,337,311	6.2%
Operating	50,788,570	43,315,071	7,473,499	17.3%
Insurance Expense	10,060,099	12,336,710	(2,276,611)	-18.5%
Debt Service	45,166,532	43,669,589	1,496,943	3.4%
Partner Agencies	22,151,471	21,137,665	1,013,806	4.8%
Capital	3,658,949	4,294,812	(635,863)	-14.8%
Total Expenses	**$359,800,159**	**$339,391,074**	**$20,409,085**	**6.0%**
Transfers	**27,122,562**	**59,767,073**	**(32,644,511)**	**-54.6%**
Change in Fund Balance	**($22,002,783)**	**($50,467,845)**	**$28,465,062**	

OTHER FUNDS QUARTERLY UPDATE

Through March 31, 2025

LEXINGTON

Urban Services Fund

- The Urban Services Districts Fund (1115) was established to account for Refuse Collection, Street Light, and Street Cleaning services.

- There are special service districts within this fund; they are based on the combination of services provided in that district.

- The fund revenue is primarily derived from an ad valorem tax established for each district estimated at $53,916,840 for FY25.

FY25 - Cash Flow Variance Urban Services Fund – Quarter 3

1115 06/30/2024 Beginning Fund Balance – $25,986,175 (Refuse $24,265,666, Street Light $889,437, Street Cleaning $831,072)

For the nine months ended March 31, 2025	Actuals	Budget	Variance	% Var
Revenue				
Other Licenses & Permits	2,406,986	2,349,933	57,053	2.4%
Property Tax Accounts	54,107,229	54,955,750	(848,521)	-1.5%
Services	1,120,297	2,263,050	(1,142,753)	-50.5%
Property Sales	135,417	56,250	79,167	140.7%
Investment Income	1,261,509	345,000	916,509	265.7%
Other Financing Sources	346,822	346,822	0	0.0%
Other Income	17,441	13,950	3,491	25.0%
Total Revenues	**$59,395,701**	**$60,330,755**	**($935,054)**	**-1.5%**

For the nine months ended March 31, 2025	Actuals	Budget	Variance	% Var
Expense				
Personnel	17,771,921	18,233,468	461,547	2.5%
Operating	20,187,673	26,688,132	6,500,459	24.4%
Insurance Expense	1,019,358	1,017,833	(1,525)	-0.1%
Capital	3,121,089	8,414,809	5,293,720	62.9%
Total Expenses	**$42,100,041**	**$54,354,242**	**$12,254,201**	**22.5%**
Change in Fund Balance	**$17,295,660**	**$5,976,513**	**$11,319,147**	

Sanitary Sewer Funds

- The Sanitary Sewer Funds account for the expenses associated with the operation of the sewer treatment plants, maintenance of pump stations, rehabilitation and maintenance of sewer lines, and physical improvements to the system.
- The Sanitary Sewer Revenue and Operating Fund (4002) provides for the general operating, maintenance, and debt service costs of the sanitary sewer system. Other expenses include the administrative costs of operating the system such as insurance, revenue collection costs, personnel hiring, accounting, payroll processing, and legal fees. The fund is supported by sewer user fees.
- The Sanitary Sewer Construction Fund (4003) was created to account for sanitary sewer construction projects funded by bonds, notes, privilege fees, cash contributions, and sales of surplus property.

FY25 – Cash Flow Variance Sanitary Sewer Operating Fund – Quarter 3

4002 06/30/2024 Beginning Fund Balance – $24,643,798

For the nine months ended March 31, 2025	Actuals	Budget	Variance	% Var
Revenue				
Services	68,752,722	64,575,000	4,177,722	6.5%
Property Sales	259,951	37,500	222,451	593.2%
Investment Income	3,898,933	1,020,000	2,878,933	282.2%
Other Financing Sources	593,660	13,321,110	(12,727,450)	-95.5%
Other Income	879,885	780,000	99,885	12.8%
Total Revenues	**$74,385,151**	**$79,733,610**	**($5,348,459)**	**-6.7%**

For the nine months ended March 31, 2025	Actuals	Budget	Variance	% Var
Expense				
Personnel	11,854,998	13,110,506	1,255,508	9.6%
Operating	12,651,590	17,853,734	5,202,144	29.1%
Insurance Expense	2,897,353	2,894,355	(2,998)	-0.1%
Debt Service	7,809,642	7,992,206	182,564	2.3%
Capital	2,669,784	7,116,114	4,446,330	62.5%
Total Expenses	**$37,883,367**	**$48,966,915**	**$11,083,548**	**22.6%**
Transfers	**-**	**14,999,994**	**14,999,994**	**100.0%**
Change in Fund Balance	**$36,501,784**	**$15,766,701**	**$20,735,083**	

Water Quality Funds

- Water Quality Management Fund (4051) - The Water Quality Management Fund accounts for the water quality management fee. This fee allows Lexington - Fayette County to better maintain its storm sewer infrastructure and provide funding for projects to improve water quality in creeks and streams.
- The Urban County Council gave final approval to a water quality fee on May 14, 2009. This fee was mandated by a consent decree between Lexington-Fayette Urban County Government (LFUCG) and the Environmental Protection Agency.
- The Water Quality Construction Fund (4052) - accounts for construction projects that include improvements to storm water infrastructure, projects to improve water quality and projects that address flooding problems.

FY25 – Cash Flow Variance Water Quality Operating Fund – Quarter 3

4051 06/30/2024 Beginning Fund Balance – $29,553,648

For the nine months ended March 31, 2025	Actuals	Budget	Variance	% Var
Revenue				
Services	14,659,607	13,012,500	1,647,107	12.7%
Fines and Forfeitures	7,533	10,500	(2,967)	-28.3%
Property Sales	(490)	-	(490)	-
Investment Income	764,345	435,000	329,345	75.7%
Other Income	143,442	150,000	(6,558)	-4.4%
Total Revenues	**$15,574,437**	**$13,608,000**	**$1,966,437**	**14.5%**

For the nine months ended March 31, 2025	Actuals	Budget	Variance	% Var
Expense				
Personnel	5,705,706	5,736,538	30,832	0.5%
Operating	2,628,821	4,111,003	1,482,182	36.1%
Insurance Expense	26,618	26,559	(59)	-0.2%
Debt Service	174,021	174,021	0	0.0%
Capital	104,682	134,690	30,008	22.3%
Total Expenses	**$8,639,848**	**$10,182,811**	**$1,542,963**	**15.2%**
Change in Fund Balance	**$6,934,589**	**$3,425,189**	**$3,509,400**	

Landfill Fund

- The Landfill Fund (4121) was established to account for the revenues and expenses associated with the capping and closure of the landfill in Fayette County and the on-going costs of refuse disposal.

- June 20, 1995 - Landfill-solid waste disposal fees approved (Ordinance 138-95).

- State and federal statutes and regulations have mandated significant changes in the requirements for designing, constructing, operating, managing, maintaining, and closing landfills. The revised requirements have imposed extraordinary expenses on landfill operations.

FY25 – Cash Flow Variance Landfill Fund – Quarter 3

4121 06/30/2024 Beginning Fund Balance – $39,412,578

For the nine months ended March 31, 2025				
	Actuals	Budget	Variance	% Var
Revenue				
Services	5,176,103	5,844,750	(668,647)	-11.4%
Investment Income	1,708,937	1,095,000	613,937	56.1%
Other Income	91,821	93,750	(1,929)	-2.1%
Total Revenues	**$6,976,861**	**$7,033,500**	**($56,639)**	**-0.8%**

For the nine months ended March 31, 2025				
	Actuals	Budget	Variance	% Var
Expense				
Personnel	1,367,303	1,882,167	514,864	27.4%
Operating	3,117,305	4,764,369	1,647,064	34.6%
Capital	589,435	3,040,021	2,450,586	80.6%
Total Expenses	**$5,074,043**	**$9,686,557**	**$4,612,514**	**47.6%**
Change in Fund Balance	**$1,902,818**	**($2,653,057)**	**$4,555,875**	

Questions?

LEXINGTON

ARPA FINANCIAL UPDATE

Approved Budget and Actual Expenditures

Through March 31, 2025

LEXINGTON

ARPA DASHBOARD
as of March 31, 2025

Total ARPA Allocated
$121.2 Million
100%

Total ARPA Obligated
$121.2 Million
100%
✓✓✓ **December 31, 2024 Deadline** ✓✓✓

Total ARPA Expended
$108.2 Million
89%
December 31, 2026 Deadline

Funding Overview by ARPA Expenditure Category
Total Grant Budget

1. Public Health $ 1,084,388
- Eligible projects include services and programs to contain and mitigate COVID-19 spread and services to address behavioral healthcare needs exacerbated by the pandemic.

2. Negative Economic Impacts $ 36,404,308
- Eligible projects include those that address the negative impacts caused by the public health emergency including assistance to workers; small business support; speeding the recovery of tourism, travel, and hospitality sectors; and rebuilding public sector and non-profit capacity. This category also includes programs and projects that support long-term housing security and promote strong, healthy communities.

3. Economic Impact: Public Sector/Health Capacity $ 6,791,327
- Eligible projects include expenses for payroll, rehiring, enhanced service delivery, and administrative needs for public sector health, safety, or human services workers.

