

Lexington-Fayette Urban County Government

200 E. Main St
Lexington, KY 40507



Docket

Tuesday, June 23, 2026

1:00 PM

Council Chamber

Budget, Finance & Economic Development (BFED)
Committee

Committee Agenda

- 0576-26** Approval of March 24, 2026, Committee Summary
Attachments: [3-24-26 Meeting Summary](#)
- 0577-26** Monthly Financial Update - May 2026
Attachments: [BFE Financial Review - May 2026](#)
- 0578-26** Infrastructure Funding Plan Update
Attachments: [BFED.6.23.IFP \(final\)](#)
[6.23.26 DRAFT PF Ordinance - BFED](#)
- 0579-26** Technology Ecosystem Development
Attachments: [Tech Internship Pilot Program Presentation](#)
- 0580-26** E911 Fund Revenue Sources
Attachments: [E911 Presentation Final Draft](#)
- 0581-26** Review of Items Referred
Attachments: [BFED Items Referred](#)

Adjournment



Lexington-Fayette Urban County Government

Master

200 E. Main St
Lexington, KY 40507

File Number: 0576-26

File ID: 0576-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Budget, Finance & Economic Development (BFED) Committee

File Created: 06/18/2026

File Name: Approval of March 24, 2026, Committee Summary

Final Action:

<p>Title:</p> <p>Approval of March 24, 2026, Committee Summary</p>

Notes:

Sponsors:

Enactment Date:

Attachments: 3-24-26 Meeting Summary

Enactment Number:

Deed #:

Hearing Date:

Drafter:

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File 0576-26

Title

Approval of March 24, 2026, Committee Summary



Budget, Finance & Economic Development (BFED) Committee

March 24, 2026

Summary and Motions

Chair James Brown called the meeting to order at 1:02 p.m. Vice Mayor Dan Wu and Committee Members Chuck Ellinger, Shayla Lynch, Liz Sheehan, Lisa Higgins-Hord, Joseph Hale, Whitney Baxter, Dave Sevigny, and Jennifer Reynolds were in attendance as voting members. Council Members Tyler Morton, Emma Curtis, and Amy Beasley were in attendance as non-voting members.

I. APPROVAL OF FEBRUARY 24, 2026, COMMITTEE SUMMARY

A motion by Sevigny to approve the February 24, 2026, Committee Summary, seconded by Baxter, passed without dissent.

II. MONTHLY FINANCIAL UPDATE – FEBRUARY 2026

Commissioner Erin Hensley, Director Wes Holbrook, and Director Melissa Lueker presented the February Financial Update for FY26. Overall revenues continue to perform slightly above expectations, with strong collections in net profits and franchise fees. A temporary decline in payroll withholding was attributed to a timing issue related to a large taxpayer shifting payment methods, not an underlying economic concern. On the expenditure side, variances were largely driven by winter storm response costs and the timing of contractor payments. Despite these factors, overall spending remains under budget, and staff anticipates that many of the current variances will normalize in March as invoices are processed and seasonal costs are reconciled.

III. OPIOID ABATEMENT FUND UPDATE

The Committee next heard a presentation from the mayor and administration on proposed priorities for opioid abatement settlement funds. Lexington has received approximately \$9 million to date, with additional funding expected over time. The administration outlined six priority areas: establishing an interest-bearing fund to support long-term sustainability; expanding supportive housing and integrated treatment services; investing in community corrections and reentry programming; creating a tiered nonprofit grant program; strengthening local intervention efforts, such as naloxone distribution; and piloting a community-focused opioid response symposium. Council members broadly supported the priorities but emphasized the need to move funding into the community as soon as feasible. Discussion focused on the importance of clearly defining funding allocations, ensuring transparency and accountability, supporting smaller and grassroots organizations, and balancing long-term investment with immediate needs. While no official motion was made, the Committee agreed that the administration should return to the full Council at a Work Session with a more detailed funding plan and associated budget amendments rather than delaying action through additional committee review.

IV. DIGITAL ACCESSIBILITY

The final item was a presentation on the draft Digital Accessibility Plan. Troy Black, Administrative Specialist, and CIO Liz Rodgers outlined findings from community engagement and data analysis, noting that while broadband availability in Fayette County is high, affordability, device access, and digital literacy remain significant barriers. The proposed strategy focuses on coordinating existing programs,

expanding training opportunities, improving access to devices and affordable service options, and ensuring accessibility of digital platforms.

A motion by Hale to move the plan and resolution forward to the full council, seconded by Sheehan, passed without dissent.

V. REVIEW OF ITEMS REFERRED

No revisions or removals were made.

The meeting was adjourned at 2:42 p.m.



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File Name: Monthly Financial Update – May 2026

Final Action:

<p>Title:</p> <p>Monthly Financial Update - May 2026</p>

Notes:

Sponsors:

Enactment Date:

Attachments: BFE Financial Review - May 2026

Enactment Number:

Deed #:

Hearing Date:

Drafter:

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History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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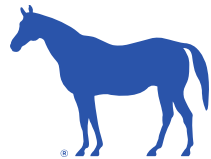
Text of Legislative File 0577-26

Title

Monthly Financial Update - May 2026

FY2026 MONTHLY FINANCIAL UPDATE

*Urban County Council
Budget, Finance, and Economic Development Committee
June 23, 2026*



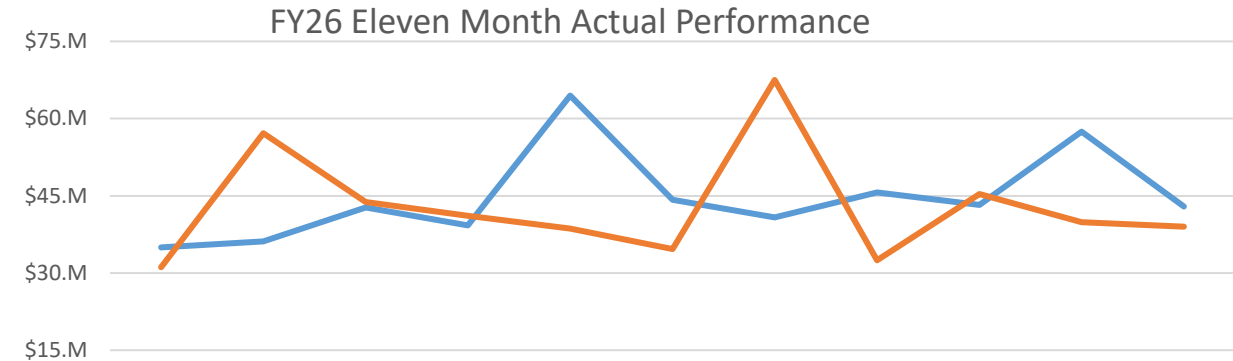
LEXINGTON

11 Month Performance Review (Actuals)

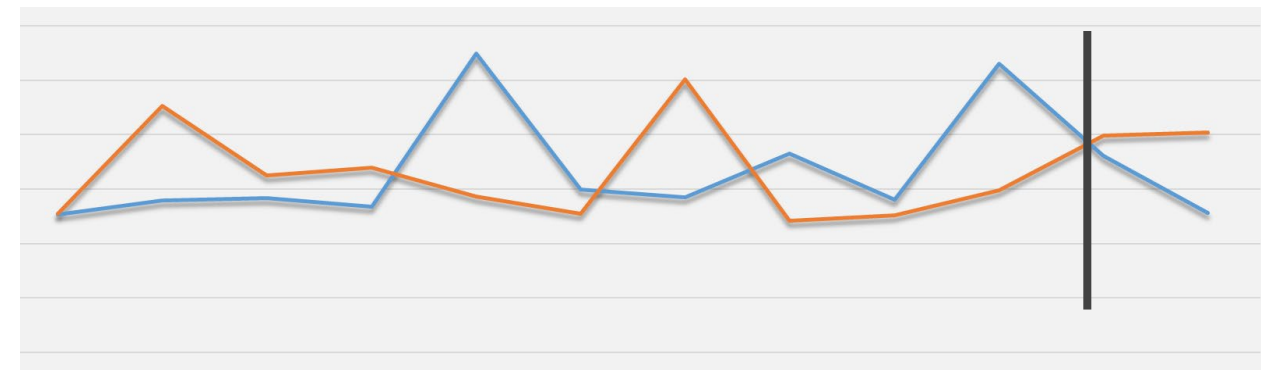
May FY26	
Revenues	\$491,847,737
Expenses	(\$464,578,602)
Transfers	(\$6,157,710)
One-Year Surplus/(Deficit)	\$21,111,425

Factors to Consider

- Together, the top 4 revenue sources are running roughly \$2.5M over budget. This was anticipated (at an annualized projection) in the prefunding Budget Amendment (BA approved by Council – June 9).
- The Personnel variance is 3.6% under budget. About \$5M of these funds have been reallocated within the prefunding Budget Amendment (BA approved by Council - June 9)
- Operating variances continue to run high. The FY2027 Budget Process included a targeted effort to reduce operating budgets that remain unspent historically. As a reminder, the reported variance to budget does not account for operating budgets currently obligated by contracts or purchase orders. Currently, \$17M+ of the \$19M General Fund Operating variance is obligated.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Revenues	\$35.1M	\$36.1M	\$42.7M	\$39.3M	\$64.5M	\$44.25M	\$40.81M	\$45.63M	\$43.21M	\$57.4M	\$42.9M
Exp/Xfers	\$31.1M	\$57.2M	\$43.8M	\$41.1M	\$38.6M	\$34.67M	\$67.51M	\$32.49M	\$45.37M	\$39.8M	\$39.9M



FY26 Adopted Budget Overview – Monthly Revenues vs Expenses

2026 Fiscal Year – Cash Flow Variance Revenue (Actual to Budget)

<i>For the eleven months ended May 31, 2026</i>				
	Actuals	Amended	Variance	% Var
Revenue				
Payroll Withholding	271,859,992	267,575,000	4,284,992	1.6%
Net Profit	63,511,710	64,625,000	(1,113,290)	-1.7%
Insurance	42,276,263	45,833,333	(3,557,070)	-7.8%
Franchise Fees	29,454,158	26,583,333	2,870,825	10.8%
Other Licenses & Permits	6,544,035	6,130,577	413,458	6.7%
Property Tax Accounts	33,620,099	31,153,319	2,466,780	7.9%
Services	28,061,896	28,641,080	(579,184)	-2.0%
Fines and Forfeitures	237,265	120,083	117,182	97.6%
Intergovernmental Revenue	956,312	780,004	176,308	22.6%
Property Sales	286,676	137,500	149,176	108.5%
Investment Income	173,026	340,140	(167,114)	-49.1%
Other Financing Sources	9,984,399	9,984,399	0	-
Other Income	4,881,906	4,909,020	(27,114)	-0.6%
Total Revenues	\$491,847,737	\$486,812,788	\$5,034,949	1.0%



2026 Fiscal Year – Cash Flow Variance Revenue (CY to PY)

<i>For the eleven months ended May 31, 2026</i>				
	FY26	FY25	Variance	% Var
<u>Revenue</u>				
Payroll Withholding	271,859,992	257,976,889	13,883,103	5.4%
Net Profit	63,511,710	59,547,180	3,964,530	6.7%
Insurance	42,276,263	47,750,787	(5,474,524)	-11.5%
Franchise Fees	29,454,158	27,440,094	2,014,064	7.3%
Other Licenses & Permits	6,544,035	6,408,779	135,256	2.1%
Property Tax Accounts	33,620,099	32,039,287	1,580,812	4.9%
Services	28,061,896	26,939,025	1,122,871	4.2%
Fines and Forfeitures	237,265	125,479	111,786	89.1%
Intergovernmental Revenue	956,312	1,015,698	(59,386)	-5.8%
Property Sales	286,676	236,935	49,741	21.0%
Investment Income	173,026	3,137,583	(2,964,557)	-94.5%
Other Financing Sources	9,984,399	1,718,619	8,265,780	481.0%
Other Income	4,881,906	5,048,086	(166,180)	-3.3%
Total Revenues	\$491,847,737	\$469,384,441	\$22,463,296	4.8%

