

Lexington-Fayette Urban County Government

200 E. Main St
Lexington, KY 40507



Docket

Tuesday, April 21, 2026

1:00 PM

Budget COW

Council Chamber

Committee of the Whole (COW)

Committee Agenda

[0327-26](#)

FY2026 Quarter 3 Financial Update

Attachments: [BFE Financial Review - Q3 March 2026 - FINAL](#)

[0328-26](#)

FY2027 Mayor's Proposed Budget

Attachments: [FY27 Council Budget COW 4-21-2026](#)

[0329-26](#)

FY2027 Revenue Adoption Discussion

Adjournment



Lexington-Fayette Urban County Government

Master

200 E. Main St
Lexington, KY 40507

File Number: 0327-26

File ID: 0327-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Committee of the Whole (COW)

File Created: 04/17/2026

File Name: FY2026 Quarter 3 Financial Update

Final Action:

Title:

FY2026 Quarter 3 Financial Update

Notes:

Sponsors:

Enactment Date:

Attachments: BFE Financial Review - Q3 March 2026 - FINAL

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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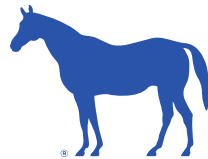
Text of Legislative File 0327-26

Title

FY2026 Quarter 3 Financial Update

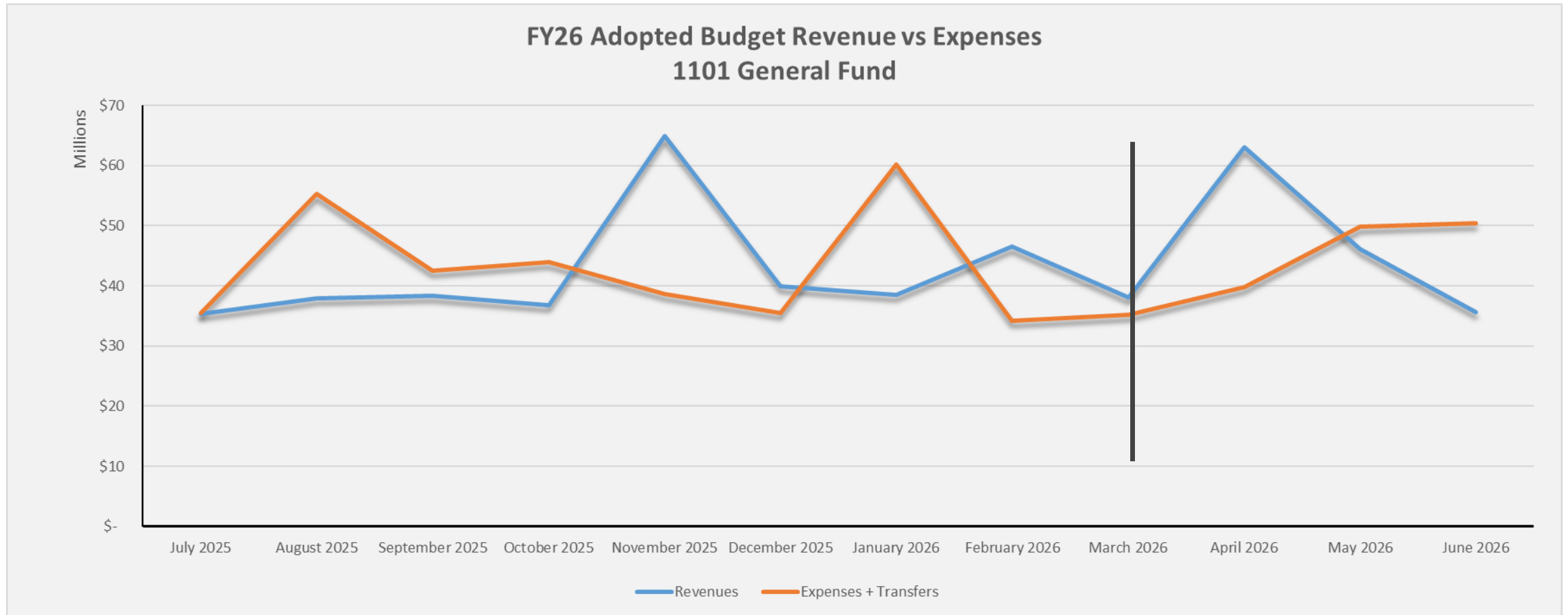
FY2026 THIRD QUARTER FINANCIAL UPDATE

*Urban County Council
Budget, Finance and Economic Development Committee
April 21, 2026*