4. Premium Pay $12,954,007
- ARPA funding provides resources to local government to recognize the heroic contributions of essential workers. Eligible workers include a broad range of essential workers who must be physically present at their job.

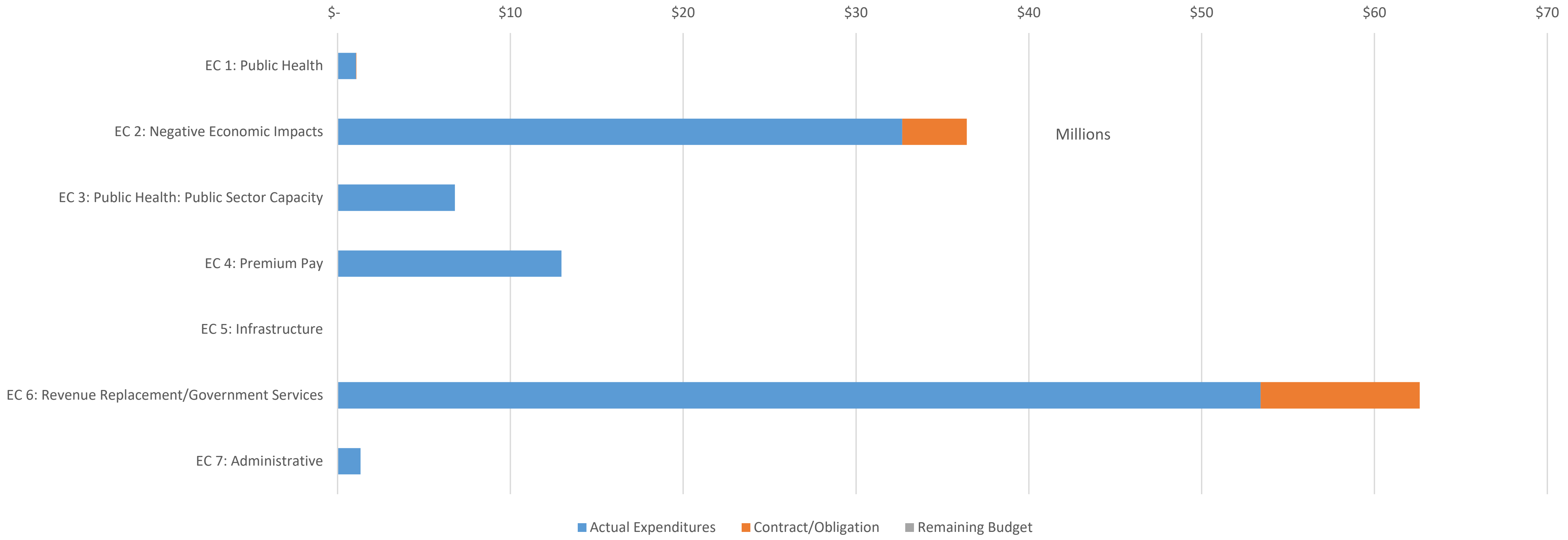
5. Infrastructure $ -
- Eligible projects include necessary improvements in water, sewer, and broadband infrastructure

6. Revenue Replacement for General Government $ 62,614,351
- Local governments facing budget shortfalls are permitted to use funding to replace lost revenue for the purpose of providing governmental services. These services may include recreation, transportation, economic development, and other general government services.

7. Administration $ 1,329,677
- Local governments are permitted to use funding for administering ARPA funds, including costs of in-house staff or consultants to support effective oversight and ensuring compliance with legal, regulatory, and other requirements. A project contingency is also held in this Expenditure Category. Less than 1.2% of all ARPA funds received were used for administration.

Please see ARPA Revenue and Expense Report for details

ARPA Budget, Expenditures, and Obligations by Category
as of March 31, 2025



TOTAL EXPENDITURES THROUGH MARCH 31, 2025
$108,225,147

ARPA State and Local Fiscal Recovery Funds
Revenue and Expense Report

For the period through March 31, 2025		Actuals		Budget		Variance
Revenue						
LFUCG Allocation	$	121,178,058	$	121,178,058	$	-
Total Revenues	**$**	**121,178,058**	**$**	**121,178,058**	**$**	**-**

For the period through March 31, 2025				Actuals		Budget		Variance
Expense								
EC 1: Public Health			$	1,068,182.55	$	1,084,388.39		
1.05	Personal Protective Equipment	Personal Protective Equipment for LFUCG	$	5,762.59	$	5,762.59	$	-
1.11	Community Violence Interventions	Safety Net Program - Project Peace (Lexington Rescue	$	290,352.96	$	306,558.80	$	16,205.84
1.11	Community Violence Interventions	It Takes a Village - Mentoring Program (Personnel)	$	262,067.00	$	262,067.00	$	-
1.12	Mental Health Services	NAMI - Mental Health Court Funding (FY22)	$	170,000.00	$	170,000.00	$	-
1.12	Mental Health Services	NAMI - Mental Health Court Funding (FY23)	$	170,000.00	$	170,000.00	$	-
1.12	Mental Health Services	NAMI - Mental Health Court Funding (FY24)	$	170,000.00	$	170,000.00	$	-

All ARPA SLFRF funds have been obligated as of December 31, 2024, as required by the program guidelines.
This report will now reflect actual expenditures compared to project budgets for all ARPA projects as we move towards the December 31, 2026 expenditure deadline.

ARPA State and Local Fiscal Recovery Funds
Revenue and Expense Report

For the period through March 31, 2025

			Actuals	Budget	Variance
Expense (Continued)					
EC 2: Negative Economic Impacts			$ 32,676,297.03	$ 36,404,308.40	
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY22)	$ 240,846.00	$ 240,846.00	$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY23)	$ 251,776.00	$ 251,776.00	$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Emergency Financial Assistance for Residents (FY24)	$ 297,365.00	$ 297,365.00	$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Recovery Supportive Living Assistance (FY22)	$ 200,000.00	$ 200,000.00	$ -
2.02	Household Assistance: Rent, Mortgage, and Utility Aid	Recovery Supportive Living Assistance (FY23)	$ 199,999.76	$ 199,999.76	$ -
2.10	Assistance to Unemployed or Underemployed Workers	Summer Youth Work Readiness Program	$ 960,000.00	$ 960,000.00	$ -
2.15	Long-Term Housing Security: Affordable Housing	Shropshire Affordable Housing Project Site Improvemer	$ 750,000.00	$ 750,000.00	$ -
2.15	Long-Term Housing Security: Affordable Housing	Affordable Housing	$ 9,820,000.00	$ 10,000,000.00	$ 180,000.00
2.15	Long-Term Housing Security: Affordable Housing	Affordable Housing - Additional Allocation	$ 3,125,000.00	$ 3,125,000.00	$ -
2.15	Long-Term Housing Security: Affordable Housing	Affordable Housing - Additional Allocation - FY24	$ 643,214.36	$ 4,001,790.00	$ 3,358,575.64
2.16	Long-Term Housing Security: Services for Unhoused Persons	OHPI Homelessness Allocation (FY22)	$ 642,893.42	$ 642,893.42	$ -
2.16	Long-Term Housing Security: Services for Unhoused Persons	OHPI Homelessness Allocation (FY23)	$ 794,908.55	$ 824,764.00	$ 29,855.45
2.16	Long-Term Housing Security: Services for Unhoused Persons	OHPI Homelessness Allocation (FY24)	$ 664,050.25	$ 750,000.00	$ 85,949.75
2.16	Long-Term Housing Security: Services for Unhoused Persons	Homelessness Contracts via Department of Housing ai	$ 3,717,025.18	$ 3,717,025.18	$ -
2.16	Long-Term Housing Security: Services for Unhoused Persons	Homelessness Contracts - Non-Shelter Eligible Familie	$ 159,827.97	$ 159,827.97	$ -
2.16	Long-Term Housing Security: Services for Unhoused Persons	COVID-19 Alternate Shelter for Winter Warming - 2022/:	$ 1,315,761.75	$ 1,315,761.75	$ -
2.12	Long-Term Housing Security: Services for Unhoused Persons	COVID-19 Alternate Shelter for Winter Warming - 2023/:	$ 1,072,000.00	$ 1,072,000.00	$ -
2.16	Long-Term Housing Security: Services for Unhoused Persons	Domestic Violence Sheltering: Greenhouse 17	$ 400,000.00	$ 400,000.00	$ -
2.22	Strong Healthy Communities: Promote Health and Safety	Village Branch Library Construction	$ 1,000,000.00	$ 1,000,000.00	$ -
2.22	Strong Healthy Communities: Promote Health and Safety	Black and Williams Center Improvements - Gymnasium	$ 1,848,759.32	$ 1,848,759.32	$ -
2.22	Strong Healthy Communities: Promote Health and Safety	BCTC Dental Hygiene Clinic	$ 2,000,000.00	$ 2,000,000.00	$ -
2.30	Technical Assistance, Counseling, or Business Planning	Minority Business Accelerator II - Reflect Lex	$ 917,369.47	$ 991,000.00	$ 73,630.53
2.34	Aid to Nonprofit Organizations	Explorium of Lexington - Children's Museum Assistance	$ 125,000.00	$ 125,000.00	$ -
2.34	Aid to Nonprofit Organizations	LexArts Nonprofit Services Contract (FY22)	$ 325,000.00	$ 325,000.00	$ -
2.34	Aid to Nonprofit Organizations	Lyric Theater Assistance	$ 127,500.00	$ 127,500.00	$ -
2.34	Aid to Nonprofit Organizations	Radio Lex	$ 78,000.00	$ 78,000.00	$ -
2.35	Aid to Tourism, Travel, or Hospitality	Visit LEX/Hospitality Industry Recovery	$ 1,000,000.00	$ 1,000,000.00	$ -