2026 Fiscal Year – Cash Flow Variance Expense (Actual to Budget)

<i>For the eleven months ended May 31, 2026</i>				
	Actuals	Budget	Variance	% Var
<u>Expense</u>				
Personnel	287,569,531	298,212,389	10,642,858	3.6%
Operating	67,404,722	86,487,251	19,082,529	22.1%
Insurance Expense	14,503,875	14,409,759	(94,116)	-0.7%
Debt Service	54,380,483	54,234,866	(145,617)	-0.3%
Partner Agencies	30,376,887	31,632,158	1,255,271	4.0%
Capital	10,343,104	8,671,237	(1,671,867)	-19.3%
Total Expenses	\$464,578,602	\$493,647,660	\$29,069,058	5.9%
Transfers	6,157,710	11,856,234	5,698,524	48.1%
Change in Fund Balance	\$21,111,425	(\$18,691,106)	\$39,802,531	

2026 Fiscal Year – Cash Flow Variance Expense (CY to PY)

<i>For the eleven months ended May 31, 2026</i>				
	FY26	FY25	Variance	% Var
<u>Expense</u>				
Personnel	287,569,531	275,253,073	12,316,458	4.5%
Operating	67,404,722	62,995,602	4,409,120	7.0%
Insurance Expense	14,503,875	10,060,099	4,443,776	44.2%
Debt Service	54,380,483	51,822,480	2,558,003	4.9%
Partner Agencies	30,376,887	27,427,142	2,949,745	10.8%
Capital	10,343,104	3,795,376	6,547,728	172.5%
Total Expenses	\$464,578,602	\$431,353,772	\$33,224,830	7.7%
Transfers	6,157,710	28,780,083	(22,622,373)	-78.6%
Change in Fund Balance	\$21,111,425	\$9,250,586	\$11,860,839	

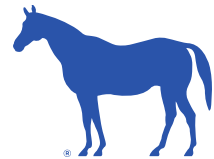
Questions?



LEXINGTON

ARPA FINANCIAL UPDATE

*Approved Budget and Actual Expenditures
Through May 31, 2026*



LEXINGTON

ARPA DASHBOARD

as of May 31, 2026



□ Unobligated □ Obligated □ Expended

Total ARPA Obligated
\$121.2 Million

100%

✓✓✓ December 31, 2024 Deadline ✓✓✓

Total ARPA Expended
\$121.0 Million

99.9%

December 31, 2026 Deadline

Projects Complete 82

Projects Underway 4

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

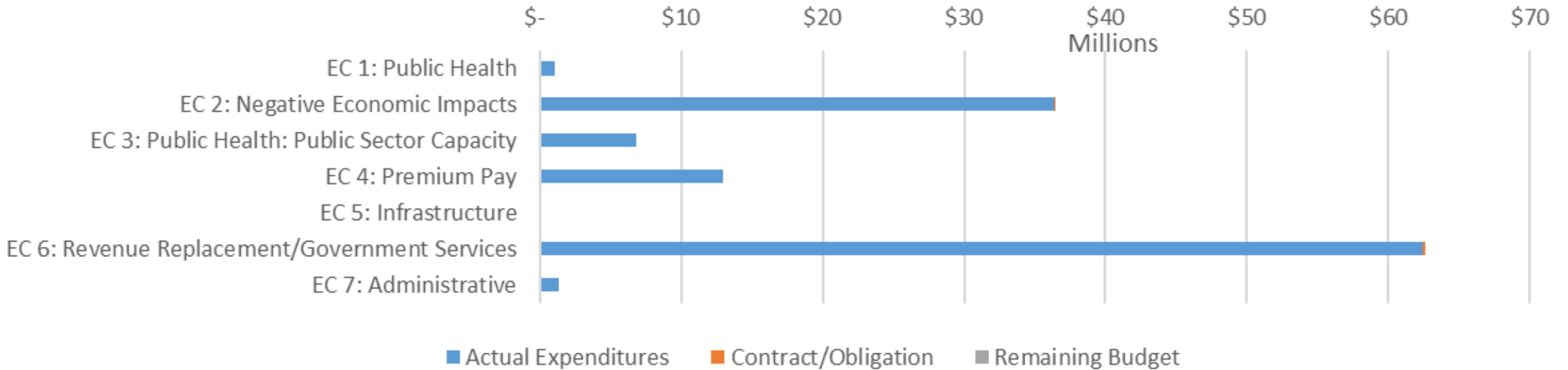
\$ 1,329,677

- 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 May 31, 2026



TOTAL EXPENDITURES THROUGH May 31, 2026
\$121,006,690



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

<i>For the period through May 31, 2026</i>			
	Actuals	Budget	Variance
Revenue			
LFUCG Allocation	\$ 121,178,058	\$ 121,178,058	\$ -
Total Revenues	\$ 121,178,058	\$ 121,178,058	\$ -

<i>For the period through May 31, 2026</i>				
	Actuals	Budget	Variance	
Expense				
EC 1: Public Health	\$ 1,084,388.39	\$ 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 Mission)	\$ 306,558.80	\$ 306,558.80	\$ -
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

			Actuals	Budget	Variance
Expense					
EC 2: Negative Economic Impacts			\$ 36,403,806.16	\$ 36,404,308.40	\$ 502.24
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 Improvements	\$ 750,000.00	\$ 750,000.00	\$ -
2.15	Long-Term Housing Security: Affordable Housing	Affordable Housing	\$ 10,000,000.00	\$ 10,000,000.00	\$ -
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	\$ 4,001,790.00	\$ 4,001,790.00	\$ -
2.16	Long-Term Housing Security: Services for Unhoused People	OHPI Homelessness Allocation (FY22)	\$ 642,893.42	\$ 642,893.42	\$ -
2.16	Long-Term Housing Security: Services for Unhoused People	OHPI Homelessness Allocation (FY23)	\$ 824,261.76	\$ 824,764.00	\$ 502.24
2.16	Long-Term Housing Security: Services for Unhoused People	OHPI Homelessness Allocation (FY24)	\$ 750,000.00	\$ 750,000.00	\$ -
2.16	Long-Term Housing Security: Services for Unhoused People	Homelessness Contracts via Department of Housing and Community Development RFP	\$ 3,717,025.18	\$ 3,717,025.18	\$ -
2.16	Long-Term Housing Security: Services for Unhoused People	Homelessness Contracts - Non-Shelter Eligible Families/Individuals	\$ 159,827.97	\$ 159,827.97	\$ -
2.16	Long-Term Housing Security: Services for Unhoused People	COVID-19 Alternate Shelter for Winter Warming - 2022/2023	\$ 1,315,761.75	\$ 1,315,761.75	\$ -
2.12	Long-Term Housing Security: Services for Unhoused People	COVID-19 Alternate Shelter for Winter Warming - 2023/2024	\$ 1,072,000.00	\$ 1,072,000.00	\$ -
2.16	Long-Term Housing Security: Services for Unhoused People	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	\$ 991,000.00	\$ 991,000.00	\$ -
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
Expense					
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 and FY24)	\$ 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 6: Revenue Replacement/Government Services			\$ 62,443,484.49	\$ 62,614,350.64	\$ 170,866.15
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 Court	\$ 175,000.00	\$ 175,000.00	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Buckhorn Park - Phase II Improvements	\$ 44,999.15	\$ 44,999.15	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Dogwood Park - Basketball Court	\$ 69,073.42	\$ 69,073.42	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Gardenside Park - Playground	\$ 148,745.57	\$ 148,745.57	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Ecton Park Restrooms and Concessions	\$ 457,400.00	\$ 457,400.00	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Lakeside Irrigation Replacement	\$ 1,442,000.00	\$ 1,442,000.00	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Masterson Station Park - Playground	\$ 147,478.33	\$ 147,478.33	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Meadowthorpe Park - Roof Repair	\$ 78,585.03	\$ 78,585.03	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Raven Run Park - Prather House Roof Repair	\$ 154,998.00	\$ 154,998.00	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Shilito Park - Access Imprvmnt Parking Lot Construction	\$ 297,206.20	\$ 297,206.20	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Southland Park - Access Imprvmnt Parking Repairs	\$ 202,793.80	\$ 202,793.80	\$ -
6.01	Provision of Government Services	Nbhood Rec Imprvmnts - Woodland Park - Restroom Facilities	\$ 527,912.99	\$ 527,912.99	\$ -



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

			Actuals	Budget	Variance
Expense					
6.01	Provision of Government Services	Nbhood Rec Imprvmtns - Mary Todd Park - Basketball Court	\$ 97,441.81	\$ 97,441.81	\$ -
6.01	Provision of Government Services	Access to Quality Green Space for Disadvantaged Pop - ADA Imprvmtns at Parks for Inclusiv	\$ 125,000.00	\$ 125,000.00	\$ -
6.01	Provision of Government Services	Cardinal Run North Park Development	\$ 10,405,636.66	\$ 10,418,886.66	\$ 13,250.00
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Northeastern Park - Playground	\$ 250,000.00	\$ 250,000.00	\$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Phoenix Park - Inclusive Use and Development Stud	\$ 150,000.00	\$ 150,000.00	\$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Pine Meadows Park - Playground and Park Imprvmn	\$ 153,404.40	\$ 153,404.40	\$ -
6.01	Provision of Government Services	Access to Quality Green Space in QCT - River Hill Park - Sports Courts	\$ 190,876.05	\$ 190,876.05	\$ -
6.01	Provision of Government Services	General Neighborhood Parks and Recreation Improvements	\$ 3,954,465.47	\$ 3,954,465.47	\$ -
6.01	Provision of Government Services	Parks Master Plan - QCT Areas	\$ 4,187,569.00	\$ 4,187,569.00	\$ -
6.01	Provision of Government Services	Parks Master Plan - Maintenance	\$ 1,104,582.26	\$ 1,104,582.26	\$ -
6.01	Provision of Government Services	Parks Master Plan - Aquatics	\$ 7,012,717.41	\$ 7,027,717.41	\$ 15,000.00
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	\$ 2,675,000.00	\$ 2,675,000.00	\$ -
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 Scott County	\$ 19,571.25	\$ 19,571.25	\$ -
6.01	Provision of Government Services	Coldstream Industrial Park Campus Infrastructure	\$ 2,548,210.00	\$ 2,548,210.00	\$ -
6.01	Provision of Government Services	Bike/Ped - Brighton	\$ 116,310.00	\$ 116,310.00	\$ -
6.01	Provision of Government Services	Bike/Ped - Harrodsburg	\$ 571,276.02	\$ 713,892.17	\$ 142,616.15
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 Income (FY22)	\$ 200,000.00	\$ 200,000.00	\$ -
6.01	Provision of Government Services	Code Enforcement Grants for Residents with Low Income (FY23)	\$ 200,000.00	\$ 200,000.00	\$ -



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

			Actuals	Budget	Variance
Expense					
6.01	Provision of Government Services	Workforce Development Grants to Service Partners (FY22)	\$ 399,727.85	\$ 399,727.85	\$ -
6.01	Provision of Government Services	Workforce Development Grants to Service Partners (FY23)	\$ 400,000.00	\$ 400,000.00	\$ -
6.01	Provision of Government Services	Workforce Development (Other)	\$ 150,000.00	\$ 150,000.00	\$ -
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 Community Center	\$ 2,000,000.00	\$ 2,000,000.00	\$ -
6.01	Provision of Government Services	Housing Stabilization - Hope Center Transitional Housing	\$ 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 - Laptop	\$ 99,820.34	\$ 99,820.34	\$ -
6.01	Provision of Government Services	Solarize Lexington Energy Efficiency Grant Program for Low Income Homeowners	\$ 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	\$ -
Total Expenses			\$ 121,006,689.61	\$ 121,178,058.00	\$ 171,368.39
TOTAL - ARPA SLFRF			\$ 171,368.39	\$ -	\$ (171,368.39)

Questions?