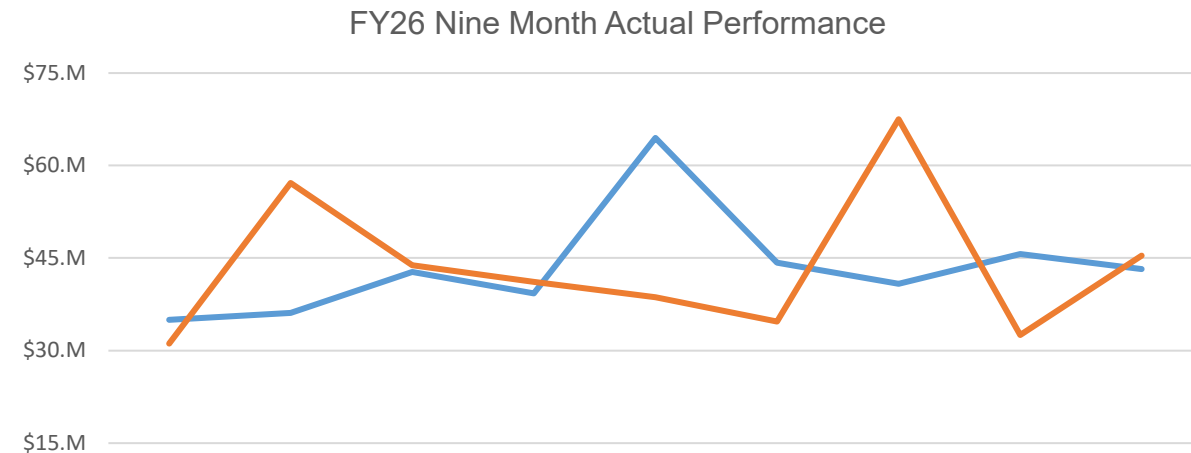
LEXINGTON

FY26 Adopted Budgeted Revenues v. Expenses

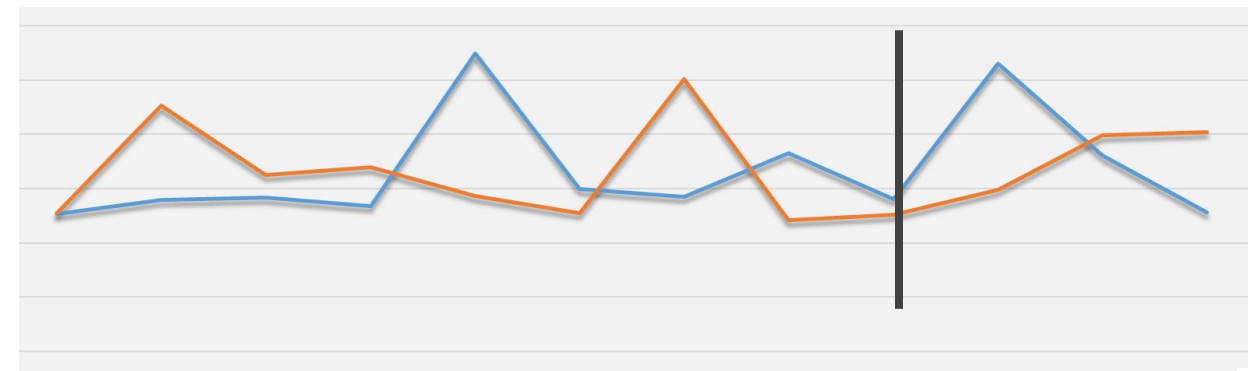


Quarter 3 Performance Review (Actuals)