ARPA State and Local Fiscal Recovery Funds
Revenue and Expense Report

			Actuals	Budget	Variance
		For the period through March 31, 2025			
Expense (Continued)					
EC 3: Public Health - Negative Economic Impact: Public Sector Capacity			$ 6,791,326.62	$ 6,791,326.62	
3.01	Public Sector Workforce	Social Services Department Personnel Expenses (FY23	$ 6,000,000.00	$ 6,000,000.00	$ -
3.01	Public Sector Workforce	Social Services Department Personnel Expenses (FY25	$ 791,326.62	$ 791,326.62	$ -
EC 4: Premium Pay			$ 12,954,006.73	$ 12,954,006.73	
4.01	Premium Pay	Premium Pay for High Exposure LFUCG Staff	$ 12,592,083.66	$ 12,592,083.66	$ -
4.01	Premium Pay	Premium Pay for Fayette County Sheriff's Office	$ 361,923.07	$ 361,923.07	$ -
EC 5: Infrastructure			$ -	$ -	
EC 6: Revenue Replacement/Government Services			$ 53,405,656.67	$ 62,614,350.64	
6.01	Provision of Government Services	Economic Development Grants to Service Partners	$ 298,744.60	$ 298,744.60	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Berry Hill Park - Basketball C	$ 175,000.00	$ 175,000.00	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts Buckhorn Park - Phase II Imp	$ 44,999.15	$ 44,999.15	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Dogwood Park - Basketball (	$ 69,073.42	$ 69,073.42	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Gardenside Park - Playgrour	$ 148,745.57	$ 148,745.57	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Ecton Park Restrooms and C	$ 457,400.00	$ 457,400.00	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Lakeside Irrigation Replacem	$ 1,442,000.00	$ 1,442,000.00	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Masterson Station Park - Pla	$ 147,478.33	$ 147,478.33	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Meadowthorpe Park - Roof F	$ 78,585.03	$ 78,585.03	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Raven Run Park - Prather Hc	$ 154,998.00	$ 154,998.00	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Shilito Park - Access Imprvm	$ 297,206.20	$ 297,206.20	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Southland Park - Access Imp	$ 202,793.80	$ 202,793.80	$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Woodland Park - Restroom	$ 527,912.99	$ 527,912.99	$ -

ARPA State and Local Fiscal Recovery Funds
Revenue and Expense Report

For the period through March 31, 2025

			Actuals	Budget	Variance
Expense (Continued)					
6.01	Provision of Government Services	Nbhood Rec Imprrvmtns - Mary Todd Park - Basketbal	$ 97,441.81	$ 97,441.81	$ -
6.01	Provision of Government Services	Access to Quality Green Space for Disadvantaged Pop	$ 125,000.00	$ 125,000.00	$ -
6.01	Provision of Government Services	Cardinal Run North Park Development	$ 6,448,912.49	$ 10,418,886.66	$ 3,969,974.17
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Northeastern I	$ 250,000.00	$ 250,000.00	$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Phoenix Park	$ 150,000.00	$ 150,000.00	$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Pine Meadows	$ 153,404.40	$ 153,404.40	$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - River Hill Park	$ 190,876.05	$ 190,876.05	$ -
6.01	Provision of Government Services	General Neighborhood Parks and Recreation Improvem	$ 3,356,263.32	$ 3,954,465.47	$ 598,202.15
6.01	Provision of Government Services	Parks Master Plan - QCT Areas	$ 3,678,175.23	$ 4,187,569.00	$ 509,393.77
6.01	Provision of Government Services	Parks Master Plan - Maintenance	$ 933,182.26	$ 1,104,582.26	$ 171,400.00
6.01	Provision of Government Services	Parks Master Plan - Aquatics	$ 4,200,287.70	$ 7,027,717.41	$ 2,827,429.71
6.01	Provision of Government Services	ADA Transition Plan	$ 200,000.00	$ 200,000.00	$ -
6.01	Provision of Government Services	Pam Miller Downtown Arts Center Renovation	$ 2,658,000.00	$ 2,675,000.00	$ 17,000.00
6.01	Provision of Government Services	Government Employee Pay Supplements	$ 4,436,928.18	$ 4,436,928.18	$ -
6.01	Provision of Government Services	Critical Government Needs - Broadband Study with Scc	$ 19,571.25	$ 19,571.25	$ -
6.01	Provision of Government Services	Coldstream Industrial Park Campus Infrastructure	$ 1,838,565.39	$ 2,548,210.00	$ 709,644.61
6.01	Provision of Government Services	Bike/Ped - Brighton	$ 75,580.00	$ 116,310.00	$ 40,730.00
6.01	Provision of Government Services	Bike/Ped - Harrodsburg	$ 377,772.63	$ 713,892.17	$ 336,119.54
6.01	Provision of Government Services	Bike/Ped - Town Branch Trail (Manchester)	$ 67,500.00	$ 67,500.00	$ -
6.01	Provision of Government Services	Jefferson Street Viaduct	$ 1,096,661.00	$ 1,096,661.00	$ -
6.01	Provision of Government Services	Fire SCBA	$ 3,075,869.75	$ 3,075,869.75	$ -
6.01	Provision of Government Services	Public Safety Fleet	$ 1,500,000.00	$ 1,500,000.00	$ -
6.01	Provision of Government Services	Code Enforcement Grants for Residents with Low Incoi	$ 200,000.00	$ 200,000.00	$ -
6.01	Provision of Government Services	Code Enforcement Grants for Residents with Low Incoi	$ 200,000.00	$ 200,000.00	$ -
6.01	Provision of Government Services	Workforce Development Grants to Service Partners (F\`	$ 399,727.85	$ 399,727.85	$ -
6.01	Provision of Government Services	Workforce Development Grants to Service Partners (F\`	$ 400,000.00	$ 400,000.00	$ -
6.01	Provision of Government Services	Workforce Development (Other)	$ 121,199.98	$ 150,000.00	$ 28,800.02

ARPA State and Local Fiscal Recovery Funds
Revenue and Expense Report

For the period through March 31, 2025								
				Actuals		Budget		Variance
Expense (Continued)								
EC 6: Revenue Replacement/Government Services (Continued)								
6.01	Provision of Government Services	LexArts (FY24)	$	325,000.00	$	325,000.00	$	-
6.01	Provision of Government Services	Non-Profit Capital Grants	$	6,148,295.97	$	6,148,295.97	$	-
6.01	Provision of Government Services	Lexington Community Land Trust - Davis Bottom Comr	$	2,000,000.00	$	2,000,000.00	$	-
6.01	Provision of Government Services	Housing Stabilization - Hope Center Transitional Housir	$	2,000,000.00	$	2,000,000.00	$	-
6.01	Provision of Government Services	Family Care Center Improvements	$	60,000.00	$	60,000.00	$	-
6.01	Provision of Government Services	Public Safety Technology Equipment Purchase - MDC	$	489,999.58	$	489,999.58	$	-
6.01	Provision of Government Services	Public Safety Technology Equipment Purchase - Laptor	$	99,820.34	$	99,820.34	$	-
6.01	Provision of Government Services	Solarize Lexington Energy Efficiency Grant Program for	$	1,986,684.40	$	1,986,684.40	$	-
EC 7: Administrative			$	1,329,677.22	$	1,329,677.22		
7.01	Administrative Expenses	ARPA Administrative Services	$	1,329,677.22	$	1,329,677.22	$	-
7.01	Administrative Expenses	Hold for Construction Contingency	$	-	$	-	$	-
Total Expenses			$	108,225,146.82	$	121,178,058.00	$	12,952,911.18
TOTAL - ARPA SLFRF			$	12,952,911.18	$	-	$	(12,952,911.18)

Questions?

Hilary Angelucci
American Rescue Plan Act Project Manager
hangelucci@lexingtonky.gov

FY 2026
MAYOR'S PROPOSED BUDGET (MPB)

Urban County Council

Budget Committee of the Whole (COW)

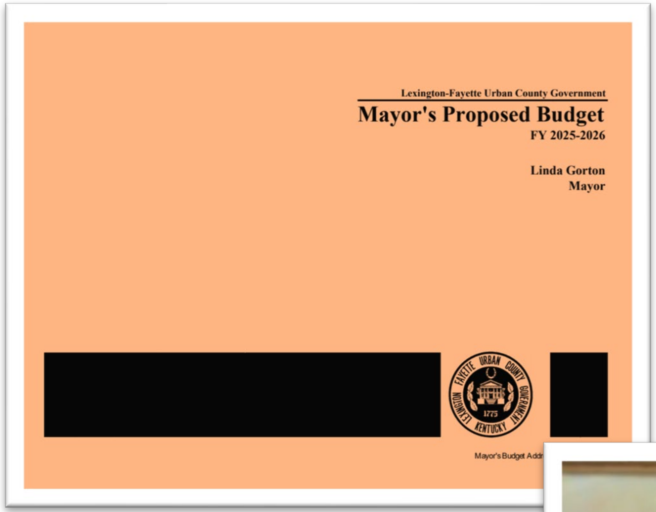
April 29, 2025

LEXINGTON

MAYOR’S PROPOSED BUDGET FISCAL YEAR 2026

Against a backdrop of uncertainty “I am determined to keep our ship of state on a steady course, continuing to provide excellent services to our residents, keeping our cost of living low, and investing in quality of life, while responsibly managing our financial resources.”