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



LEXINGTON



Lexington-Fayette Urban County Government

Master

200 E. Main St
Lexington, KY 40507

File Number: 0578-26

File ID: 0578-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Budget, Finance & Economic Development (BFED) Committee

File Created: 06/18/2026

File Name: Infrastructure Funding Plan Update

Final Action:

<p>Title:</p> <p>Infrastructure Funding Plan Update</p>
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Notes:

Sponsors:

Enactment Date:

Attachments: BFED.6.23.IFP (final), 6.23.26 DRAFT PF Ordinance - BFED

Enactment Number:

Deed #:

Hearing Date:

Drafter:

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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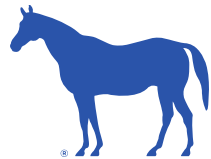
Text of Legislative File 0578-26

Title

Infrastructure Funding Plan Update

INFRASTRUCTURE FUNDING PLAN

*Shaun Denney, Department of Planning and Preservation
Council Budget, Finance and Economic Development Committee
June 23, 2026*



LEXINGTON

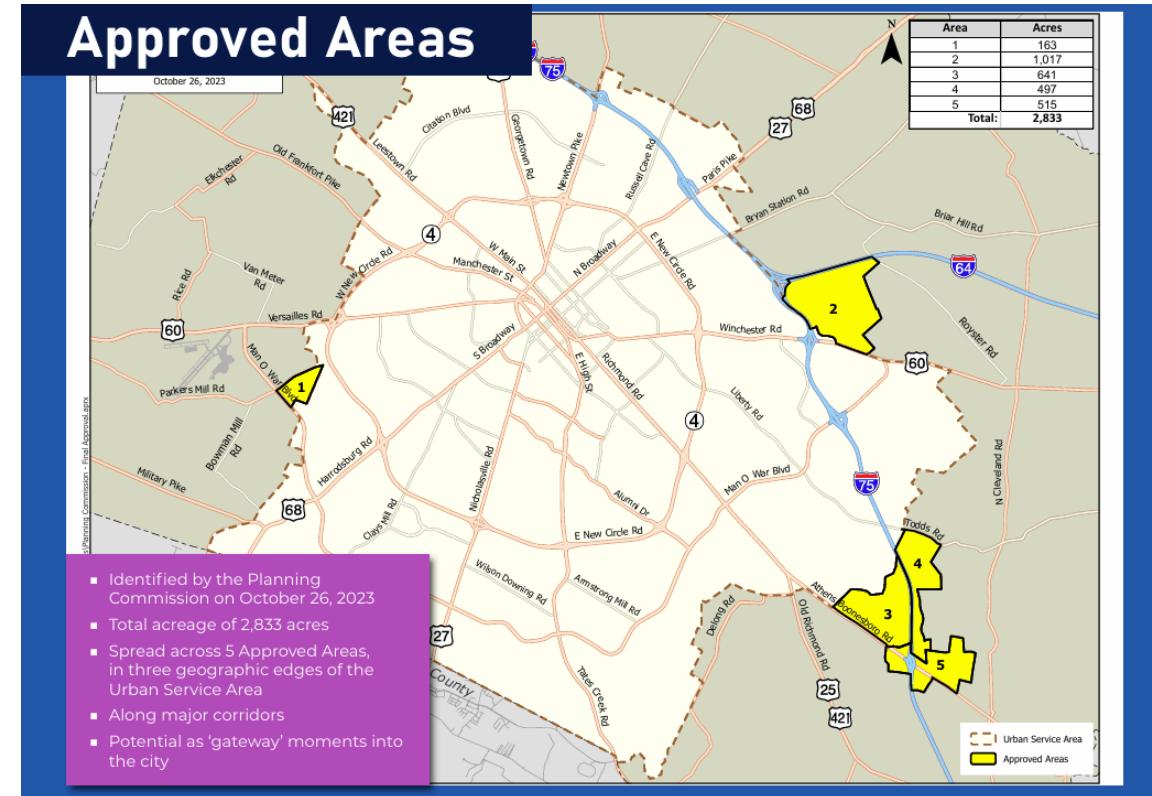
Infrastructure Funding Plan





Urban Growth Master Plan

- The Planning Commission recommended 2,800 acres for expansion of the Urban Service Boundary in 2023 across 5 Urban Growth Areas.
- The Planning Commission adopted the Urban Growth Master Plan as an element of the 2045 Imagine Lexington Comprehensive Plan on **October 31, 2024**.
- The UGMP recommended that LFUCG develop an Infrastructure Funding Program.
- A key finding of the UGMP market analysis was that new development would primarily be residential development.



Infrastructure Costs and Fiscal Impact



Two Main Cost Impacts

- **Fiscal Impact**
 - Operations and Maintenance
 - Re-surfacing roads
 - Trash collection
 - Impact to the General Fund
 - Limited new revenue
 - Community facilities (Parks, Public Safety)
- **Initial Capital Cost**
 - Major infrastructure improvements (i.e. Sewer, Fire Station, Boulevard, etc.)



Fiscal Impact

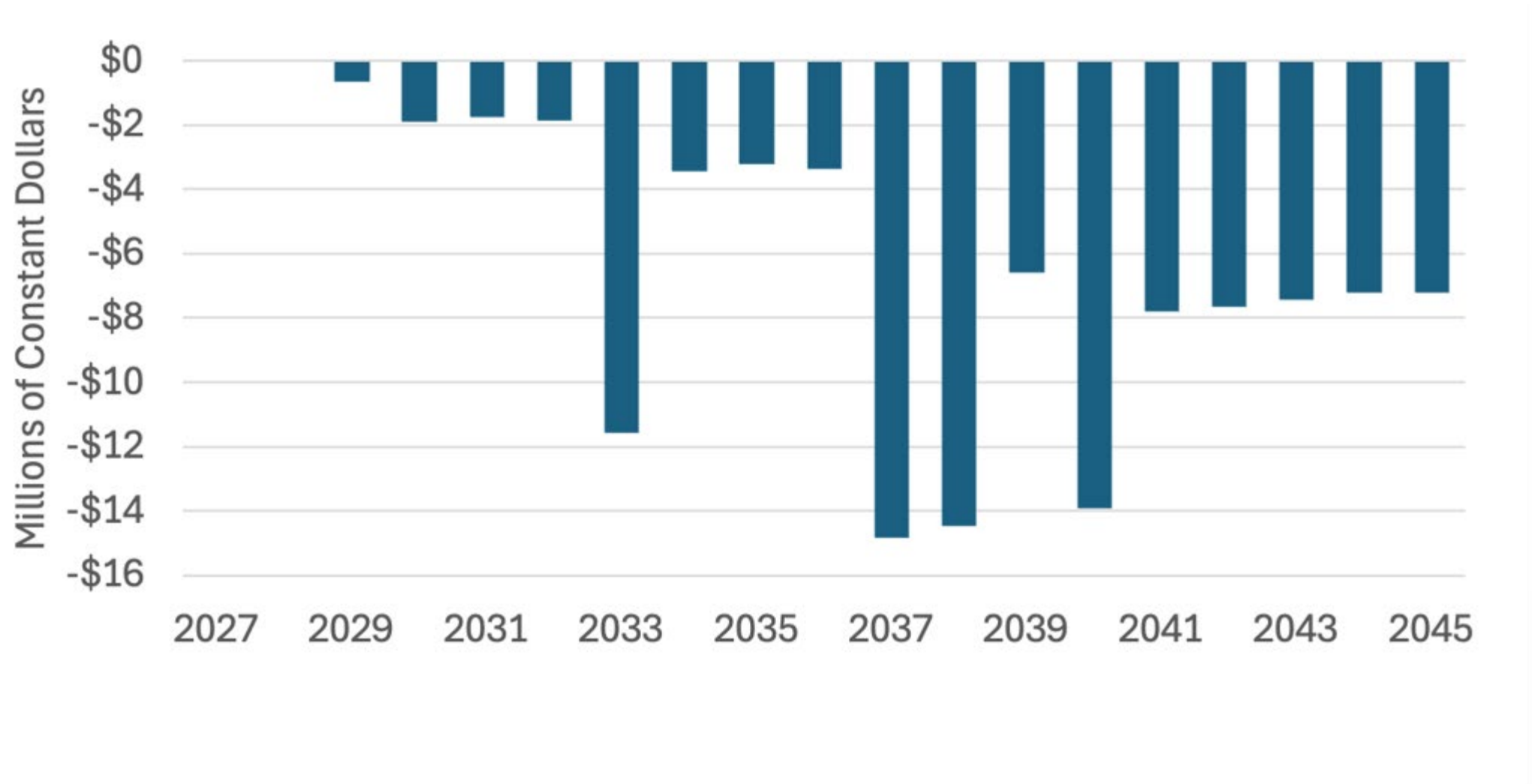
- There are unavoidable costs of growth.
- At full build-out, the expansion of existing services is projected to have a negative General Fund impact.
 - Revenues are not projected to keep up.
 - LFUCG will likely need to consider capital investments (Regional projects and community facilities).
- The Urban Services District Fund does not experience this problem.

