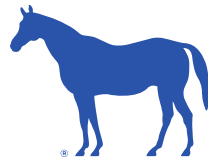


FY 2026 MAYOR'S PROPOSED BUDGET (MPB)

*Urban County Council
Budget Committee of the Whole (COW)
April 29, 2025*



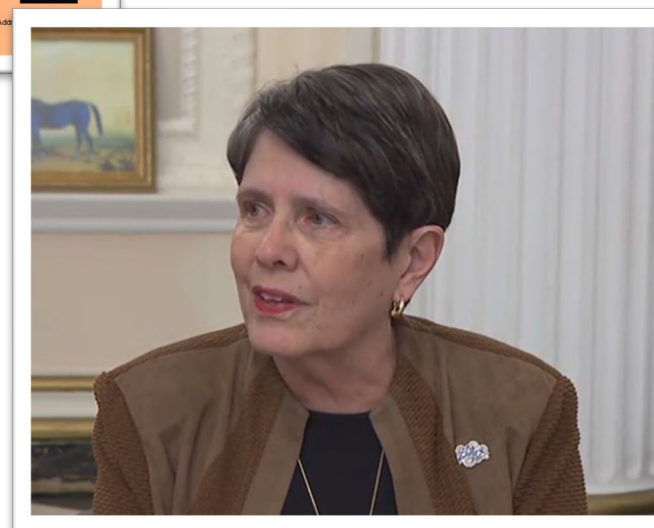
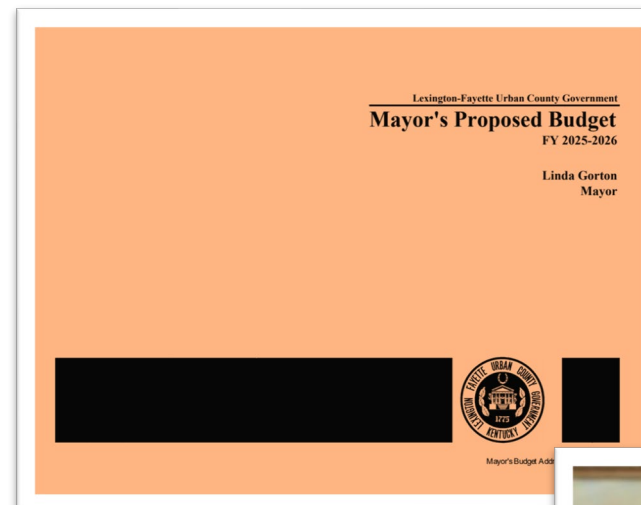
LEXINGTON



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.