- Mayor Linda Gorton



FY2026 Overview

Assessed and Leveraged our Resources

- Reprioritization of unspent or unrecognized FY 2025 and capital project dollars
- Moderate revenue growth (5.6% from FY25 Adopted – Above 10-Year Average)

Strategies Utilized

- More involved Budget Office Review
  - New process created more opportunity for right-sizing – Operating budget growth limited to $2.4 million or 3.1% (down from $5.7m or 7.8% in FY2025 and $7.7m or 11.7% in FY2024)
- Limiting new bonding to hold recurring debt service payments over time
- Utilizing cash resources for items with long lead times to avoid paying interest for years before taking delivery of assets
- Recognizing efficiencies from changes in philosophy (i.e. contractor vs. employee analysis)
- Prioritizing existing personnel needs over granting new personnel requests noting that personnel growth is eclipsing revenue growth.

LEXINGTON

The Big Picture

Summary of Revenue and Appropriations
FY 2026 Mayor's Proposed
General Services District

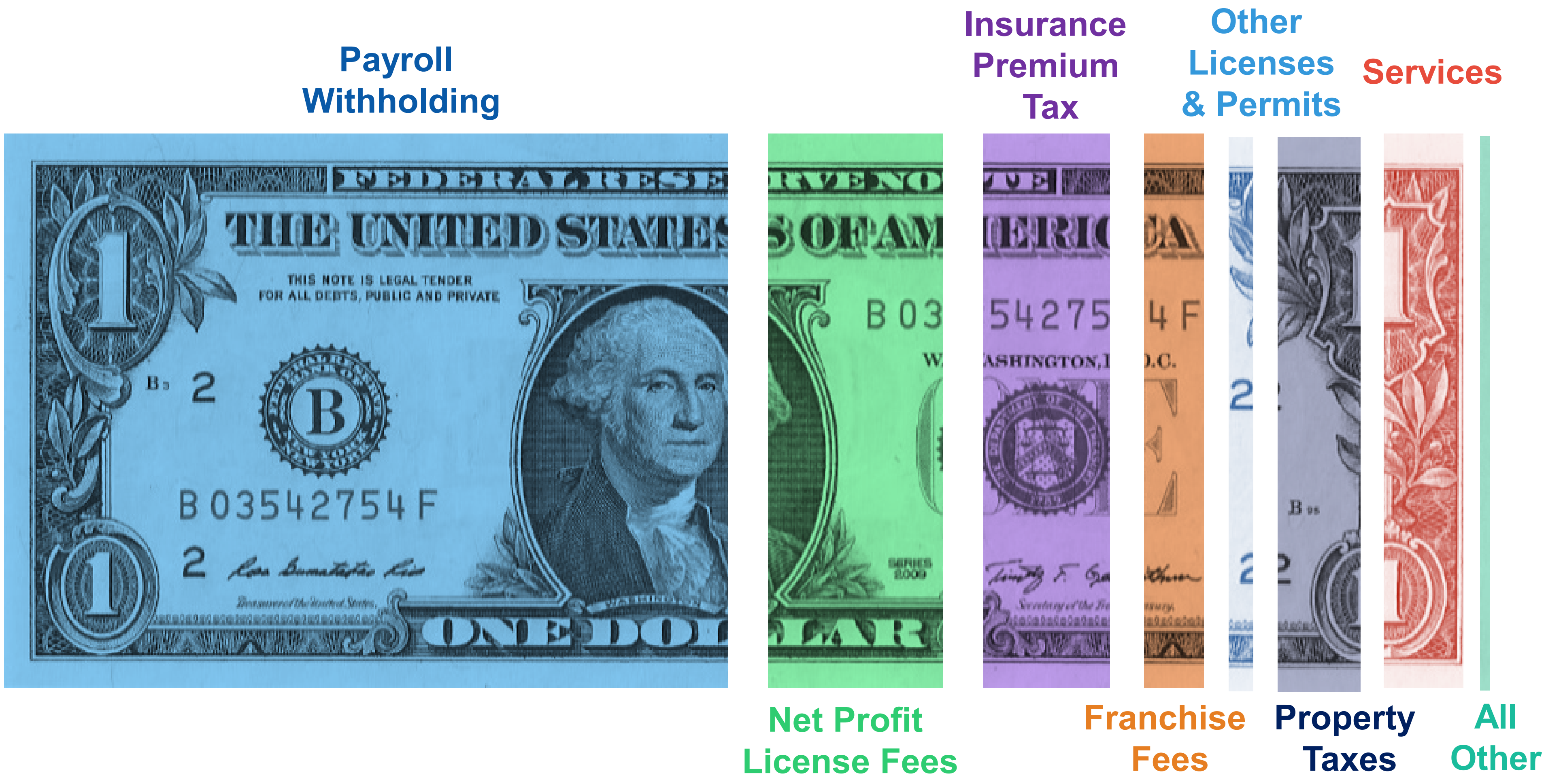
	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Proposed	$ Change	% Change
Revenue					
Ad Valorem Taxes	$ 30,357,680	$ 31,805,480	$ 33,948,150	$ 2,142,670	6.7%
Licenses and Permits	398,957,600	425,274,460	448,798,680	23,524,220	5.5%
Services	27,437,925	30,306,529	31,565,200	1,258,671	4.2%
Fines and Forfeitures	163,500	201,181	65,000	(136,181)	-67.7%
Intergovernmental	717,417	737,354	853,945	116,591	15.8%
Property Sales	150,000	180,000	150,000	(30,000)	-16.7%
Investments	180,000	275,000	393,085	118,085	42.9%
Other Financing Sources	100,000	550,000	150,000	(400,000)	-72.7%
Other Income	3,374,642	3,931,430	5,015,500	1,084,070	27.6%
Total Revenue	$ 461,438,764	$ 493,261,434	$ 520,939,560	$ 27,678,126	5.6%
Fund Balance, July 1	1,000,000	1,000,000	1,000,000	-	
Fund Balance Reserved for Pre-Funding		6,800,000		(6,800,000)	-100.0%
Multi-Year Sworn Personnel Increases	17,000,000			-	
Recruitment & Retention Carry Forward	1,800,000			-	
Total Funds Available	$ 481,238,764	$ 501,061,434	$ 521,939,560	$ 20,878,126	4.2%
Appropriations					
Operating Expenditures					
Personnel	$ 305,415,926	$ 320,052,809	$ 336,699,362	$ 16,646,553	5.2%
Partner Agencies	22,412,935	24,339,388	25,753,698	1,414,310	5.8%
Debt Service	54,690,823	51,785,305	54,261,485	2,476,180	4.8%
Insurance	12,666,221	10,164,309	14,221,221	4,056,912	39.9%
Operating	73,232,041	78,961,081	81,369,596	2,408,515	3.1%
Transfers To\(From) Other Funds	7,871,498	8,691,706	7,887,154	(804,552)	-9.3%
Total Operating	$ 476,289,444	$ 493,994,598	$ 520,192,516	$ 26,197,918	5.3%
Capital Expenditures					
CIP Capital	$ 1,837,336	$ 4,500,000	$ 232,500	$ (4,267,500)	-94.8%
Operating Capital	1,973,000	1,470,000	459,450	(1,010,550)	-68.7%
Total Capital	$ 3,810,336	$ 5,970,000	$ 691,950	$ (5,278,050)	-88.4%
Total Appropriations	$ 480,099,780	$ 499,964,598	$ 520,884,466	$ 20,919,868	4.2%
Fund Balance, June 30	$ 1,138,984	$ 1,096,836	$ 1,055,094	$ (41,742)	-3.8%

General Fund Appropriations	$	520,884,466
FY25 Proposed Prefunding	$	18,311,424
MPB Budget Package	$	539,195,890