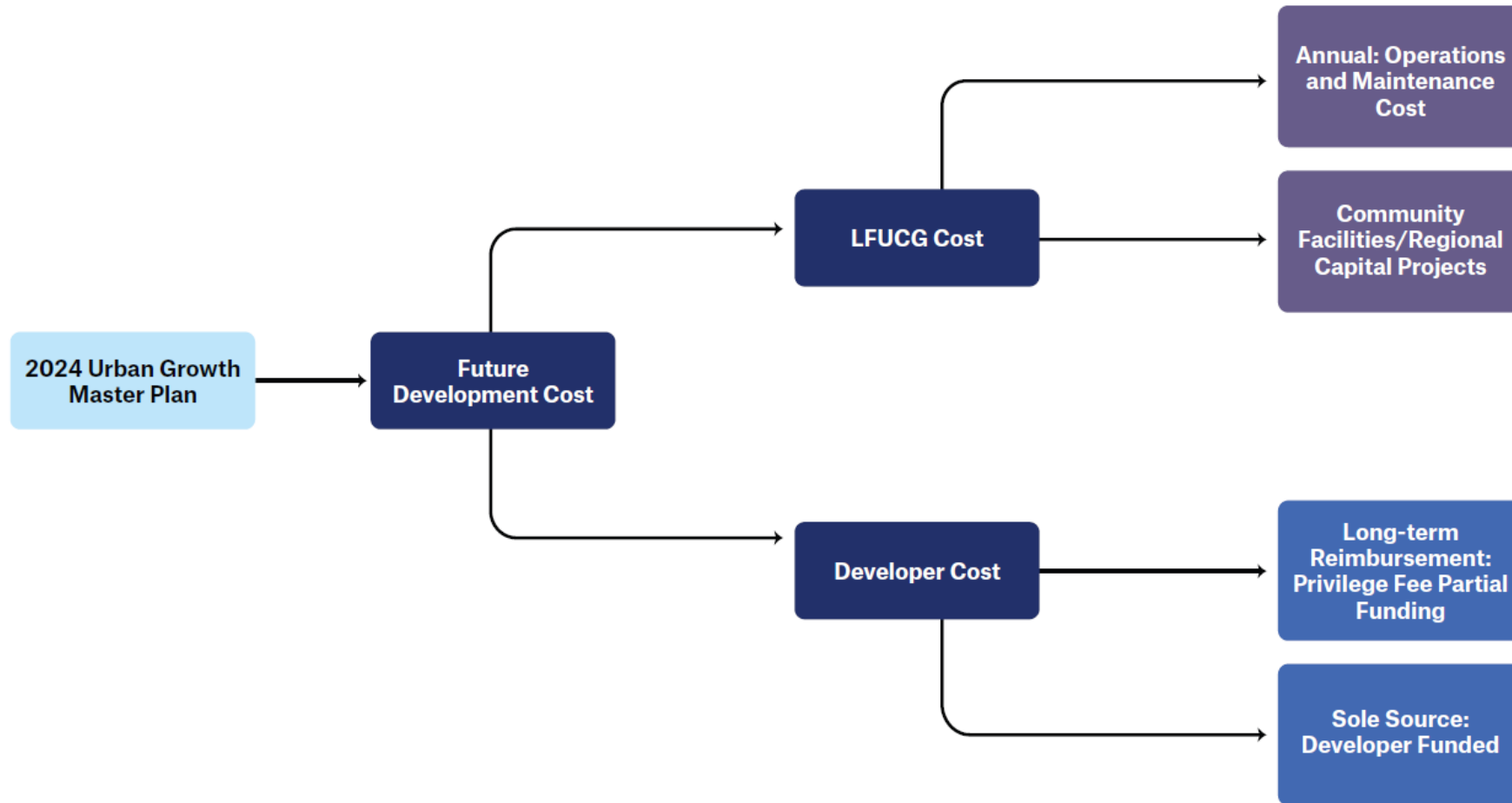


Table ES-3. Annual Incremental LFUCG Revenues and Expenditures Attributable to Urban Growth Area Development, All Urban Growth Areas			
	Lower Density	Higher Density	
Annual LFUCG Revenues			
Real Property Tax	\$1,280,000	-	\$2,018,000
Urban Services District Property Tax	\$8,855,000		\$13,967,000
Occupational License	\$2,490,400	-	\$3,955,200
Motor Vehicle Tax	\$120,300	-	\$137,700
Service Fees	\$3,677,400	-	\$5,552,900
Landfill Fees	\$971,000	-	\$1,636,000
Water Quality Management Fees	\$1,148,000	-	\$1,711,000
Fines and Forfeitures	\$19,000	-	\$28,600
LFUCG Revenues	\$18,561,100	-	\$29,006,400
Annual LFUCG General Fund Expenditures			
Central Government Operations	\$2,158,200	-	\$3,268,500
Project Design, Construction and Maintenance	\$3,039,600	-	\$3,022,400
Justice	\$0	-	\$0
Safety	\$9,467,000	-	\$9,467,000
Development and Special Initiatives	\$204,900	-	\$261,300
Social Services	\$2,585,700	-	\$3,904,500
Parks and Recreation	\$4,055,900	-	\$5,905,400
Housing and Community Development	\$631,900		\$954,200
Total LFUCG General Fund Expenditures	\$22,143,200	-	\$26,783,300
Annual Urban Services District Expenditures			
Waste Management	\$2,223,000	-	\$3,398,000
Streetlighting	\$485,000	-	\$485,000
Street Cleaning	\$17,000	-	\$17,000
Total Urban Services District Expenditures	\$2,725,000	-	\$3,900,000
Net Fiscal Surplus/(Deficit)			
LFUCG General Fund, Urban Services District Fund, Landfill Fund and Water Quality Management Fund	-\$6,307,100	-	-\$1,676,900
LFUCG General Fund Alone	-\$14,556,100	-	-\$15,090,900

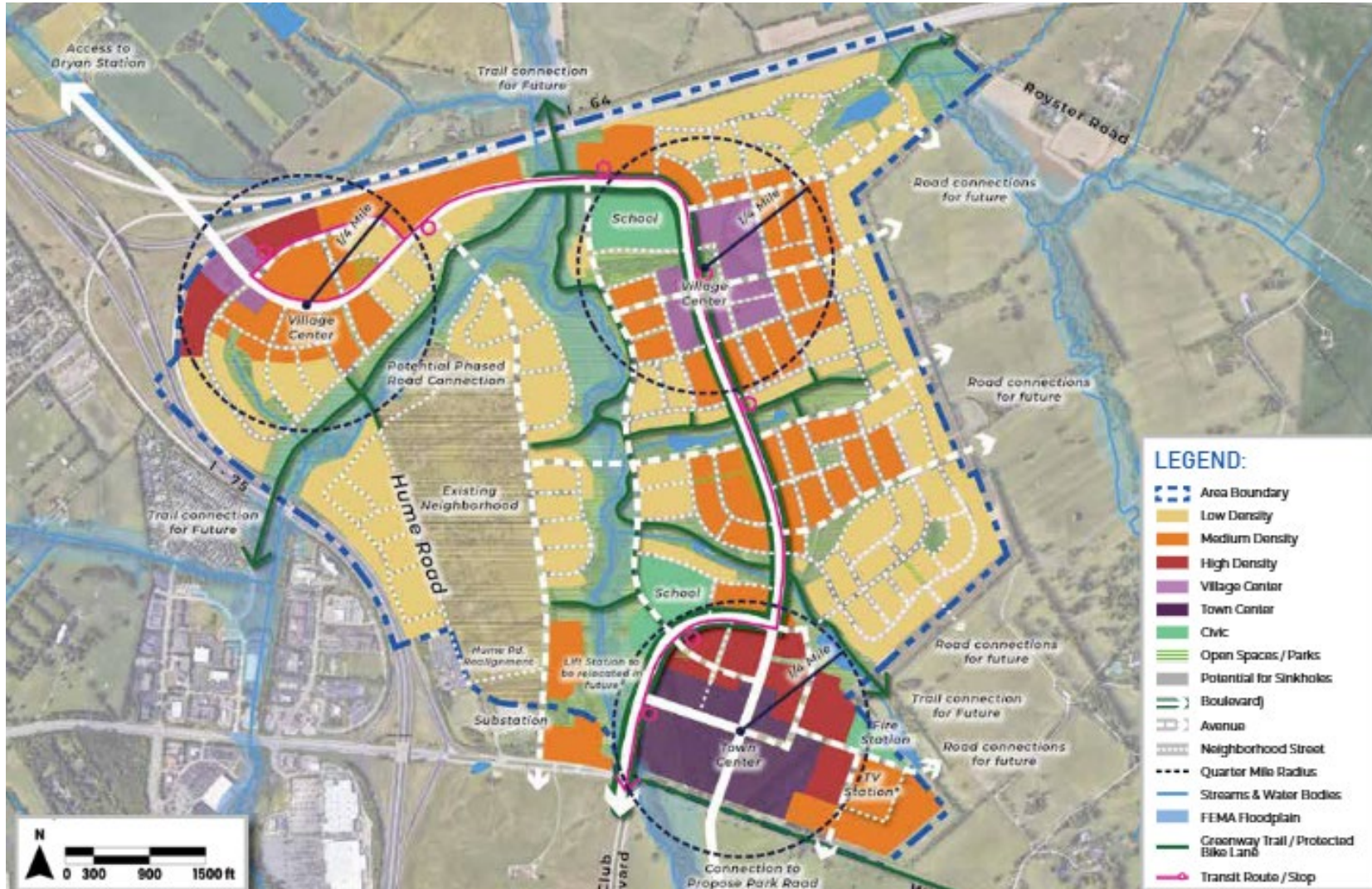
Source: Lexington-Fayette Urban County Government FY2026 Operating Budget, 2025; Partners for Economic Solutions, 2026.

General Fund Impact





Development Cost Breakdown



Key Assumptions

- The cost of infrastructure improvements necessitated by development in Urban Growth Areas will be developer's responsibility.
- Developers will comply with LFUCG standards for constructing improvements.
- LFUCG will bear responsibility for:
 - Regional growth items
 - Neighborhood parks
 - Fire and Police
 - Major transportation network improvements

Capital Costs

Table ES-1. Estimated Probable Costs of Urban Growth Area Infrastructure Improvements						
	Area 1	Area 2	Area 3	Area 4	Area 5	Total
Development Costs						
<i>Consent Decree</i>	N/A	\$6,512,400	N/A	N/A	N/A	\$6,512,400
<i>Sewer Development Required</i>	\$10,701,600	\$19,721,520	\$22,932,000	\$30,576,000	\$12,230,400	\$96,161,520
<i>Internal Roadways and Infrastructure</i>	\$8,215,771	\$66,882,352	\$34,097,079	\$78,612,868	\$2,997,782	\$190,805,852
<i>Existing Roadways</i>	\$19,270,673	\$6,190,278	\$7,654,792	\$9,915,743	\$8,577,180	\$51,608,665
Development Subtotal	\$38,188,044	\$99,306,549	\$64,683,871	\$119,104,611	\$23,805,361	\$345,088,438
Regional Growth Item Subtotal	\$38,418,744	\$18,039,840	\$96,008,640	\$7,727,092	\$0	\$160,194,316
Community Facilities Costs						
<i>Community Facilities</i>	N/A	\$8,140,860	\$11,827,179	N/A	N/A	\$19,968,039
<i>Parks and Open Space</i>	\$5,473,104	\$13,682,760	\$13,682,760	\$8,209,656	\$2,736,552	\$43,784,832
Community Facilities Subtotal	\$5,473,104	\$21,823,620	\$25,509,939	\$8,209,656	\$2,736,552	\$63,752,871
Total	\$82,079,892	\$139,170,009	\$186,202,450	\$135,041,359	\$26,541,913	\$569,035,624

The opinion of probable construction cost for the Urban Growth Plan does not include any right of way acquisition costs. Additional costs may be incurred from utility capacity impact fees or other off-site improvements needed. The estimates use recently constructed projects as the basis for high level estimates. The study only developed conceptual plans that do not provide enough detail for accurate estimation.

Source: Gresham Smith, 2026.

Privilege Fees



Simple and transparent



Allows new development to bear the burden of new infrastructure



Minimizes cost by allowing developers to use private funding and contracting



Responds to market demand



Sets fees based on actual costs



Creates a mechanism to enforce future payment



No cost to property owners before they choose to develop their property

Privilege Fee Ordinance



Developer or LFUCG builds the shared infrastructure (sewer or roadway).



Benefiting properties are identified that must pay a Privilege Fee before obtaining a future Subdivision Plan approval.



Shared infrastructure cost is allocated to benefiting properties based upon gross acreage.



LFUCG audits project costs and design for compliance.

Privilege Fees



A standard agreement sets forth the terms.



Privilege Fees accumulate simple interest at the 10-Year US Treasury +1% for 20 years.



LFUCG collects privilege fees and remits to the original developer.