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%

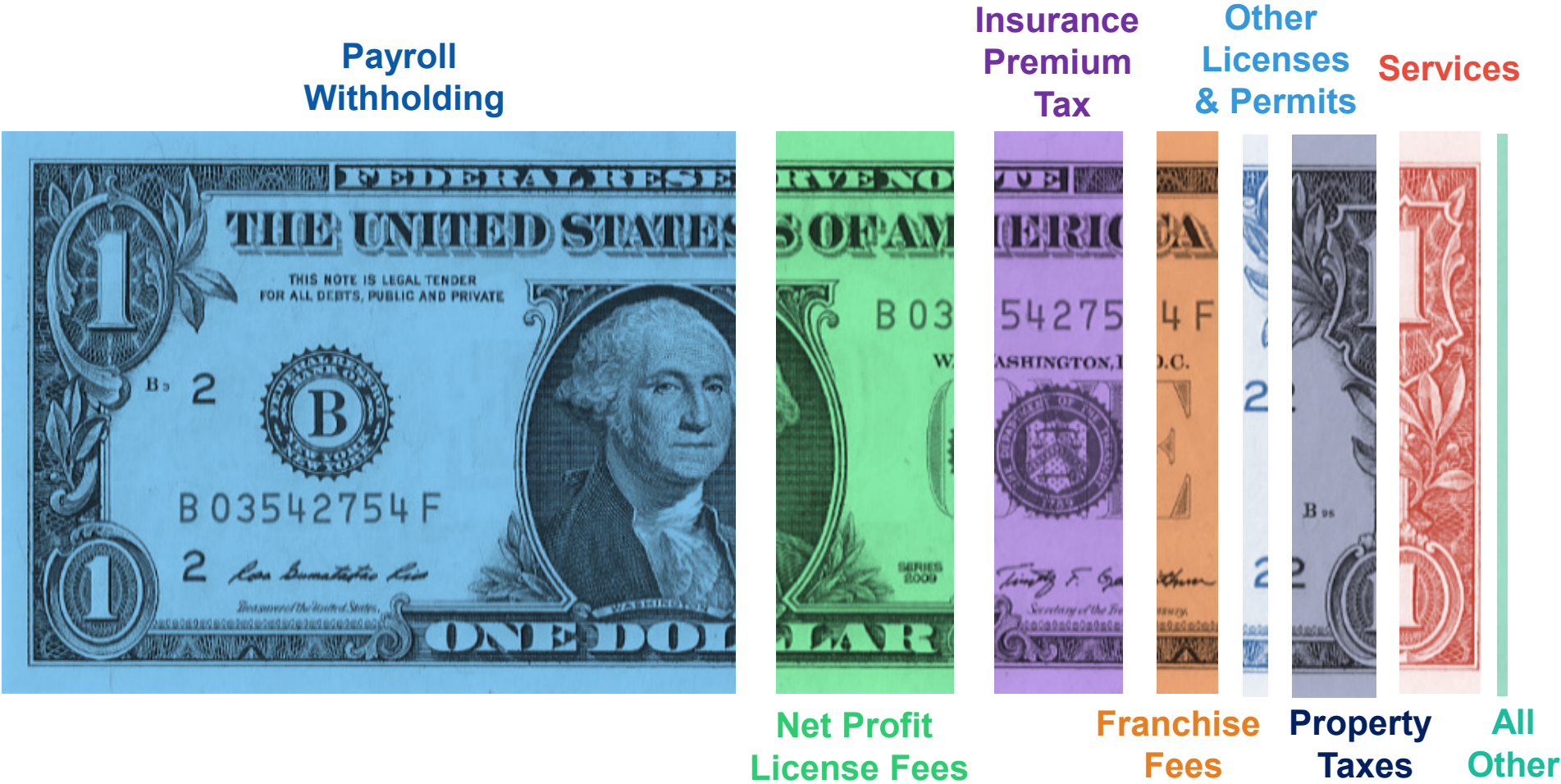
General Fund Appropriations \$ 520,884,466