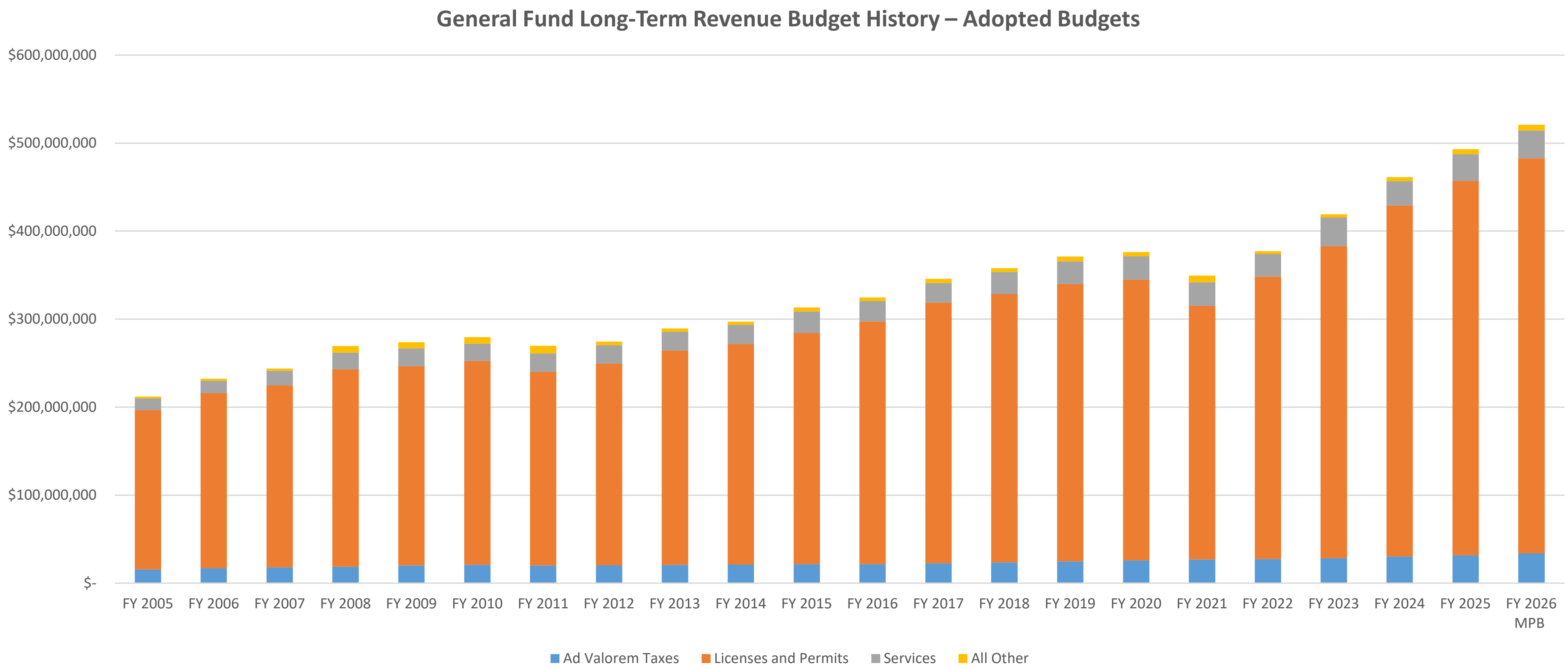
Total All Funds	**$928,500,186**
Interfund Transfers (estimated)	**($95,824,105)**
Total Budget less transfers	**$832,676,081**

LEXINGTON

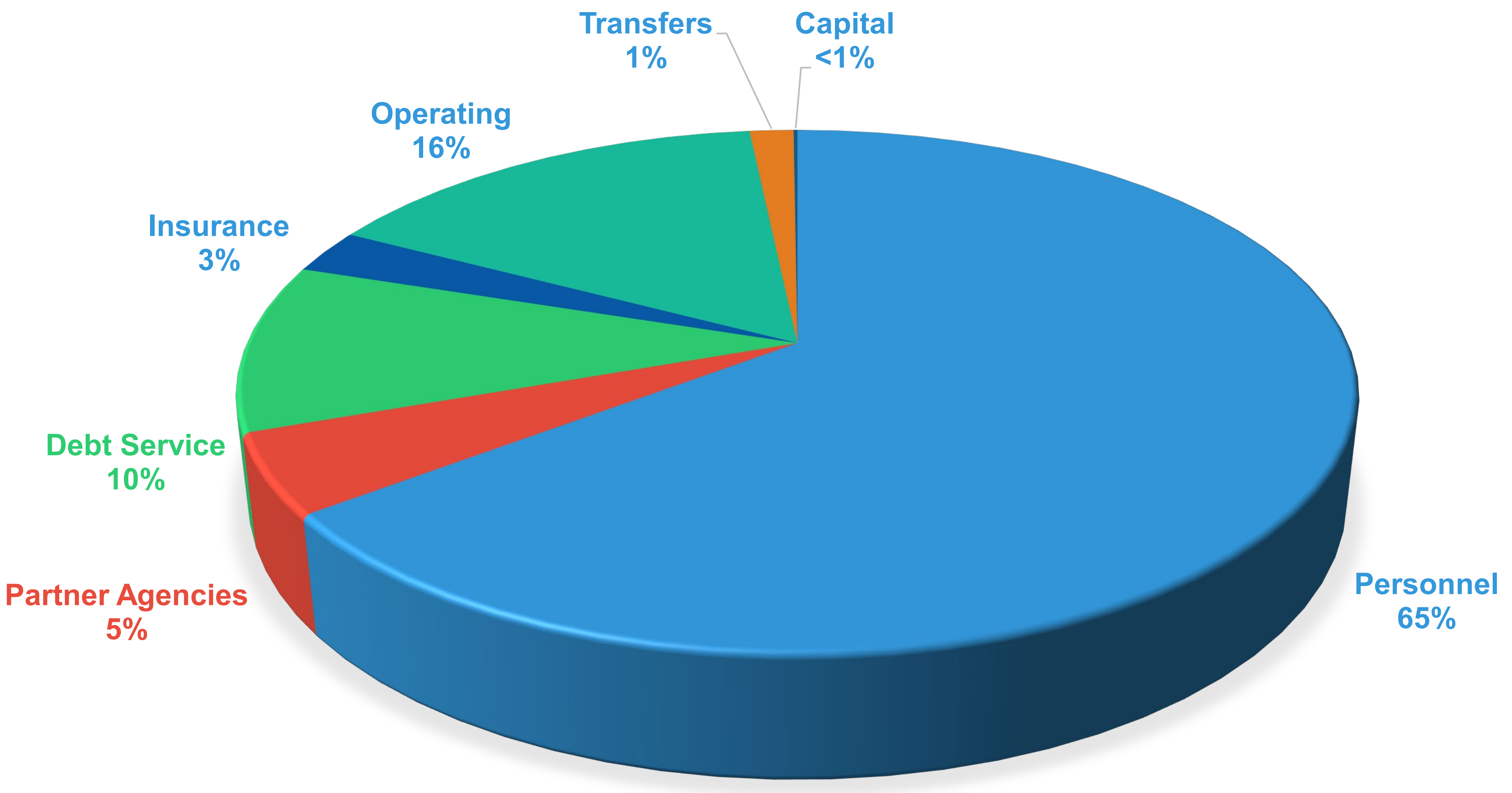
FY2026 General Fund Projected Revenue - $520,939,560