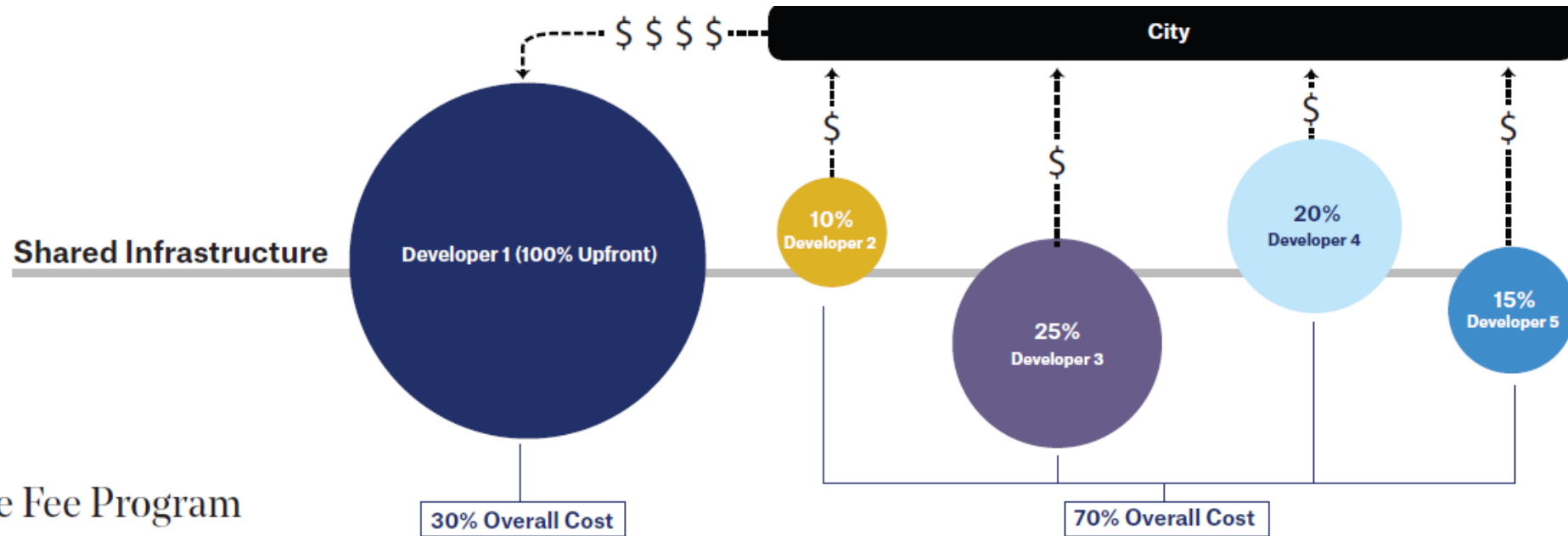


The ordinance includes a 0.5% administrative fee to LFUCG and a 5% management fee for the developer.

Privilege Fees



Privilege Fees



Privilege Fee Program

Next Steps

- Adopt the ordinance and move to the full Council.
- Implementation:
 - Accela modifications
 - Staff training
 - Handbook

Questions?



LEXINGTON

ORDINANCE NO. _____ - 2026

AN ORDINANCE CREATING CHAPTER 28 OF THE CODE OF ORDINANCES OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (PRIVILEGE FEES FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS), AS FOLLOWS: ADOPTING DEFINITIONS FOR PRIVILEGE FEE, PARTICIPATING OWNER, NON-PARTICIPATING OWNER, PUBLIC INFRASTRUCTURE, SHARED PUBLIC INFRASTRUCTURE, ACREAGE, AND INTEREST; AUTHORIZING THE ALLOCATION OF COSTS OF CONSTRUCTION OF SHARED PUBLIC IMPROVEMENTS TO NON-PARTICIPATING OWNERS IN THE FORM OF PRIVILEGE FEES; AUTHORIZING THE EXECUTION OF PRIVILEGE FEE AGREEMENTS BY THE MAYOR OR THE CHIEF ADMINISTRATIVE OFFICER AS MAYOR’S DESIGNEE FOR CONSTRUCTION OF SHARED PUBLIC INFRASTRUCTURE AND FOR REIMBURSEMENT OF COSTS ASSOCIATED THEREWITH FROM PRIVILEGE FEES REMITTED BY NON-PARTICIPATING OWNERS; REQUIRING COMPETITIVE BIDDING PROCEDURES FOR CONSTRUCTION OF SHARED PUBLIC INFRASTRUCTURE UNLESS WAIVED FOR GOOD CAUSE SHOWN; PROVIDING FOR NOTICE TO ALL NON-PARTICIPATING OWNERS AND A PUBLIC HEARING REGARDING PROPOSED CONSTRUCTION OF SHARED PUBLIC IMPROVEMENTS AND THE ALLOCATION OF COSTS TO NON-PARTICIPATING OWNERS BY WAY OF PRIVILEGE FEES; ESTABLISHING MINIMUM REQUIREMENTS FOR PRIVILEGE FEE AGREEMENTS; AUTHORIZING ADMINISTRATIVE FEES; AND AUTHORIZING THE COLLECTION OF INTEREST ON PRIVILEGE FEES.

–

WHEREAS, Section 156b of the Kentucky Constitution is the enabling constitutional permission for the Kentucky General Assembly to afford local governments the power to pass laws which are “in furtherance of a public purpose” and the General Assembly has duly enacted KRS 82.082 (generally known as the “Home Rule” authority for cities) and KRS 67.083 (generally known as “Home Rule” authority for counties), in order to promote health, safety, morals, or general welfare of the people; and

WHEREAS, this authority is exercised by the Lexington-Fayette Urban County Government pursuant to KRS 67A.060, which provides that urban county governments may exercise the constitutional and statutory rights, powers, privileges, immunities, and responsibilities of counties and cities of the highest class within the county and/or which may be authorized for or imposed upon urban county governments, and pursuant to KRS 67A.070, which further provides that urban county governments may enact and enforce within their territorial limits such tax, licensing, police, sanitary, and other ordinances not in conflict with the Kentucky Constitution as they shall deem requisite for the health, education, safety, welfare, and convenience of the inhabitants of the county and for the effective administration of the Lexington-Fayette Urban County Government; and

WHEREAS, the Lexington-Fayette Urban County Government recognizes that encouraging new development and redevelopment projects by providing for the

construction of, and financing for, public infrastructure including but not limited to public sanitary sewers, safe public streets, public stormwater improvements, and public trails promotes the public health, public safety, and the general welfare of the residents of Lexington-Fayette County; and

WHEREAS, the Lexington-Fayette Urban County Government has adopted plans to govern urban growth management, including public infrastructure development relating thereto, including but not limited to the Expansion Area Master Plan (EAMP), the Urban Growth Master Plan (UGMP), and Lexington’s Preservation and Growth Management Program (LPGMP), as well as ordinances, codes, procedures, and manuals to regulate the construction of public infrastructure, all in aid of property development and redevelopment in Lexington-Fayette County; and

WHEREAS, the Lexington-Fayette Urban County Council has determined that it is essential to the health, safety, and welfare of the residents of Lexington-Fayette County that those property owners who most directly benefit from the construction of shared public infrastructure as part of new development and redevelopment projects should pay their share of the costs of acquiring, designing, and constructing public infrastructure necessary for those developments; and

WHEREAS, the construction and financing of shared public infrastructure requires the creation of a mechanism to allocate the costs of shared public infrastructure to property owners who will most directly benefit from the construction of said infrastructure; and

WHEREAS, the Urban County Government has previously utilized the privilege fee mechanism to allocate the costs of shared public sewer facilities and provide for reimbursement therefrom when the Urban County Government or a private developer has expended funds to construct shared public sewer facilities; and

WHEREAS, the Urban County Council has determined that privilege fees constitute the most equitable mechanism to allocate shared costs of public infrastructure improvements to those property owners who are not participating in the construction of the shared public infrastructure but who will nonetheless most directly benefit from the construction of those improvements, and that the most equitable method of apportioning costs to those owners is on the basis of acreage; and

WHEREAS, compensation received by the privilege fee(s) allocated hereunder shall be used to finance, defray, and/or reimburse all or a portion of the costs incurred by the Government or a developer for the construction of sewers, roads, and other public infrastructure improvements identified hereunder that serve new development and redevelopment projects.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTONFAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That a new Chapter of the Code of Ordinances (Chapter 28 – Privilege Fees for Public Infrastructure Improvements) be and hereby is created to read as follows:

CHAPTER 28 – PRIVILEGE FEES FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS

Section 28-1. – Definitions.

- (a) *Acreage* means total gross acreage.
- (b) *Interest* means an amount of money that accumulates on an unpaid principal amount at a particular rate without compounding, also known as simple interest.
- (c) *Non-Participating Owner* means an owner or developer of real property whose property most directly benefits from the construction of shared public infrastructure, without which shared public infrastructure said property would not be subject to development, and who did not participate in the planning of public infrastructure construction but is nevertheless responsible for contributing to the cost of shared public infrastructure on an acreage basis by remitting privilege fees.
- (d) *Participating Owner* means an owner or developer of real property who is constructing shared public infrastructure and who may be compensated in the form of reimbursement from privilege fees remitted by Non-Participating Owners. For purposes of this chapter, the Lexington-Fayette Urban County Government qualifies as a Participating Owner on projects where the Urban County Government expends funds for the construction of shared public infrastructure and may be compensated in the form of a privilege fee.
- (e) *Privilege fee* means an amount that represents the allocated portion of the costs of constructing shared public infrastructure that will ultimately benefit real property owned by Non-Participating Owners, inclusive of administrative fees and interest; such

costs of construction shall be based upon all contemporaneously documented costs of construction, including engineering, permitting, inspection and testing costs and costs of acquisition of any property interests necessary.

(f) *Public infrastructure* means publicly owned and operated infrastructure improvements, including improvements to public sanitary sewer infrastructure, construction of collector streets, arterials and boulevards and connections to existing regional road network, improvements to the public stormwater system, and trails to be developed as part of approved development plans.

(g) *Shared public infrastructure* means public infrastructure which is designed to serve the greater public infrastructure system at large, as contrasted with infrastructure improvements which substantially or exclusively benefit only a single project. If public infrastructure to be constructed provides or will provide more than incidental service to properties other than a single development, the public infrastructure shall be considered shared public infrastructure.

Section 28-2. – Privilege fees.

A Participating Owner who expends funds on the construction of shared public infrastructure which will benefit real property owned by Non-Participating Owners and which property shall be served by the shared public infrastructure shall be compensated in the form of reimbursement from privilege fees established by and remitted to LFUCG by Non-Participating Owners. If LFUCG expends funds on the construction of shared public infrastructure which will benefit property owned by Non-Participating Owners, LFUCG shall be compensated in the form of reimbursement from privilege fees remitted by Non-Participating Owners.

Section 28-3. – Requests for privilege fees; determination of public interest; confirmation of costs; establishment of privilege fee; public bidding required unless waived for good cause shown.

(a) *Requests for privilege fees.* To establish the privilege fee, and to be eligible for compensation in the form of reimbursement from privilege fees remitted to the urban county government by Non-Participating Owners, the Participating Owner shall submit the following to the Chief Administrative Officer or their written designee as part of a request for privilege fees for shared public infrastructure development:

(1) A Privilege Fee Agreement to be executed by the Participating Owner(s) who participated in the planning of the construction of the shared public infrastructure improvements and LFUCG on behalf of itself and the Non-Participating Owners, in the form required by Section 28-4.

(2) A detailed project description, including engineering and construction cost estimates prepared by a licensed professional engineer.

(3) Property appraisals prepared by professional appraisers to determine the cost of any land acquisition or right-of-way dedication necessary for the construction of shared public infrastructure, unless such cost has been otherwise determined by agreement between the Participating Owner and the property owner(s) contributing said property interests.

(b) *Determination of public interest; confirmation of costs.* The detailed project description, including engineering and construction cost estimates, shall be timely referred to the Division of Water Quality, the Division of Engineering, the Division of Planning, the Division of Parks and Recreation, and/or such other urban county government departments or divisions as appropriate to review and determine whether it is in the public interest to facilitate development, expend funds, and/or collect privilege fees on behalf of the Participating Owner for the construction of the proposed shared public infrastructure improvements.

(c) *Establishment of privilege fee.* If, in the administration of all ordinances, policies, plans, procedures, and manuals applicable to public infrastructure development in Lexington-Fayette County, LFUCG determines that it is in the public interest for the proposed shared public infrastructure to be constructed and reimbursed by privilege fees, the privilege fee shall be established by LFUCG based upon the information provided by the Participating Owner, with the costs of the shared public infrastructure to be apportioned to Non-Participating Owners based upon the acreage of properties benefited by the infrastructure; provided, however, that in the construction of public sanitary sewer infrastructure, costs shall be apportioned to Non-Participating Owners based upon the acreage located within the sewer service area and in the construction of public stormwater infrastructure, costs shall be allocated based upon the acreage located within the stormwater service area. Costs and acreage shall be subject to reconciliation by the

Participating Owner to reflect final actual project costs and acreages; if the reconciliation results in an adjustment that increases the privilege fee to which Non-Participating Owners are subject, any Non-Participating Owner who has already remitted the privilege fee shall be responsible for remitting any additional sum. All public infrastructure shall be dedicated to LFUCG free of charge.