FY25 Proposed Prefunding \$ 18,311,424

MPB Budget Package \$ 539,195,890

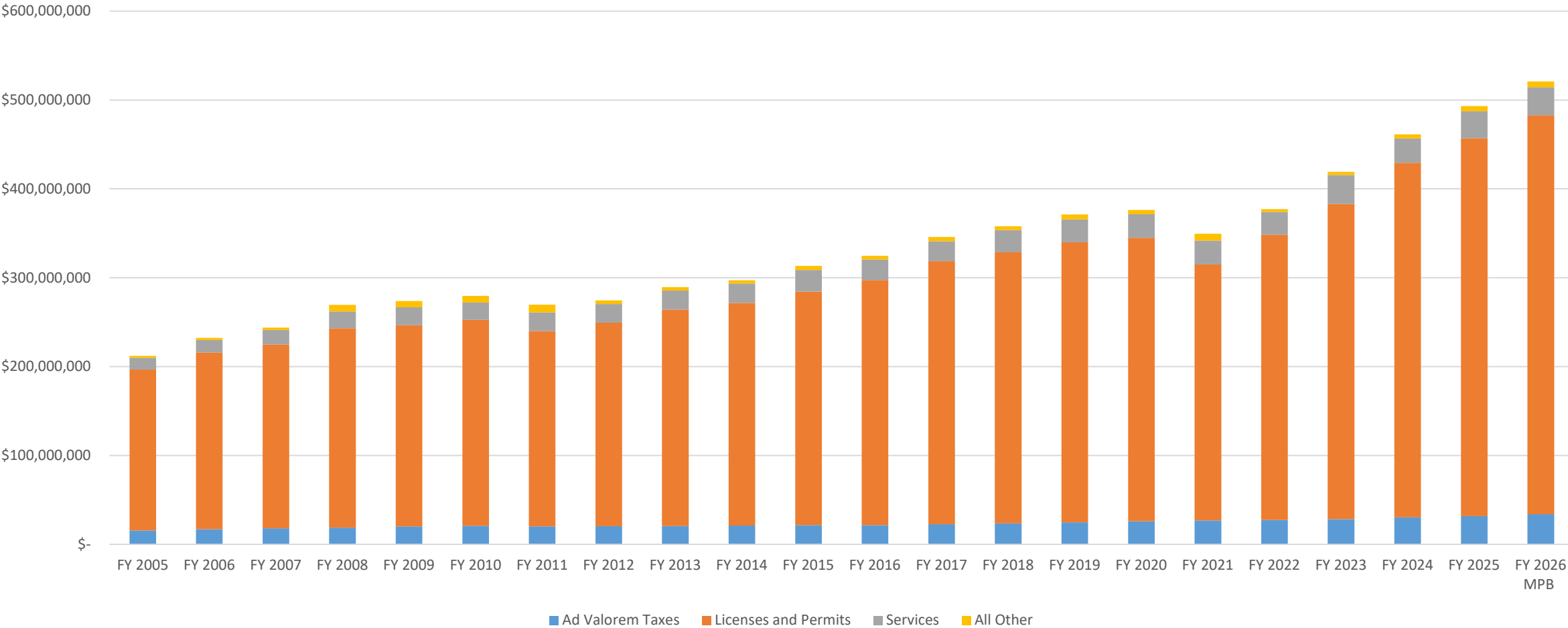
Total All Funds \$928,500,186
Interfund Transfers (estimated) **(\$95,824,105)**
Total Budget less transfers \$832,676,081