Stabilizing Revenue Growth

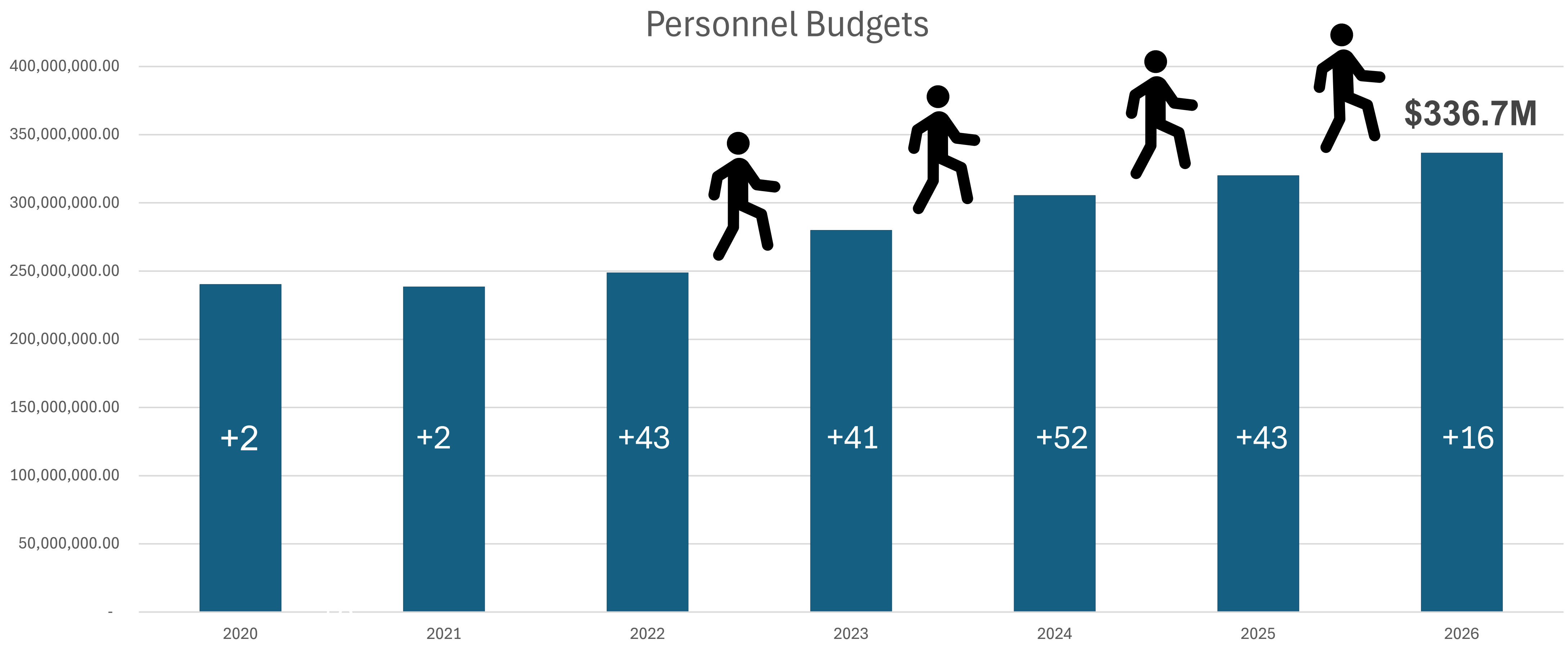


General Fund MPB By Category – FY 2026

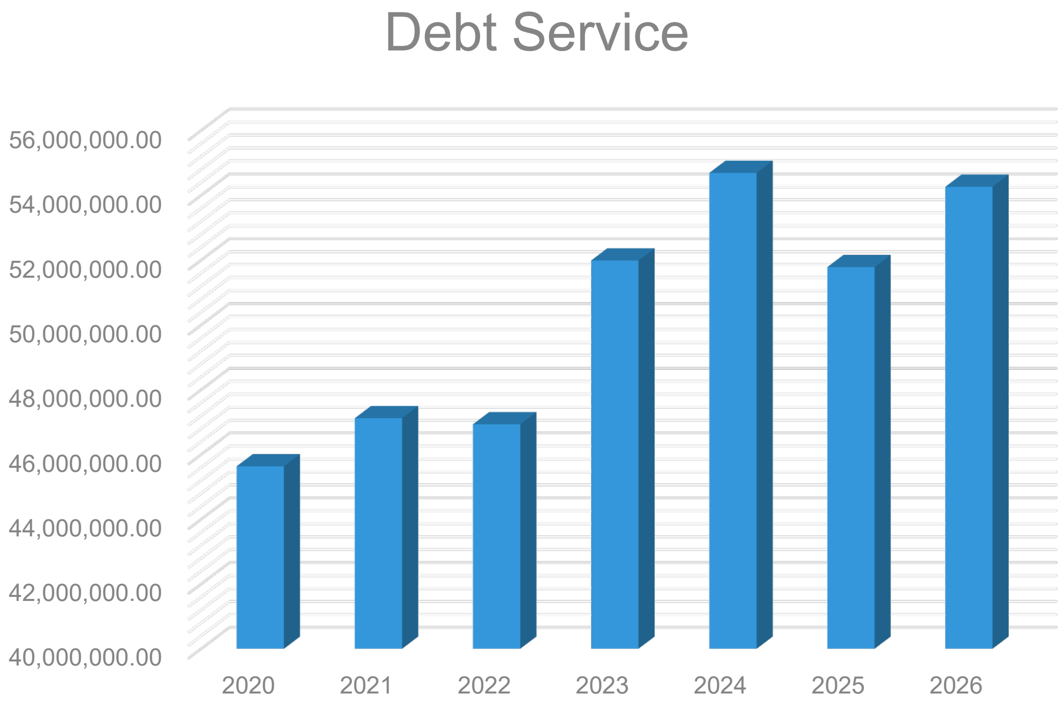


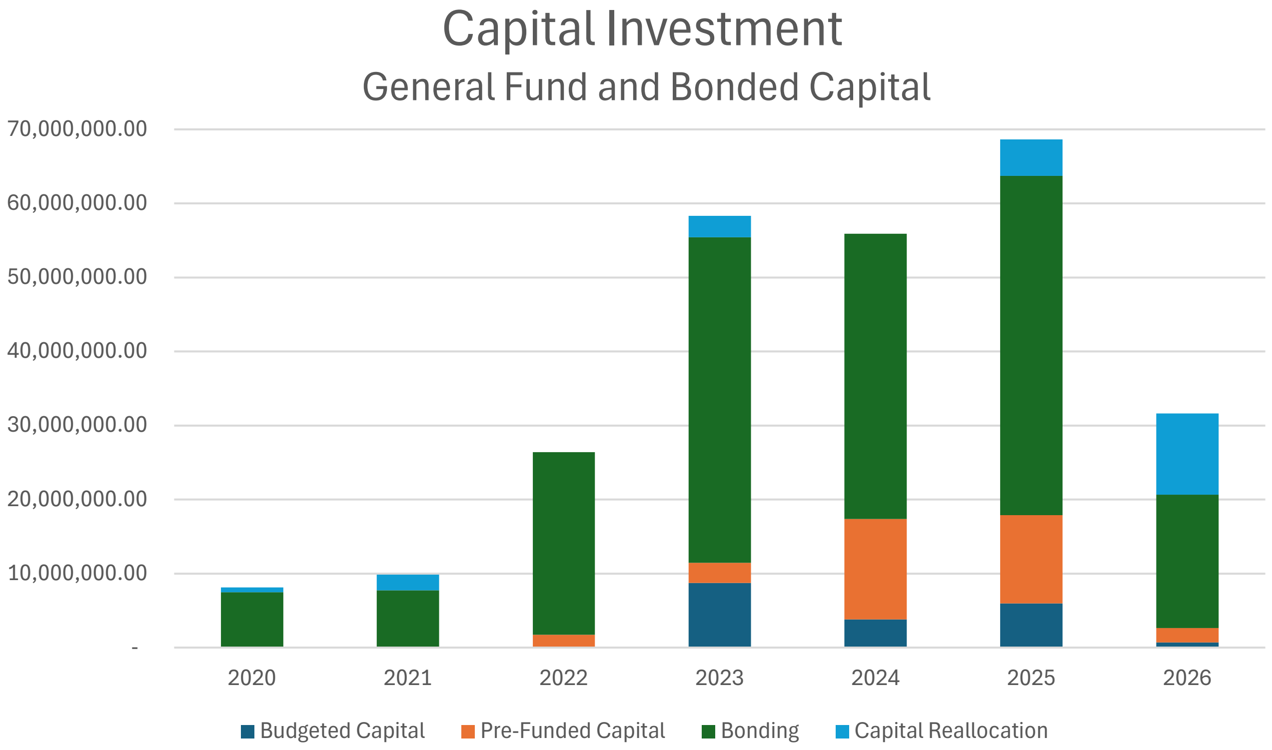
LEXINGTON

Our Biggest Investment – Our People



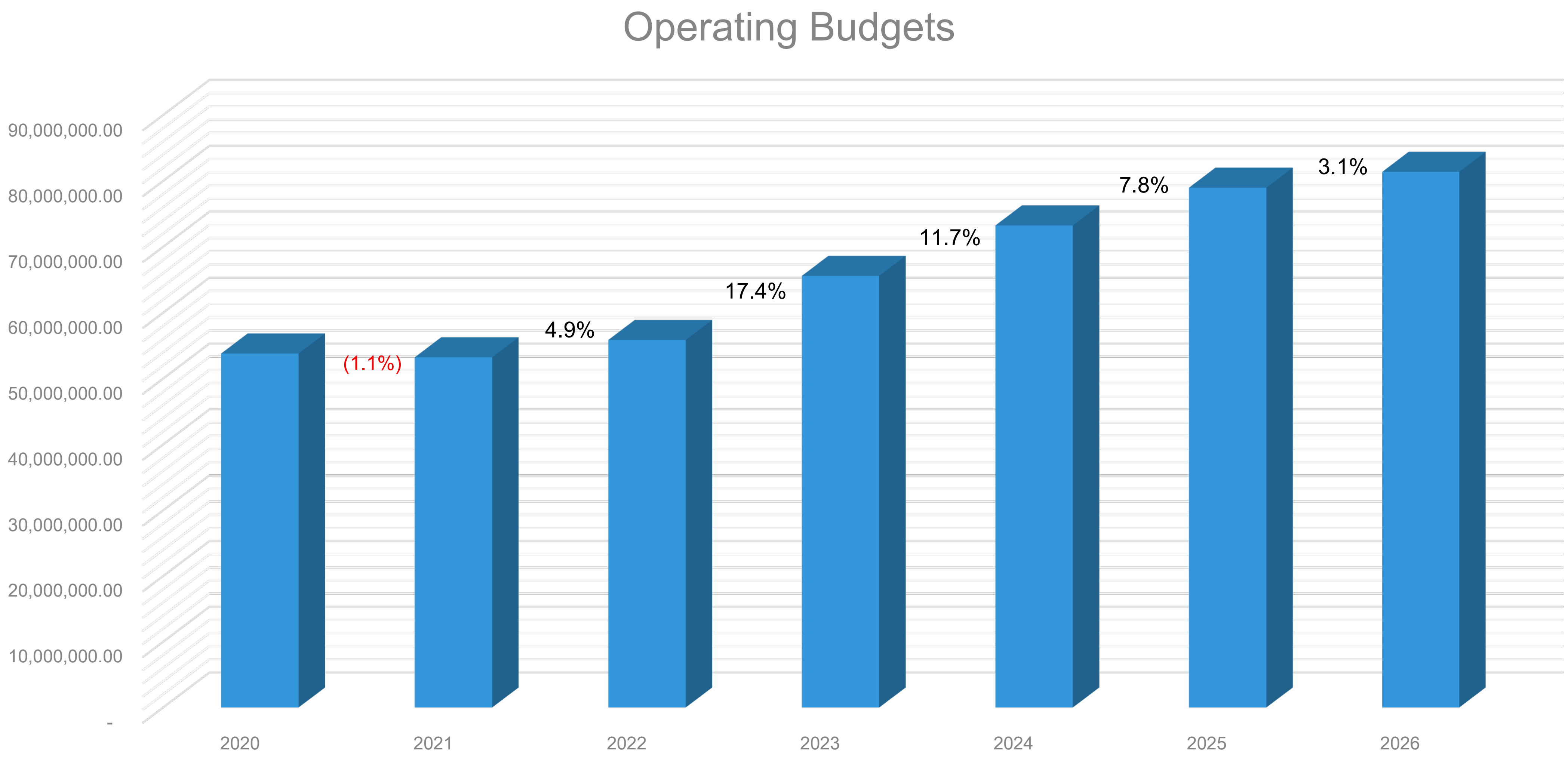
Building our Assets – Debt Service and Cash Funding