(d) *Competitive sealed bidding required; waiver upon good cause shown.* All contracts for construction of shared public infrastructure subject to reimbursement through privilege fees shall be procured by the Participating Owner through competitive sealed bids, and shall be carried out in accordance with applicable development and design standards; the Participating Owner may request a waiver of the requirement of competitive sealed bidding, which the Chief Administrative Officer, as Mayor’s designee, may grant in their sole discretion upon good cause shown. Provided, however, that if the Participating Owner fails to competitively bid project construction and/or fails to provide documentation of compliance upon request of the Urban County Engineer, the Participating Owner shall be deemed to have waived any claim to privilege fees.

Section 28-4. – Privilege Fee Agreement.

(a) *Privilege Fee Agreement required.* Prior to commencement of the construction of shared public infrastructure improvements, the Participating Owner(s) and LFUCG, as represented by the Mayor or by the Chief Administrative Officer as the Mayor’s designee, shall execute a Privilege Fee Agreement. In consideration of the benefit that the construction of the shared public infrastructure provides to the Non-Participating Owners, who would not otherwise be able to develop their property without the shared public infrastructure, and pursuant to its authority under the Kentucky Constitution and Chapter 67A of the Kentucky Revised Statutes to allocate the costs of shared public infrastructure to the Non-Participating Owners benefiting therefrom in furtherance of the health, safety, welfare, and convenience of the inhabitants of Lexington-Fayette County, LFUCG shall execute the Privilege Fee Agreement on behalf of all Non-Participating Owners. The Privilege Fee Agreement shall be recorded at the expense of the Participating Owner in the office of the Fayette County Clerk.

(b) *Requirements.* The Privilege Fee Agreement shall include provisions which establish the following minimum requirements:

- (1) The specific nature and extent of the shared public infrastructure to be constructed and eligible for compensation in the form of privilege fees.
- (2) That the Participating Owner shall be entitled to reimbursement for construction of the shared public infrastructure from privilege fees paid to LFUCG.
- (3) The properties that are subject to the Privilege Fee Agreement and which are responsible for the payment of the privilege fee established.
- (4) The privilege fee to be established, with the costs of the shared public infrastructure to be apportioned based upon the total acreage of each property benefited by the infrastructure, with acreages and per acre costs to be adjusted to reflect final actual project costs and acreages; the Privilege Fee Agreement shall include the exact percentage of the shared costs to be allocated against each property and the costs for the construction of shared public infrastructure subject to allocation shall be based upon all contemporaneously documented costs of construction, including engineering, permitting, inspection and testing costs, and costs of acquisition of any property interests necessary.
- (5) The competitive bid process to be used for selection of the contractor and estimated cost for the construction of the shared public infrastructure.
- (6) The procedures to be used to submit, evaluate and approve (if warranted) change orders to any contracted shared public infrastructure improvement.
- (7) An agreement by the Participating Owner to comply with all applicable ordinances, codes, plans, procedures, and manuals governing the development of public infrastructure in Lexington-Fayette County, including but not limited to the Code of Ordinances, the Zoning Ordinance, the Expansion Area Master Plan (EAMP), Urban Growth Master Plan (UGMP), and the LFUCG engineering manuals, unless expressly waived by LFUCG to the extent permitted by law.
- (8) A statement establishing that the actual costs of the shared public infrastructure constructed by the Participating Owner shall be basis of the privilege fee allocation to Non-Participating Owners, and providing for reconciliation of actual costs of the shared public infrastructure through documentation required of the Participating Owner by LFUCG, including, but not limited to, periodic submittal

of invoices, proof of payment, audits or other means determined necessary by the LFUCG to ensure validity of the actual costs of construction.

(9) A statement that infrastructure which is constructed solely for the benefit of the Participating Owner's development project shall not be eligible for reimbursement in the form of privilege fees.

(10) An agreement by the Participating Owner to hold LFUCG harmless from any and all liability arising from any failure to collect privilege fees from Non-Participating Owners, their heirs, successors, or assigns, or from any failure by Non-Participating Owners, their heirs, successors, and assigns to remit privilege fees for the construction of shared public infrastructure.

(11) An agreement by the Participating Owner to comply with all procedures required by LFUCG to reconcile the actual costs of construction of the shared public infrastructure and finalize the privilege fee, and to produce all documentation and information for reconciliation of actual costs to LFUCG's satisfaction not more than ninety (90) days following the dedication of public infrastructure so constructed to LFUCG.

(12) An agreement by the Participating Owner that any failure to comply with the Privilege Fee Agreement or with the provisions of this chapter constitutes an occurrence of default and that reimbursement from privilege fees to the Participating Owner shall be withheld unless or until such default is cured and/or may be withheld entirely, depending on the circumstances.

(c) Form and content subject to approval. The final form and content of the Privilege Fee Agreement shall comply with this chapter in all material respects and shall be subject to the approval of the LFUCG Department of Law.

Section 28-5. – Administrative fees; simple interest.

In recognition of the additional administrative burden associated with the construction of shared public infrastructure by Participating Owner(s) for the benefit of Non-Participating Owners, an Infrastructure Development Administrative Fee for the benefit of Participating Owners shall be included in the privilege fee, which shall not exceed 5.0% of the total documented construction cost. Separately, and in recognition of the additional administrative costs associated with LFUCG's administration of Privilege

Fee Agreements, an additional administrative fee shall be included in the privilege fee, which shall be no more than 0.5% of the total project cost, and which shall be withheld from reimbursements made to Participating Owners from privilege fees remitted by Non-Participating Owners and retained by LFUCG. In addition, privilege fees shall bear interest at the U.S. 10 Year Treasury Note Yield as published in the Wall Street Journal, plus one percent (1%), as of the date of execution of the agreement. The interest calculation shall be simple interest solely on the principal of the privilege fee amount, without compounding, and interest shall accrue per annum beginning thirty (30) days from the date of dedication and shall continue to accrue until the privilege fee is paid in full, or until twenty (20) years have elapsed, whichever occurs first; provided, however, that cessation of the accrual of interest after twenty (20) years have elapsed shall have no effect on the underlying privilege fee obligation, including previously accrued interest. Under no circumstances shall interest accrue on previously accrued but unpaid interest.

Section 28-6. – Notice to Non-Participating Owners; Public Hearing.

Prior to execution of a Privilege Fee Agreement, LFUCG shall provide written notice by certified mail to all owners of property to be ultimately benefitted by the shared public infrastructure at least fourteen (14) days in advance of a public hearing to be held at a meeting of the Urban County Council. Said notice shall, at a minimum, provide a description of the proposed project, the estimated amount of the privilege fee, the share of costs to be borne by each property, and the date and time of the public hearing related to the allocation of costs as part of the Privilege Fee Agreement.

Section 28-7. – When privilege fees are due.

Privilege fees shall be due and payable by Non-Participating Owners immediately prior to the signing of a final subdivision plan by the Urban County Engineer or their designee. In the event a final subdivision plan is not required, the payment of the privilege fee shall be due prior to the approval of infrastructure development plans by the Division of Engineering. Any development that proceeds without an appropriate reconciliation of, and remittance to, LFUCG of any outstanding privilege fees shall have all permits withheld until such time as privilege fees are paid.

Section 28-8. – Reimbursements to Participating Owners.

(a) *Participating Owners.* LFUCG will remit reimbursements to the

Participating Owner from privilege fee amounts paid to LFUCG by Non-Participating Owners, their heirs, successors, and assigns, not more than ninety (90) days following receipt of privilege fees associated with the Privilege Fee Agreement, but no reimbursement shall be made to Participating Owner for their proportionate part of the shared public infrastructure cost. The Participating Owner shall submit, within five (5) business days following receipt of such reimbursement, a written acknowledgment that the privilege fee for the subject property has been paid in full and a written waiver of any further claim for reimbursement for the subject property, expressly acknowledging that said property is no longer subject to the privilege fee and partially releasing the Privilege Fee Agreement as to the subject property; the Participating Owner's failure to do so within five (5) business days constitutes acceptance of the reimbursement in satisfaction of all privilege fees owing for that property and Participating Owner shall be deemed to have waived any further claim relating thereto.

(b) *LFUCG*. Where LFUCG expends funds for the construction of shared public infrastructure, LFUCG shall be eligible for and may retain privilege fees.

Section 2 – That, should any section or part of any section or any provision of this Ordinance be declared invalid by a Court of competent jurisdiction, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Ordinance.

Section 3 – That this Ordinance shall be effective upon the date of its passage, and that any ordinances, resolutions, or executive orders in conflict with any section of this ordinance be and hereby are repealed or rescinded.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF THE URBAN COUNTY COUNCIL
PUBLISHED: xxx-26:MSC: 4913-7558-2635, v. 1



Lexington-Fayette Urban County Government

Master

200 E. Main St
Lexington, KY 40507

File Number: 0579-26

File ID: 0579-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Budget, Finance & Economic Development (BFED) Committee

File Created: 06/18/2026

File Name: Technology Ecosystem Development

Final Action:

<p>Title:</p> <p>Technology Ecosystem Development</p>
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Notes:

Sponsors:

Enactment Date:

Attachments: Tech Internship Pilot Program Presentation

Enactment Number:

Deed #:

Hearing Date:

Drafter:

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File 0579-26

Title

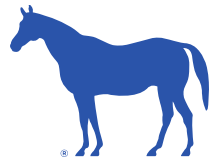
Technology Ecosystem Development

TECH INTERNSHIP PILOT PROGRAM

Budget, Finance and Economic Development Committee

June 23, 2026

Erica Rogers, Director of Agriculture Development



LEXINGTON

Background: Tech-Driven Opportunity

- **Economic and Workforce Development in the Tech Ecosystem: 2025 TEConomy** Partners consultation and study recommended four strategies for growing Lexington's tech and tech-enabled workforce
- **Strategy 2:** Grow tech employment by prioritizing connections among educational institutions, students, workers, and employers
- **Pre-funded in FY2025:** \$90,000 to begin Strategy 2 implementation



2

Grow tech employment by prioritizing connections among educational institutions, students, workers, and employers.

Focus: Linking tech employers and students

- **Goal:** Boost linkages between employers and college students in tech-oriented fields to help retain talent and meet industrial demand
- **TEconomy Partners Recommended Approach:** Explore development of a new tech-focused internship program
- **Proposed Implementation:** Pilot program offering partial wage reimbursement to Lexington employers hosting tech-based internships for qualifying students at local universities and colleges

Program Design Development

- **Spring 2026:** 15+ collaborative planning discussions with internal and external stakeholders including Council partners, staff, college and university representatives, tech employers, industry groups, etc.
- Gathered input on tech internship environment and experiences to ensure pilot program is maximally beneficial for students and employers



Proposed Structure

- Selected employers eligible for reimbursement of up to 50% of wages for up to 2 tech-based intern positions
 - Reimbursement not to exceed \$15/hour and \$3,000 per intern
 - Internships must be at least 120 hours (equivalent to 20 hours/week for 6 weeks)
 - Should result in roughly 30 – 40 interns participating in pilot
- Work sites must be based in Lexington with in-person work requirement
- Students must be enrolled full-time at eligible university or college and within 2 years of the planned culmination of their degree
- Flexible to accommodate true **technology** internships (software, hardware, digital services) and **tech-enabled** internships (using technology to enhance or optimize operations, services, or products)

Proposed Structure

- Rolling application beginning in July and continuing until fund exhaustion
- Employers apply for reimbursement by providing overview of internship including duration, duties and tasks, and pay rate
- MOAs with employers = no direct LFUCG employment
- Up to \$5,000 reserved for networking events or educational activities as recommended by TEConomy Partners to develop community and deepen connections for students
 - Launch event, networking breakfast, project pitch night, etc.
 - Dependent on participation level and timing

Proposed Structure

- Selected employers request monthly reimbursement by submitting invoice with intern timesheets and paystubs
- **Reporting:** Employers submit report at beginning and end of internship period evaluating experience and growth of interns' skills
- **Data Gathering:** Interns also surveyed directly to evaluate experience and monitor long-term progress and placement
- Reports and surveys remain confidential; used only for internal program evaluation

Pilot Program Promotion

- Direct application through Economic Development website
- Distribution of flyers including QR code linked to website
- Program information sent via email to Council and 30+ economic development partners and stakeholders involved in planning process
- Educational and industry partners share opportunity directly with students and employers

Questions?