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

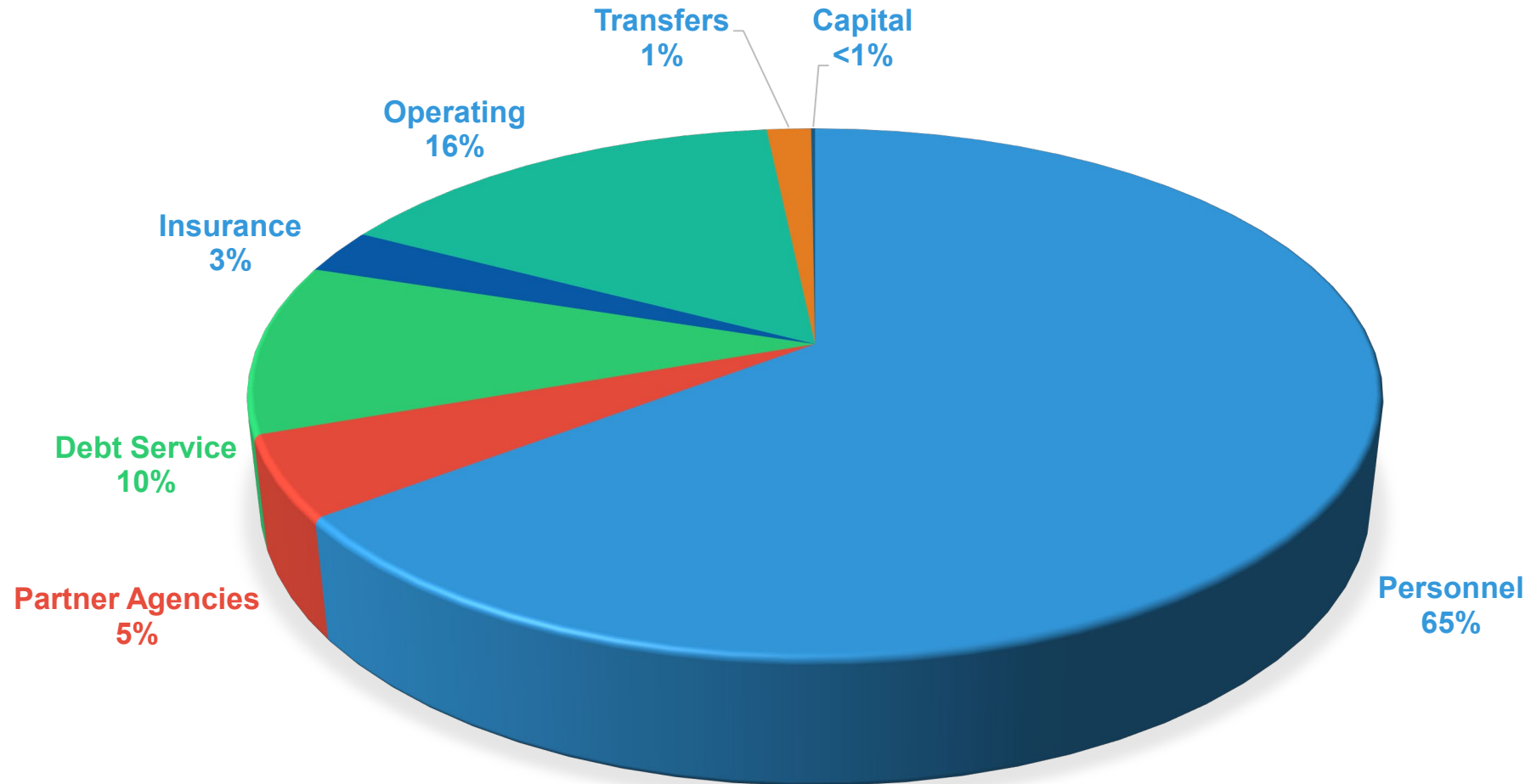


Stabilizing Revenue Growth