Other funds also provide significant capital investment, including Urban Services, Sewer, Stormwater, Landfill, ARPA, Municipal Road Aid, and others…

Thoughtfully Controlling Growth – Operating Budgets



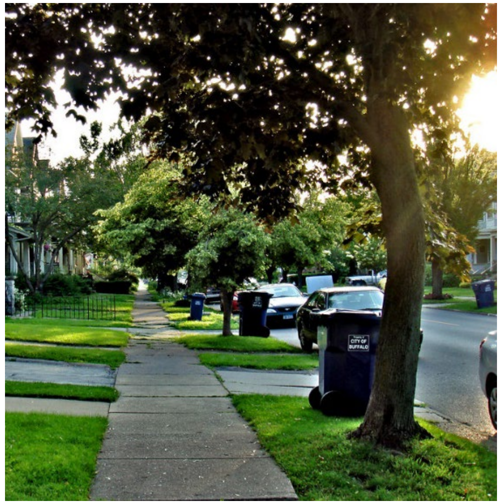
Council Priorities

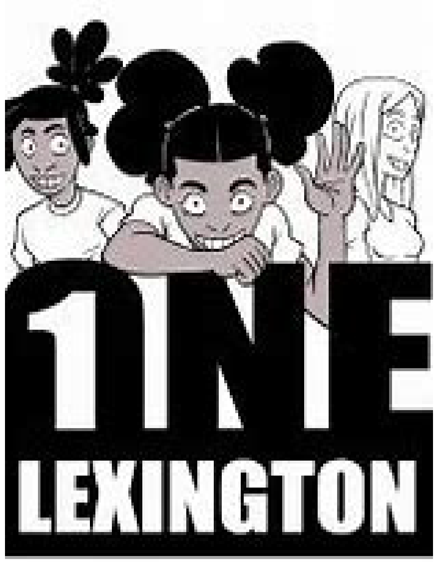
Enhanced Community Center Programming


Black & Williams Center

CASA
Court Appointed Special Advocates
FOR CHILDREN
CASA OF LEXINGTON

OHPI Encampment Coordinator





lexington children's museum

LEX GROW TREES

Direct Community Investment – General Fund Only

	FY26 MPB	Pre-funding
OPERATING		
Sidewalk Repair/Replacement Assistance – Code Enforcement	$400,000	
Emergency Financial Assistance – Community and Resident Services	$300,000	
Recovery Supportive Living – Social Services	$300,000	
Home Repair Assistance – Code Enforcement	$200,000	
Street Tree Assistance – Environmental Services	$150,000	
Lex Grow Trees Planting Program – Environmental Services	$150,000	
Gun Violence Victim Support – One Lexington	$130,000	
Burial Assistance – Coroner	$75,000	
PFY Grassroots Grants – Social Services	$75,000	
Relocation Assistance – Community and Resident Services	$50,000	
Program Fee Assistance – Parks and Recreation	$50,000	
Rent and Living Expense Assistance - Aging Services	$30,000	
Neighborhood Enhancement Grants – Environmental Services/Corridors	$20,000	
Safe Measures Program – Social Services	$9,000	

Direct Community Investment – General Fund Only (continued)

	FY26 MPB	Pre-funding
PARTNER AGENCIES		
Bluegrass Area Development District – Area Agency on Aging*	$46,610	
CASA of Lexington**	$278,000	
Economic Development Agency Grants	$335,000	
Human Rights Commission	$451,710	
Juvenile Treatment Court	$50,000	
LexArts – Community Program Support	$400,000	
Lexington Children's Museum	$225,000	$400,000
Lexington History Museum	$261,300	
Lyric Theater	$140,250	
NAMI Lexington	$270,000	
Urban League	$50,000	

*LFUCG also pays population-based dues to the Bluegrass Area Development District for regional planning support
**CASA also receives personnel support, bringing total agency support to $400,000

Direct Community Investment – General Fund Only (continued)

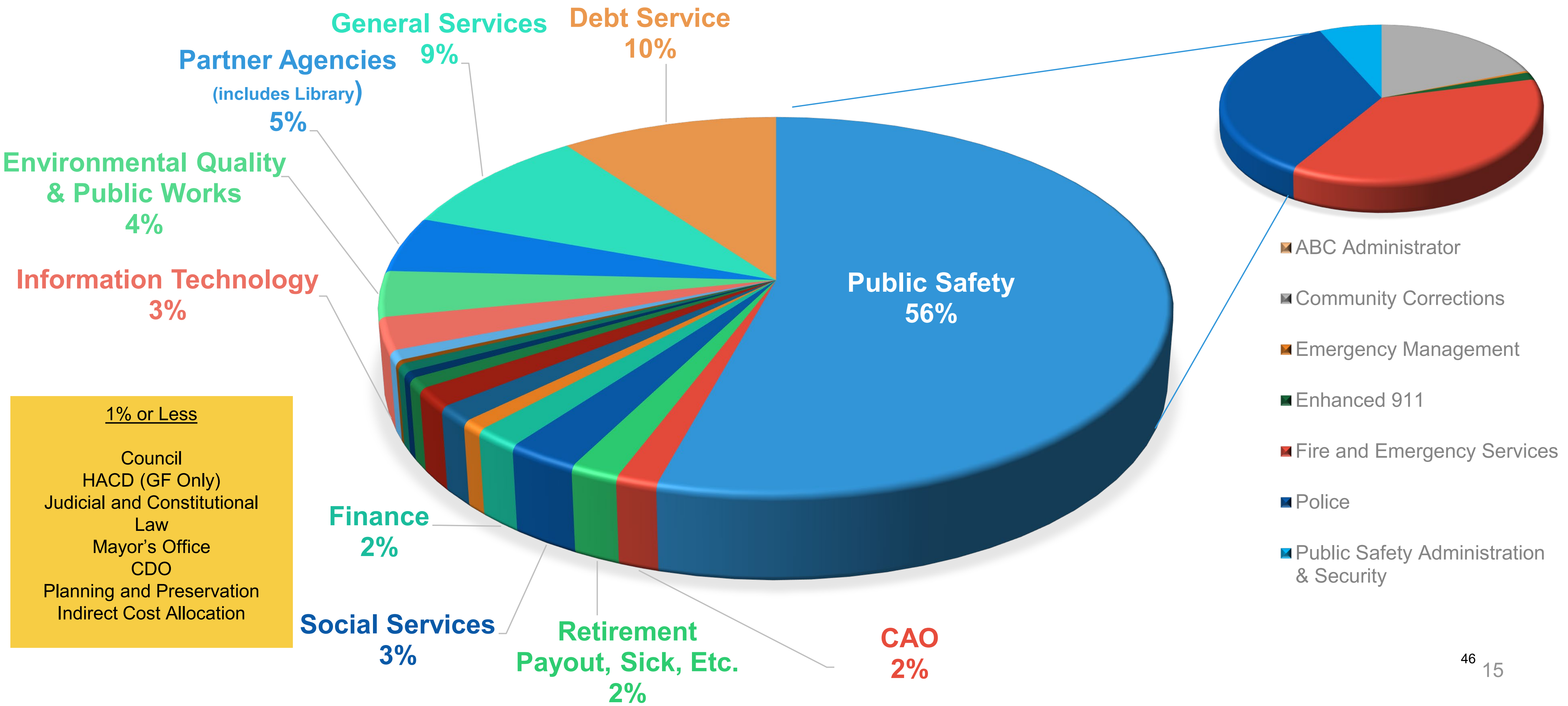
	FY26 MPB	Pre-funding
PREFUNDED TRANSFERS AND PROGRAMS		
Extended Social Resources – Agency Support Grants		$4,897,460
Affordable Housing Loan Support		$4,897,460
Winter Warming Program Contract		$2,000,000
Homelessness Agency and Program Support		$1,469,329
Workforce Agency Grants		$400,000
Ag Tech Agency Grants		$250,000
TOTAL	**$4,510,158**	**$14,314,249**

More programs in other funds…
- Stormwater neighborhood grants
- Neighborhood Traffic Management Program
- LexServ Utility Assistance
- CDBG agency and individual assistance –
  (One-Year Action Plan – grant budgets)
- and more…

and growing….

- Dedicated % of Revenue
- Increasing partner needs
- Cost increases drive grant increases

General Fund MPB By Department – FY 2026



1% or Less

Council
HACD (GF Only)
Judicial and Constitutional
Law
Mayor's Office
CDO
Planning and Preservation
Indirect Cost Allocation

Questions?