LEXINGTON



Lexington-Fayette Urban County Government

200 E. Main St
Lexington, KY 40507

Master

File Number: 0580-26

File ID: 0580-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Budget, Finance & Economic Development (BFED) Committee

File Created: 06/18/2026

File Name: E911 Fund Revenue Sources

Final Action:

<p>Title:</p> <p>E911 Fund Revenue Sources</p>

Notes:

Sponsors:

Enactment Date:

Attachments: E911 Presentation Final Draft

Enactment Number:

Deed #:

Hearing Date:

Drafter:

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File 0580-26

Title

E911 Fund Revenue Sources

E911 FUNDING

*Urban County Council
Budget, Finance, and Economic Development Committee
June 23, 2026
Wes Holbrook, Director of Revenue*



LEXINGTON



E911

- Enhanced 911 is funded by collection of a fee on landlines registered in Fayette County.
 - Certain E911 operations are funded by the general fund because they are not eligible to be paid by E911 funding under state statutes.
- Over time, these dedicated funds have stagnated or decreased. An annual subsidy is now required to support the E911 fund.
- Burden of paying for E911 services is disproportionately paid by landline owners.

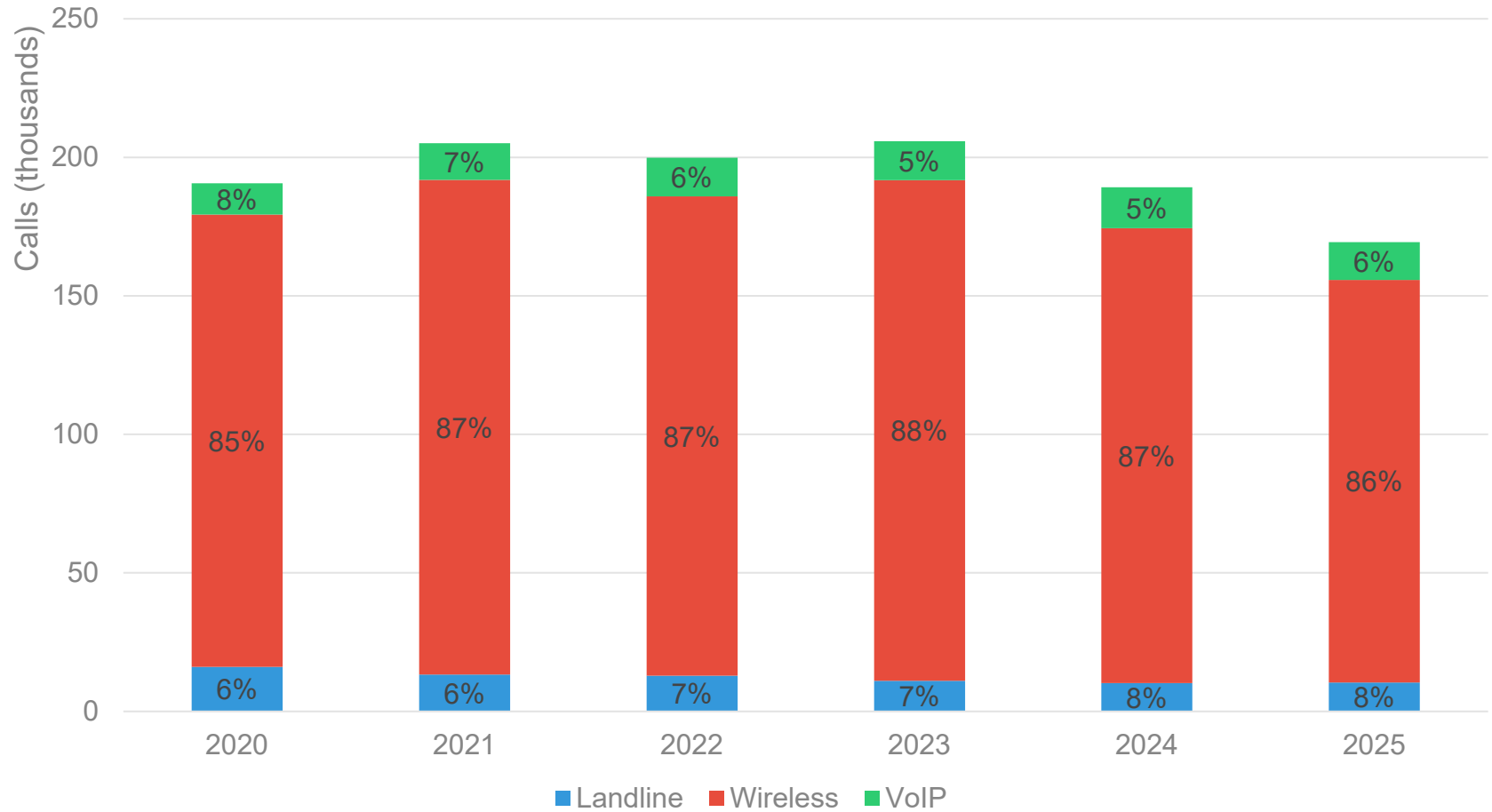


Current Emergency Telephone Service Funding Fee

- Section 13-63 of the Code of Ordinances.
- In June 2008, Section 13-63 of the Code of Ordinances was revised to set the monthly fee at \$2.10 with an annual 4.5% increase starting July 1, 2009. The fee effective July 1, 2026 is \$4.64.



Emergency Calls by Source



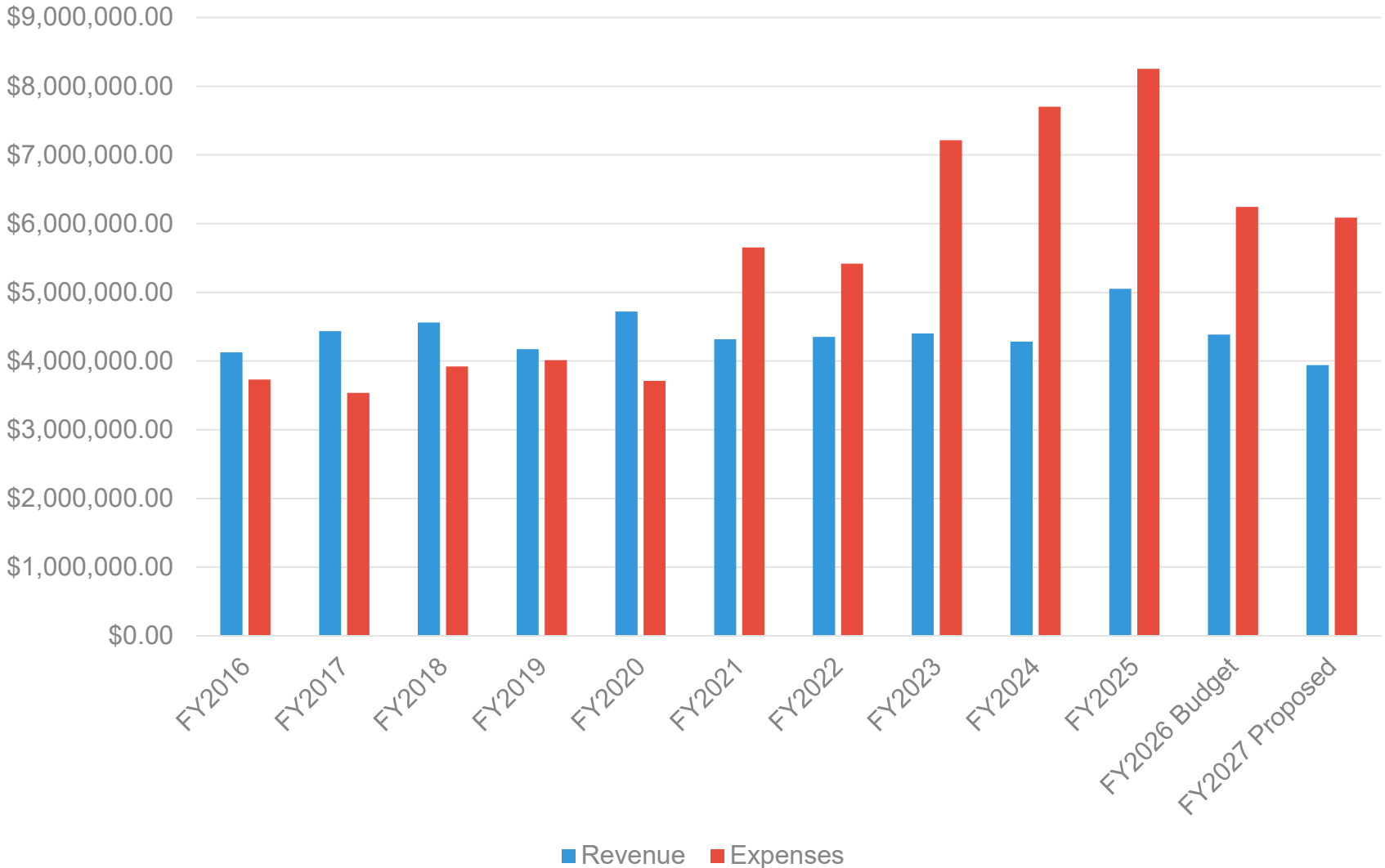


Why do we have a subsidy?

- Revenue Challenges
 - Cellular phone plans are taxed through the state and provide minimal E911 revenue.
 - Landline usage has decreased and become less common throughout the country.
 - E911 Fund balance decreased as revenues went down.
- Rising Expenses
 - Personnel, operating, and capital costs have increased over time beyond the revenues of the dedicated fund.
- Necessary service
 - E911 is a critical service for citizens and large-scale reductions are not possible.