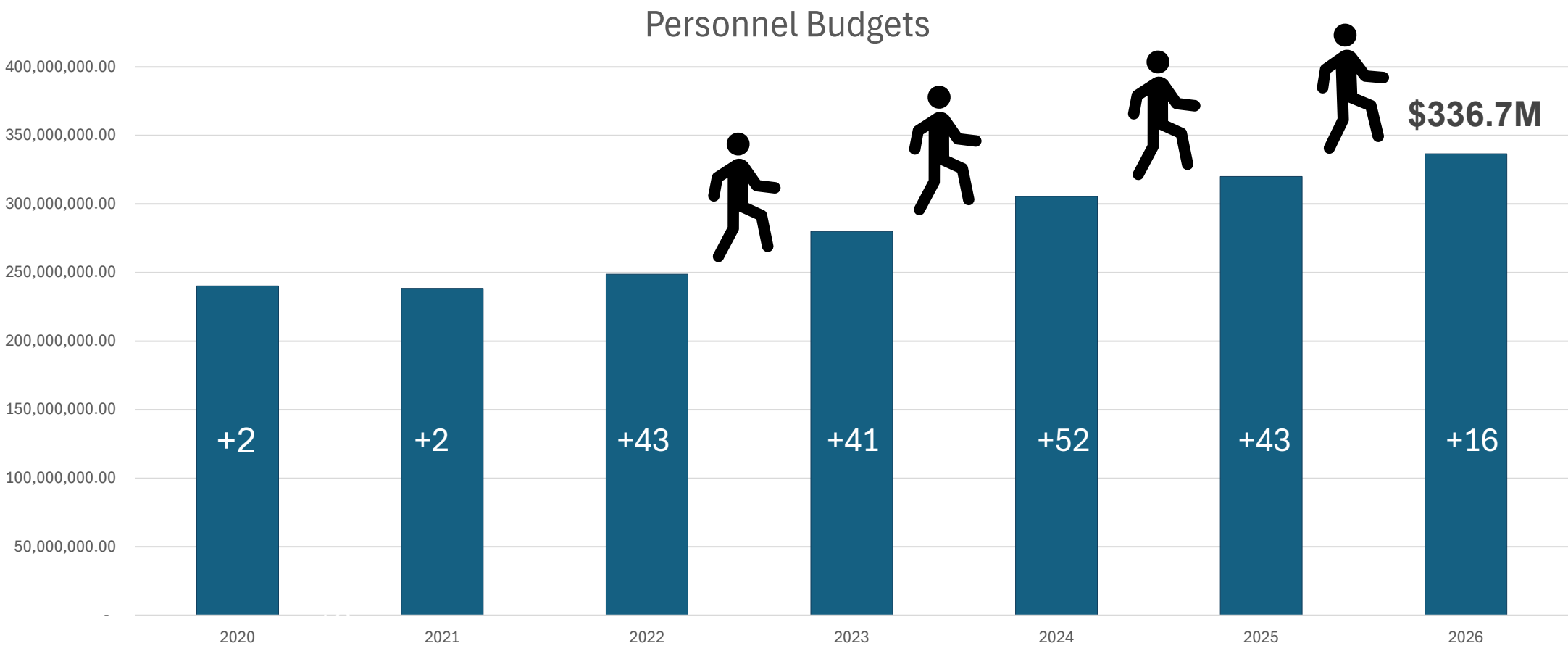
General Fund Long-Term Revenue Budget History – Adopted Budgets