LEXINGTON

SUPPLEMENTARY INFORMATION

LEXINGTON

Urban Services Fund

- Highlights

Urban Services Fund	
Estimated Fund Balance (7/1/25)	$5,000,000
Revenue	$63,579,303
Operating	$63,855,402
Capital	$3,860,000

- $3.36 million for aging compactors, light trucks, street sweeper, and other fleet replacement

Municipal Aid Program Fund

- Highlights

Municipal Aid Program Fund	
Estimated Fund Balance (7/1/25)	$2,000,000
Revenue	$6,700,000
Operating	$3,310,000
Capital	$4,400,000
Transfers (Bond)	$168,750

- Includes $3 million for street paving

LEXINGTON

Municipal Aid Program

MAP Funding List

$168,750 Debt Service Transfer

Project	FY26 Funded
Waller Avenue Widening at Limestone Street Intersection	$ 200,000
Short Street Elevated Crosswalk	125,000
Mason Headley Turn Lanes	1,000,000
Citation Boulevard Section 3B	300,000
Versailles Road Corridor Improvements Sections 3A, 3B, 4 and 5	400,000
Town Branch Trail Section 3	20,000
Harrodsburg Road Shared Use Path Section 1	51,000
Alumni Drive Shared Use Path	24,000
Wilson Downing Intersection Improvements	240,000
New Circle Multi-Modal Safety Improvements (Bryan Station to Eastland)	420,000
Mason Headley Multimodal Improvements	280,000
Paving/Maintenance/Crack Seal/Rejuvenation	3,000,000
Traffic Signal New and Rebuilds	500,000
Fiber Optic and Camera Network Expansion	350,000
Neighborhood Traffic Management Program (NTMP)	150,000
Multimodal Safety Improvements	300,000
UK Area Bike/Pedestrian Improvements	100,000
	$ 7,460,000

Mineral Severance Fund

- Highlights

Mineral Severance Fund	
Estimated Fund Balance (7/1/25)	$100,000
Revenue	$450,000
Operating	$500,000

Sanitary Sewer Funds

- Highlights

Sanitary Sewer Revenue and Operating Fund	
Revenue	$90,935,000
Operating	$58,913,242
Capital	$4,612,700

- Budgeted Fund Balance is reserved for capital repairs and maintenance
- Funding for Town Branch and West Hickman Treatment Plant Capital Repairs and Maintenance
- $1.45 million for replacement of vehicles used to provide sewer services

Sanitary Sewer Construction Funds

- Highlights

Sanitary Sewer Construction Fund	
Estimated Fund Balance (7/1/25)	$25,000,000
Operating	$2,750,000
Capital	$18,690,000

- Funding for projects to comply with the EPA Consent Decree
- $3.7 million for improvements at the newly acquired Water Quality facility

Water Quality Fund

- Highlights

Water Quality Fund	
Revenue	$19,064,000
Operating	$13,428,948
Capital	$152,000

Water Quality Construction Fund

- Highlights

Water Quality Construction Fund	
Estimated Fund Balance (7/1/25)	$10,500,000
Operating	$2,625,318
Capital	$10,389,318

- $1.78 million for Water Quality Incentive Grant Program
- $6.2 million for improvements at the newly acquired Water Quality facility

Landfill Fund

- Highlights

Landfill Fund	
Estimated Fund Balance (7/1/25)	$1,500,000
Revenue	$10,318,000
Operating	$7,372,056
Capital	$500,000

Parks Fund

- Highlights

Parks Fund	
Estimated Fund Balance (7/1/25)	$0
Revenue	$8,000,000
Capital	$7,900,000
Ending Fund Balance	$100,000

Prefund in FY 2026

FY25 Reallocation Prefunding Items	$18,311,424
Affordable Housing Transfer	$4,897,460
Social Services – Extended Social Resource (ESR)	4,897,460
Homelessness Transfer for Winter Warming	2,000,000
Enhanced 911 Subsidy Transfer	1,896,572
Homelessness Transfer	1,469,329
Fire and Emergency Services – Heavy Fleet Replacement	1,100,000
Extended School Program Subsidy Transfer	405,018
Chief Development – Workforce Transfer	400,000
Lexington Childrens' Museum Capital Funding	400,000
Chief Development – Ag Tech Grants	250,000
Planning – Unified Development Code	250,000
Public Facilities Corporation Fund Transfer	145,885
Environmental Services – Sidewalk Snow Removal Equipment	134,700
Environmental Services – Ground-Mount Photovoltaic Racking System	40,000
Facilities and Fleet – Government Center Annex Elevator and Chairlifts	25,000

The FY26 total proposed budget package utilizes $18.3 million in FY25 prefunding. Prefunding utilizes current year expenditure savings and additional revenues to fund items that would otherwise have been necessary to fund with FY26 revenues and other funding sources. These items will be considered as a Budget Amendment prior to the end of FY25.

FY 2026 General Fund Personnel - $319,417,285

- Investing in People
  - Public Safety increases from steps and existing contract COLAs included
  - Increased Police and Fire Pension Fund employer contribution rate (50.06%) offset by decreased CERS Non-Hazardous (18.62%) and Hazardous (35.73%) employer contribution rates
  - Health insurance increases heavily subsidized by LFUCG – now $16.2M
  - 3% salary increases for all non-sworn personnel
  - 16.5 New/Expanded positions across all funds

Personnel Additions – All Funds

Division	Position
9 New/Expanded Positions	
Community and Resident Services	Recreation Supervisor
General Services	Administrative Officer Senior
Information Technology	InfoSec Engineer
Mayor's Office	OneLexington Program Coordinator
Office of Homelessness Prevention and Intervention	Outreach Coordinator
Parks and Recreation	Recreation Specialist Senior
Planning	Development Review Planning Senior
Police	Data Engineer
Streets and Roads	Engineering Technician Senior
7.5 New/Expanded Positions for New Senior and Therapeutic Center (Funded for 2 Months in FY26)	
Aging and Disability Resources	Program Manager Senior
Aging and Disability Resources	Recreation Specialist Senior (2)
Aging and Disability Resources	Administrative Specialist
Aging and Disability Resources	Custodial Worker
Aging and Disability Resources	Public Service Worker
Public Safety Administration	Security Officer (1 FT, 1 PT)

FY 2026 Debt Service - $54,261,485
New Bond Package - $17,994,000

Division	Project Name	FY26 Funded
Engineering	Sidewalk Connectivity Program	$1,000,000
Streets and Roads	Paving/Maintenance/Crack Seal/Rejuvenation	5,500,000
Streets and Roads	ADA Ramps	1,000,000
Police	Vehicle Replacement	3,200,000
Fire and Emergency Services	EMS Equipment Replacement Plan	700,000
Fire and Emergency Services	Training Academy Facility Design Phase	3,000,000
Fire and Emergency Services	Fire Turnout Gear/Personal Protective Equipment	594,000
Facilities and Fleet Management	General Govt Fleet Replacement	1,600,000
Facilities and Fleet Management	Streets and Roads snow truck Replacement	1,400,000
	TOTAL	**$17,994,000**

- Debt Ratio Including Proposed Bond – 10%

LEXINGTON

FY2026 Capital Investment

Lexington-Fayette Urban County Government

Mayor's Proposed Budget

FY 2025-2026

Linda Gorton

Mayor

Mayor's Budget Address - April 15, 2025

Capital Project Summary
FY 2026 - 2031

	All Requested FY 2026	Mayor's Proposed FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
1101 - General Services District	21,797,920	976,650	76,596,570	43,464,370	52,831,444	38,479,870	89,614,870
1115 - Full Urban Services District	4,077,925	4,025,700	7,065,700	7,273,410	8,091,410	9,171,410	9,826,410
1131 - Police Confiscated Federal	40,000	40,000	-	-	-	-	-
1133 - Public Safety Fund	738,140	738,140	-	-	-	-	-
1136 - Municipal Aid Program	7,460,000	7,460,000	1,393,000	2,870,000	2,478,000	3,518,000	3,180,000
1142 - Police Confiscated - Treasury	360,000	360,000	-	-	-	-	-
2616 - 2026 Bond Projects	20,394,000	17,994,000	-	-	-	-	-
4002 - Sanitary Sewer RO	4,656,275	4,631,275	2,114,575	1,652,150	1,743,150	3,383,150	3,828,150
4003 - Sanitary Sewer Construction	21,440,000	21,440,000	28,280,000	22,350,000	77,120,000	13,930,000	16,270,000
4022 - PFC - General	4,370,000	-	80,000	1,000,000	-	-	-
4031 - Parks Fund - Ballot Initiative	7,900,000	7,900,000	-	-	-	-	-
4051 - Water Quality Management	193,975	158,975	6,975	4,890	4,890	4,890	4,890
4052 - Water Quality Construction	10,389,318	10,389,318	6,414,000	7,164,000	2,414,000	2,414,000	2,414,000
4121 - Landfill Fund	1,155,000	1,155,000	-	-	-	-	-
4204 - Enhanced 911 Fund	30,000	-	190,500	-	570,000	135,000	50,000
4205 - CKY Network	-	-	-	400,000	-	220,000	-

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Project listings are included on pages 477-496 of the LFUCG Mayor’s Proposed Budget