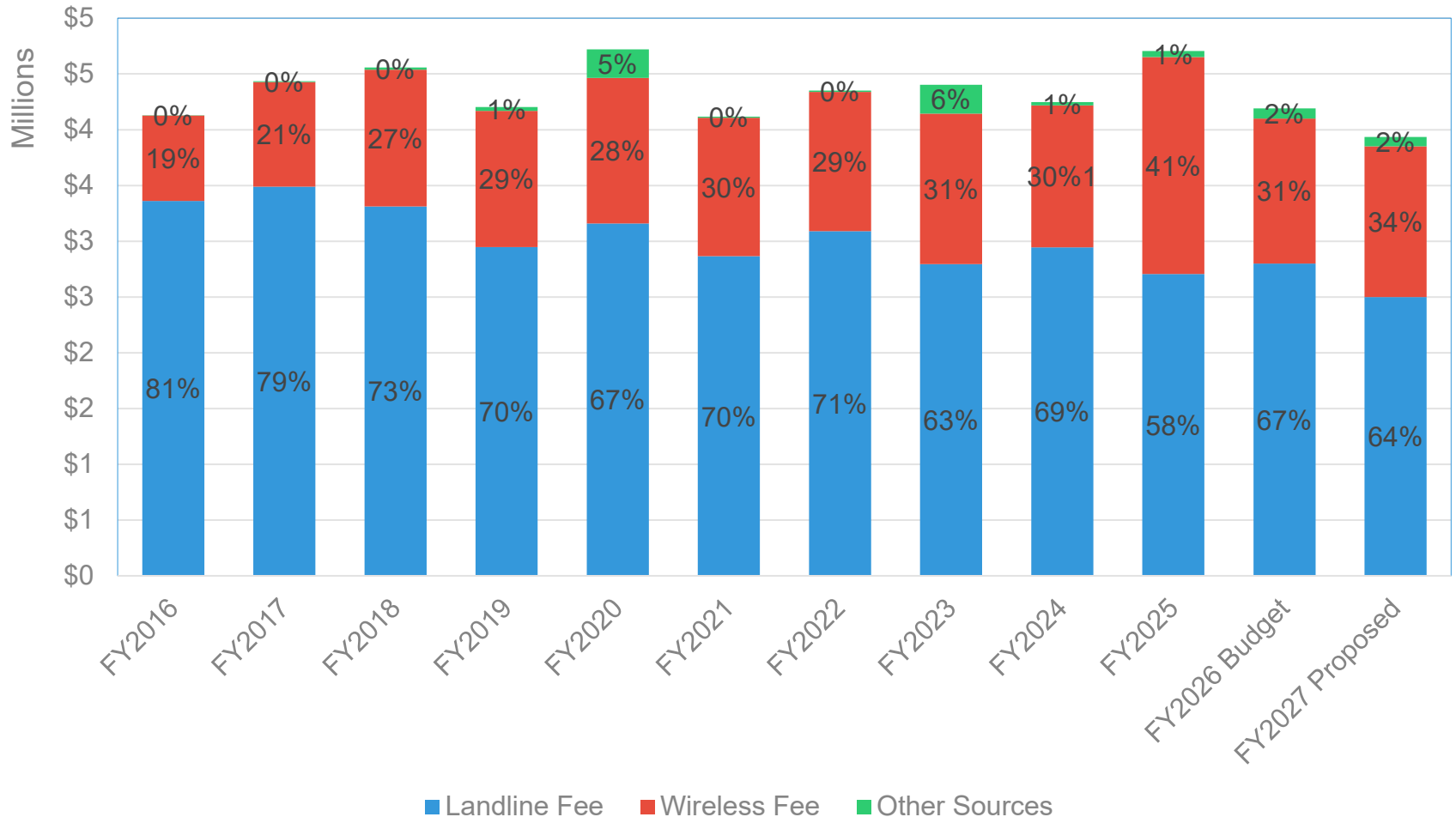


E911 Revenues vs Expenses



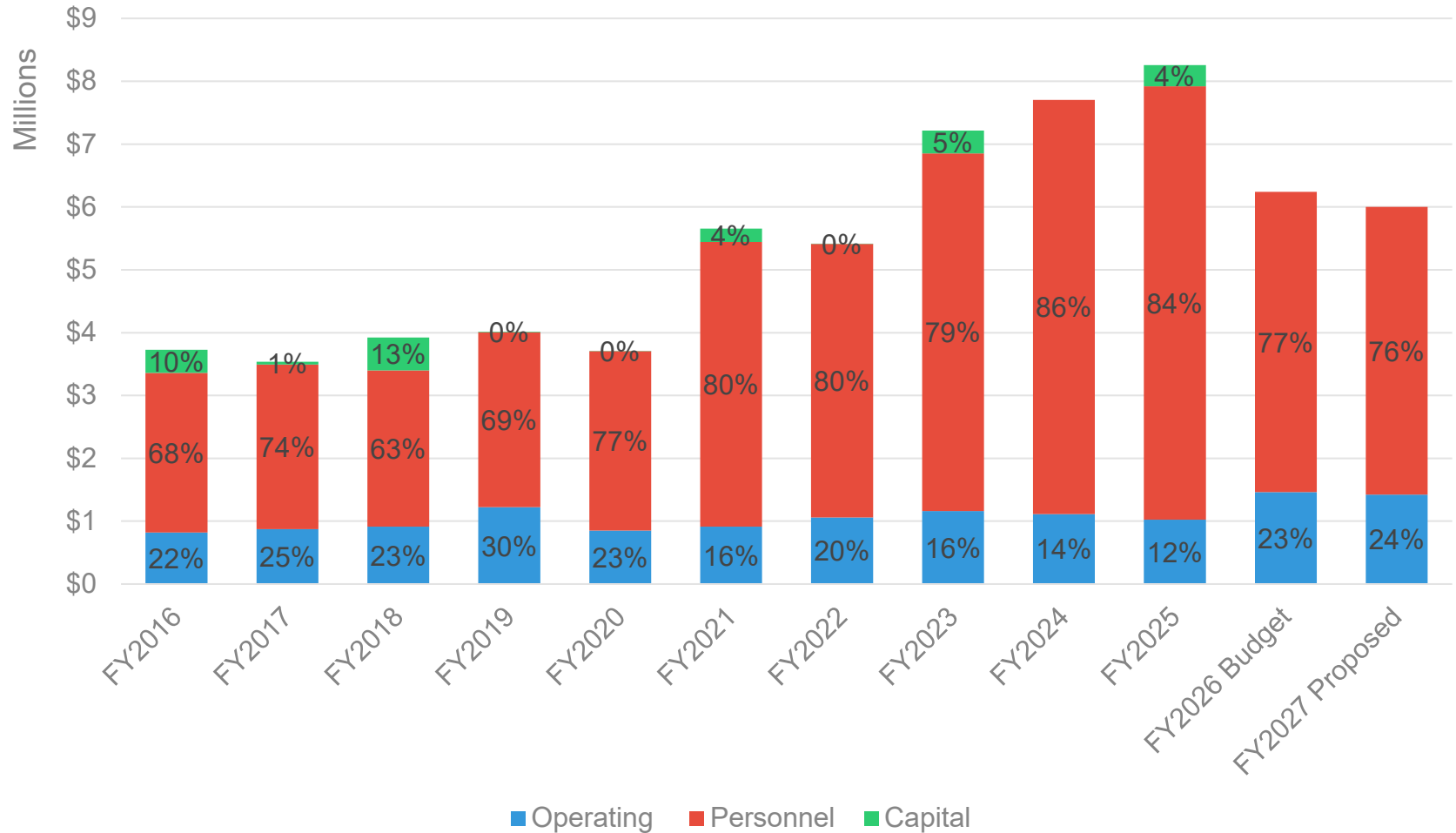


E911 Revenues by Source





E911 Expenditures by Category





E911 Transfers In

Fiscal Year	Transfer Amount
2020	\$200,000
2021	\$200,000
2022	\$0
2023	\$2,855,332
2024	\$4,225,579
2025	\$1,966,278
2026	\$1,896,572*
2027	\$2,149,017*

*Budgeted



Imposition of Fees

- KRS 65.760 allows local governments to levy a special tax, license, or fee to fund a 911 emergency service.
- Revenues can only support “the establishment, operation, or maintenance of a PSAP, the delivery of 911 emergency services, or the provision of wireless enhanced 911 services.”



E911 Service Fee in Other KY Municipalities

- Several counties and cities have begun to alter their funding structure away from landlines or other funding.
 - Campbell County
 - Madison County



E911 Service Fee in Other KY Municipalities

- Campbell County
 - In 2015, Campbell County imposed a \$45 annual fee upon each individual property unit (residential and commercial) within the county.
 - Annual fee is currently \$70.
 - The annual fee was challenged in court and withstood in 2015.
 - *Greater Cincinnati/N. Kentucky Apartment Association, Inc. v. Campbell County. Fiscal Court*
 - The Greater Cincinnati/Northern Kentucky Apartment Association challenged the fee as an unconstitutional and invalid exercise of the County’s authority on the basis that the fee was an impermissible “user fee.”
 - The Court interpreted the statute to demonstrate the General Assembly’s specific intent to permit local governments to fund 911 via fees and the statutory language did not create an impermissible user fee.
 - The Court emphasized that a fee under KRS 65.760 is permissible where it bears a reasonable relationship to the benefit received.



E911 Service Fee in Other KY Municipalities

- Madison County
 - Originally passed a new funding structure shared between the County, City of Berea, and City of Richmond in 2024.
 - This would have been an additional line on the property tax bill received annually.
 - This ordinance was repealed in July 2025 before implementation.
 - In August 2025, the 911 Service Fee ordinance replaced the landline fee with a Water Meter Fee.
 - The effective date for the new fee was January 1, 2026.
 - The new fee is a Water Meter Fee.
 - Separate line on the Water Service Bill.
 - Monthly fee.
 - This fee method withstood a court challenge in 2020.

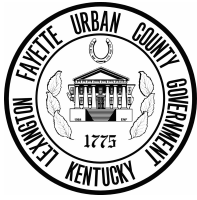


Outstanding Questions

- Residential vs. Commercial vs. Institutional Calls
- Capital Needs of E911 over time
- Annual vs. Monthly Fee
- Role of Central Kentucky 911 Funding
- Operational Changes for non-emergency calls

Questions?





Lexington-Fayette Urban County Government

Master

200 E. Main St
Lexington, KY 40507

File Number: 0581-26

File ID: 0581-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Budget, Finance & Economic Development (BFED) Committee

File Created: 06/18/2026

File Name: Review of Items Referred

Final Action:

<p>Title:</p> <p>Review of Items Referred</p>
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Notes:

Sponsors:

Enactment Date:

Attachments: BFED Items Referred

Enactment Number:

Deed #:

Hearing Date:

Drafter:

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File 0581-26

Title

Review of Items Referred

ITEMS REFERRED TO COMMITTEE

Budget, Finance & Economic Development Committee

Referral Item	Referred By	Date Referred	Last Heard	Status	File ID
1 Review of the Exaction Program	Ellinger	August 28, 2018	November 28, 2023		1225-23
2 Robert H. Williams Cultural Center Funding	J. Brown	October 31, 2023	October 31, 2023		0856-24
3 Digital Accessibility	J. Brown	August 20, 2024	March 24, 2026		0643-25
4 Opioid Abatement Fund	J. Brown	April 30, 2025	March 24, 2026		
5 E911 Fund Revenue Sources	Beasley	May 6, 2025	June 23, 2026	On current agenda	
6 Local Impact Due to Federal Policy	J. Brown	July 3, 2025	September 16, 2025		0901-25
7 Community Benefits Agreements	Morton	August 19, 2025			
8 Contractors Article VI. Code of Ordinances Review	Beasley	August 19, 2025			
9 LexArts Arts and Cultural Master Plan	J. Brown	December 2, 2025	February 24, 2026		0161-26
10 Infrastructure Funding Plan	J. Brown	December 2, 2025	June 23, 2026	On current agenda	0086-26
11 Housing Rehabilitation Program	Morton	January 13, 2026			
12 VisitLex Tourism Improvement District	J. Brown	February 17, 2026	February 24, 2026		0162-26
Annual/Periodic Updates					
13 Monthly/Quarterly Financial Update	na	na	January 27, 2026	quarterly presentations, monthly reports	0160-26
14 Annual Comprehensive Financial Report	na	na	January 27, 2026	Annually in January	0085-26
15 Lexington Economic Outlook & Occupational Tax Forecast	J. Brown	December 3, 2019	February 18, 2025		0186-25
16 Fund Balance	na	na	October 21, 2025	Annually in October	1098-24
17 Economic Development Grants, JOBS, and Partnerships Update	J. Brown	January 29, 2019	September 16, 2025		0899-25
18 Industrial Development Authority Update	J. Brown	February 25, 2020	August 29, 2023		0868-23
19 Change Orders Report (per Resolution 620-2020)	J. Brown	December 3, 2020	October 21, 2025	For information only	0855-24
20 Technology Ecosystem Development	Sevigny	October 31, 2023	June 23, 2026	On current agenda	0642-25

Updated 6/12/26 KF