General Fund MPB By Category – FY 2026

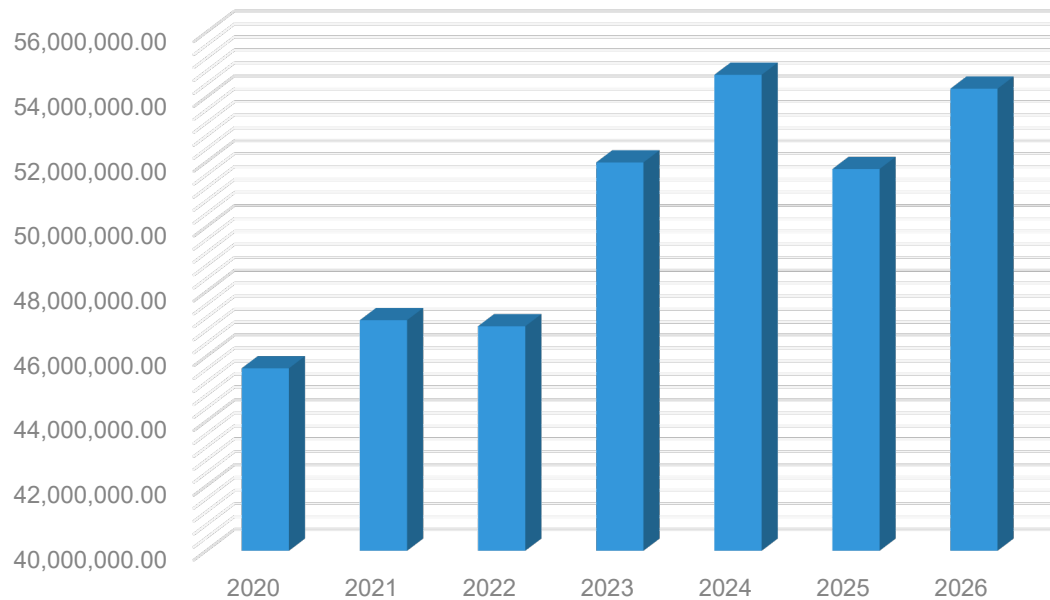


Our Biggest Investment – Our People

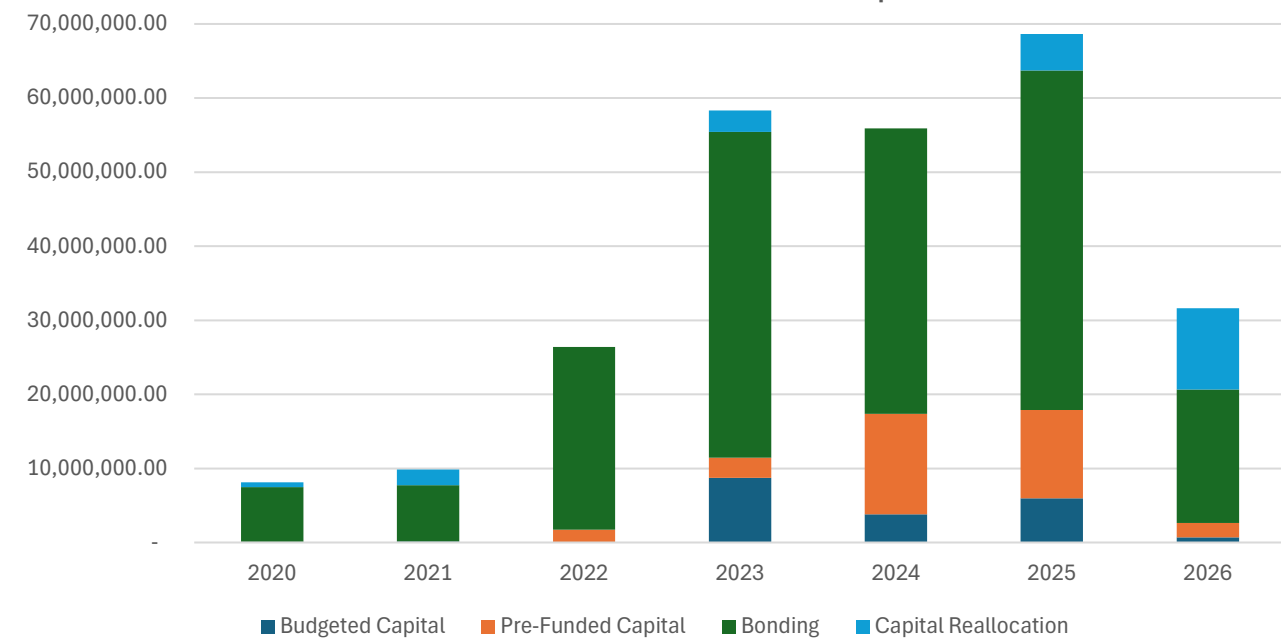


Building our Assets – Debt Service and Cash Funding

Debt Service



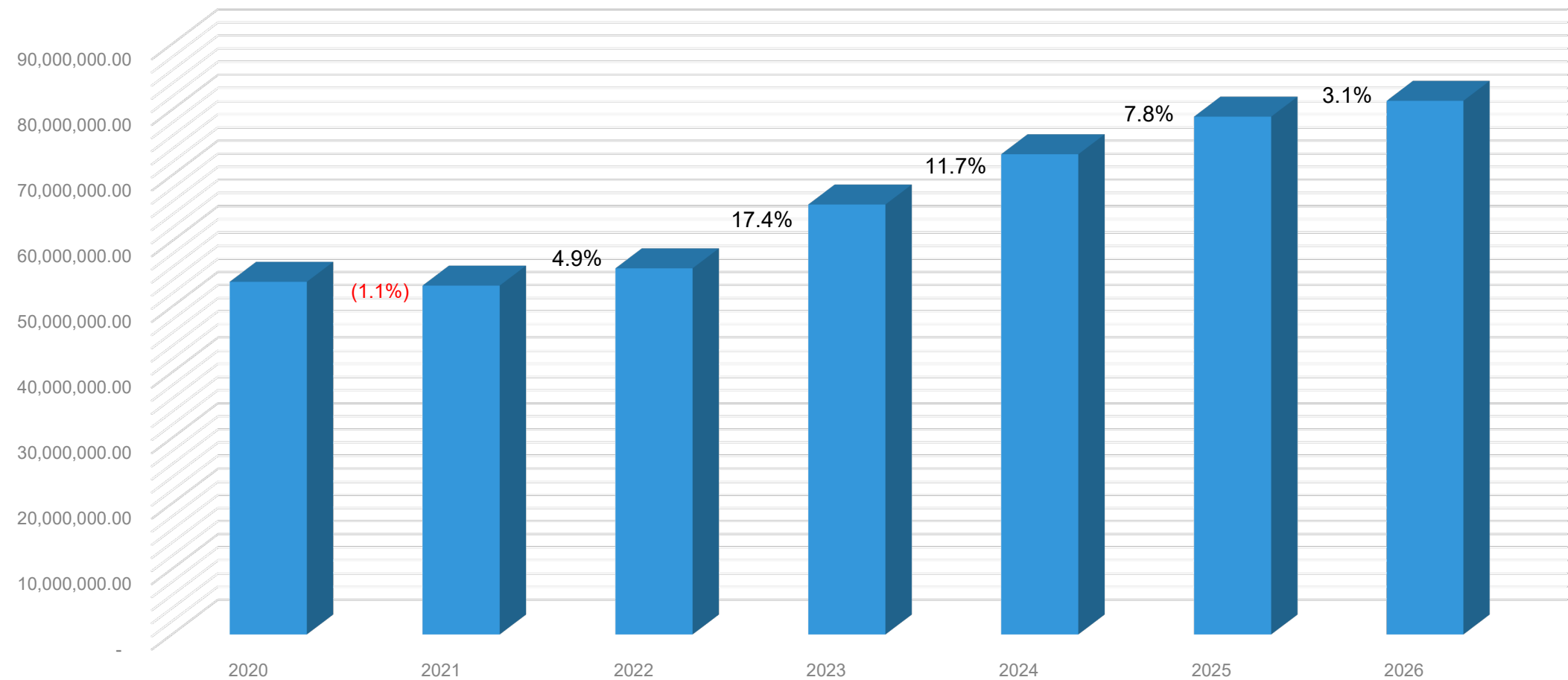