March FY 26	
Revenues	\$391,474,661
Expenses	(\$386,810,224)
Transfers	(\$5,094,313)
One-Year Surplus/(Deficit)	(\$429,876)



\$.M	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Revenues	\$35.M	\$36.1M	\$42.7M	\$39.3M	\$64.5M	\$44.25M	\$40.81M	\$45.63M	\$43.21M
Exp/Xfers	\$31.1M	\$57.2M	\$43.8M	\$41.1M	\$38.6M	\$34.67M	\$67.51M	\$32.49M	\$45.37M

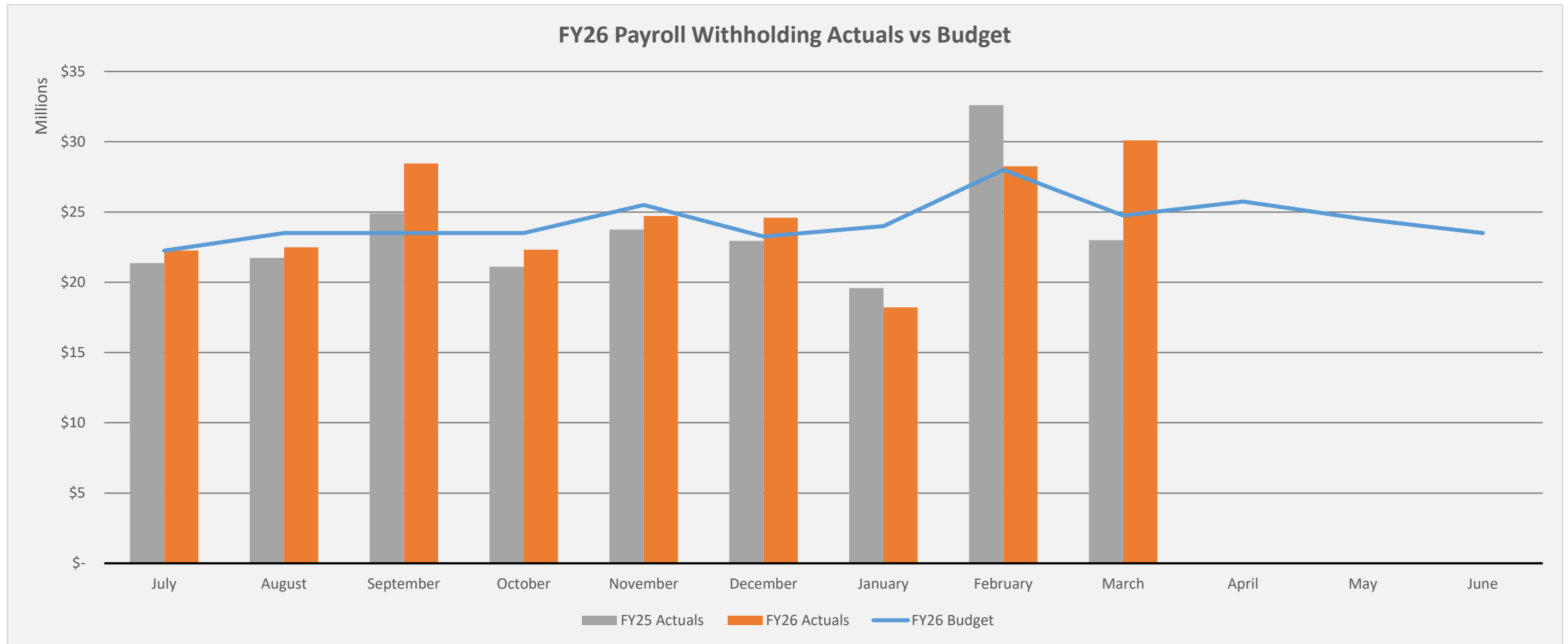


FY26 Adopted Budget Overview – Monthly Revenues vs Expenses

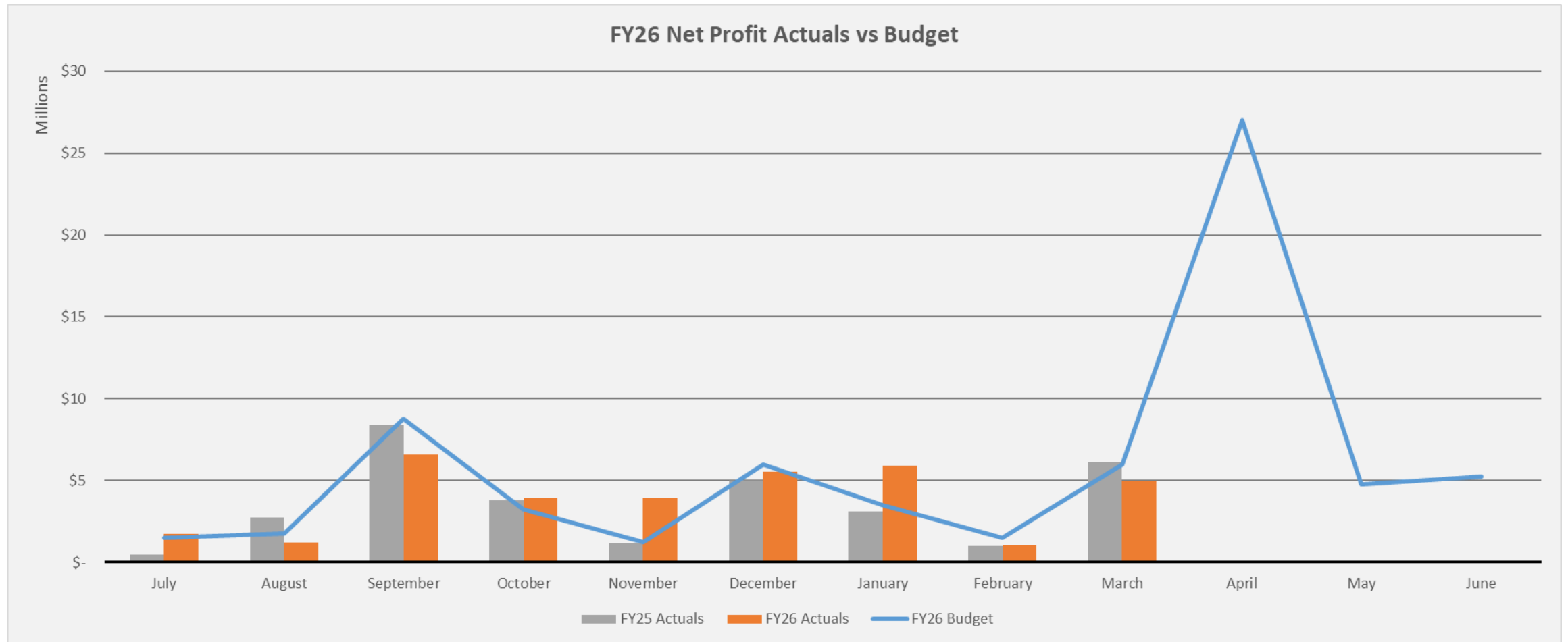
Factors to Consider

- Revenue collections are slightly exceeding budget through the first three quarters with a positive variance of 1.8%. At the end of Q2, a 2.6% variance was reported. Revenues have trended closer to budget over the past quarter, showing a tightening of the revenue variance that we have not experienced in recent years.
- Net Profits revenues are very volatile, and historically hard to estimate. April collections will provide more clarity, but at this time Net Profits collections are running 4% over budget and 10% over prior year. A portion of these revenues are due to extended payments made during Q1 and are not expected to impact further collections in FY26 or in future years.
- The Personnel variance has grown to \$8 million under budget after processing of sick payouts and mid-year retirements. These funds will be targeted for reallocation within the FY27 budget proposal.
- Operating variances are being closely monitored in relation to current economic events. Fuel cost increases and contract surcharges are expected to increase Q4 costs.