Capital Investment
General Fund and Bonded Capital



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

Thoughtfully Controlling Growth – Operating Budgets

Operating Budgets

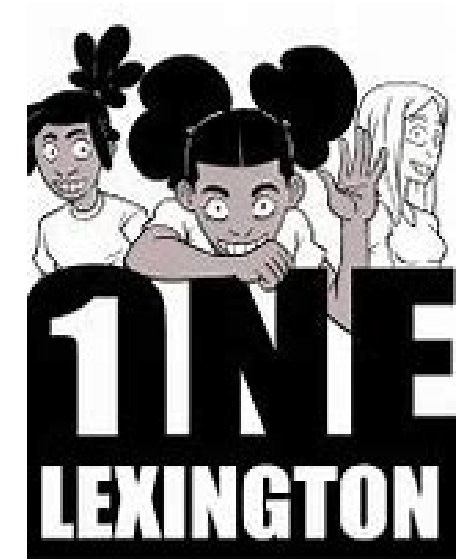
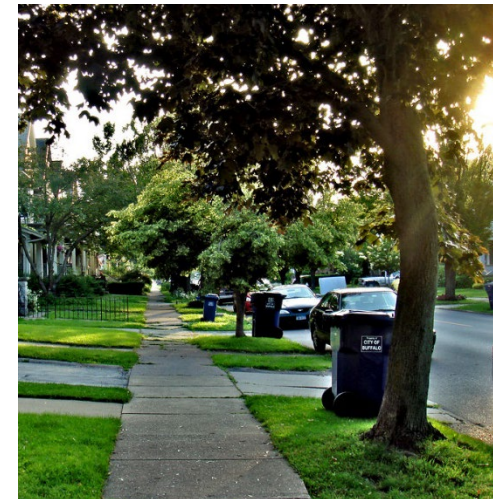


Council Priorities

Enhanced Community Center Programming



OHPI
Encampment
Coordinator



lexington
children's
museum





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

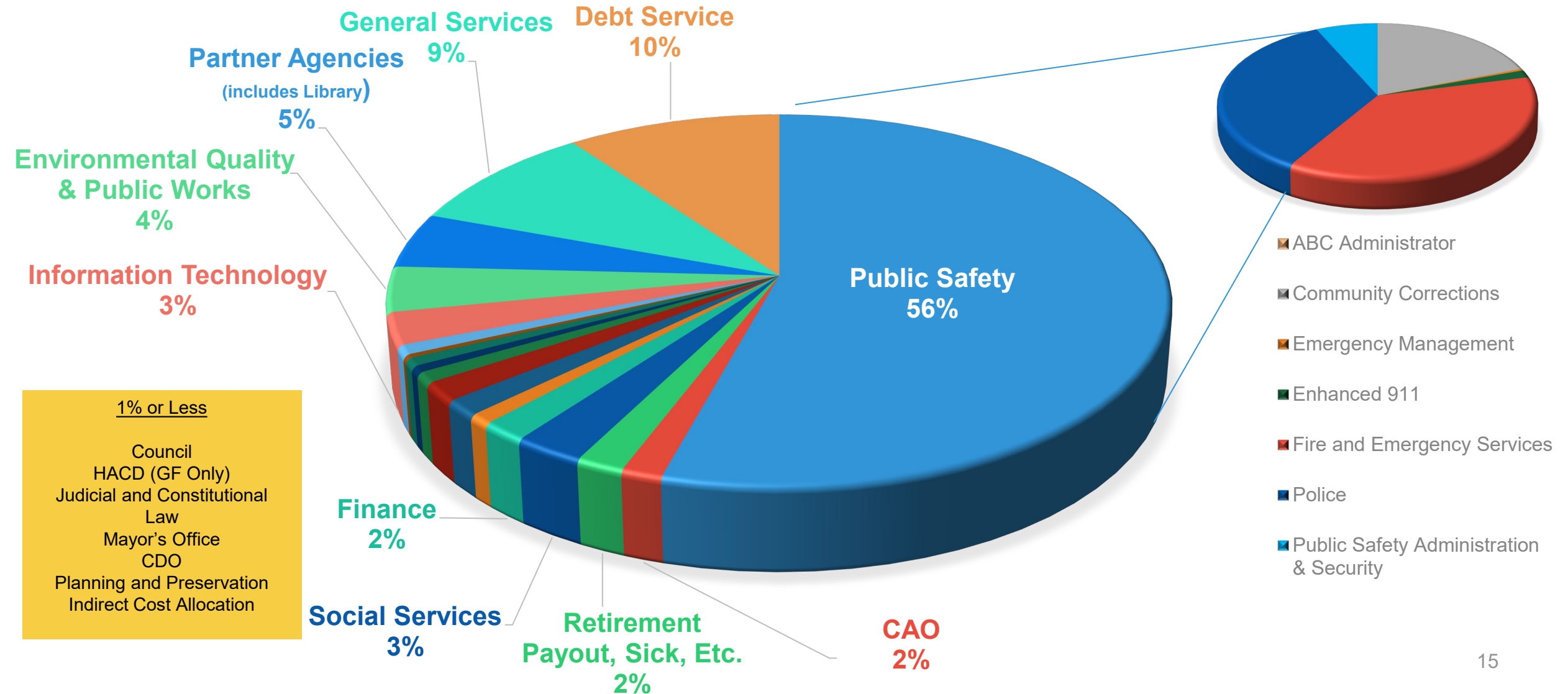
More programs in other funds...

- 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

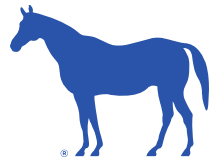


Questions?



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



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

Personnel Additions – All Funds

- 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

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%




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	-

477

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