FY26 Payroll WH Actuals vs. Budget



FY26 Net Profit Actuals vs. Budget





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

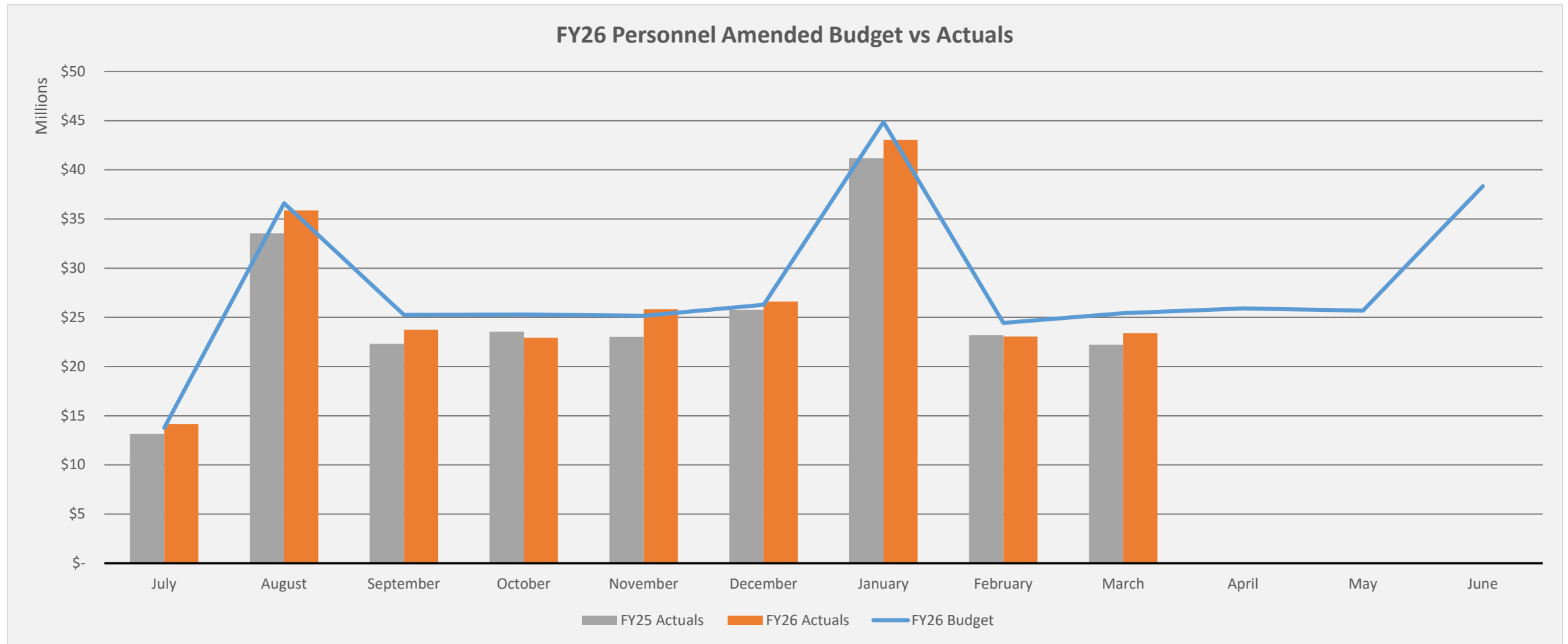
<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
<u>Revenue</u>				
Payroll Withholding	221,393,210	218,250,000	3,143,210	1.4%
Net Profit	34,881,118	33,500,000	1,381,118	4.1%
Insurance	36,198,226	37,250,000	(1,051,774)	-2.8%
Franchise Fees	23,912,911	22,000,000	1,912,911	8.7%
Other Licenses & Permits	5,998,179	5,378,545	619,634	11.5%
Property Tax Accounts	32,051,258	32,795,690	(744,432)	-2.3%
Services	22,369,049	21,097,839	1,271,210	6.0%
Fines and Forfeitures	202,324	98,250	104,074	105.9%
Intergovernmental	801,688	634,531	167,157	26.3%
Property Sales	230,798	112,500	118,298	105.2%
Investment Income	156,790	295,751	(138,961)	-47.0%
Other Financing Sources	9,080,313	9,080,313	0	0.0%
Other Income	4,198,797	3,917,521	281,276	7.2%
Total Revenues	\$391,474,661	\$384,410,940	\$7,063,721	1.8%



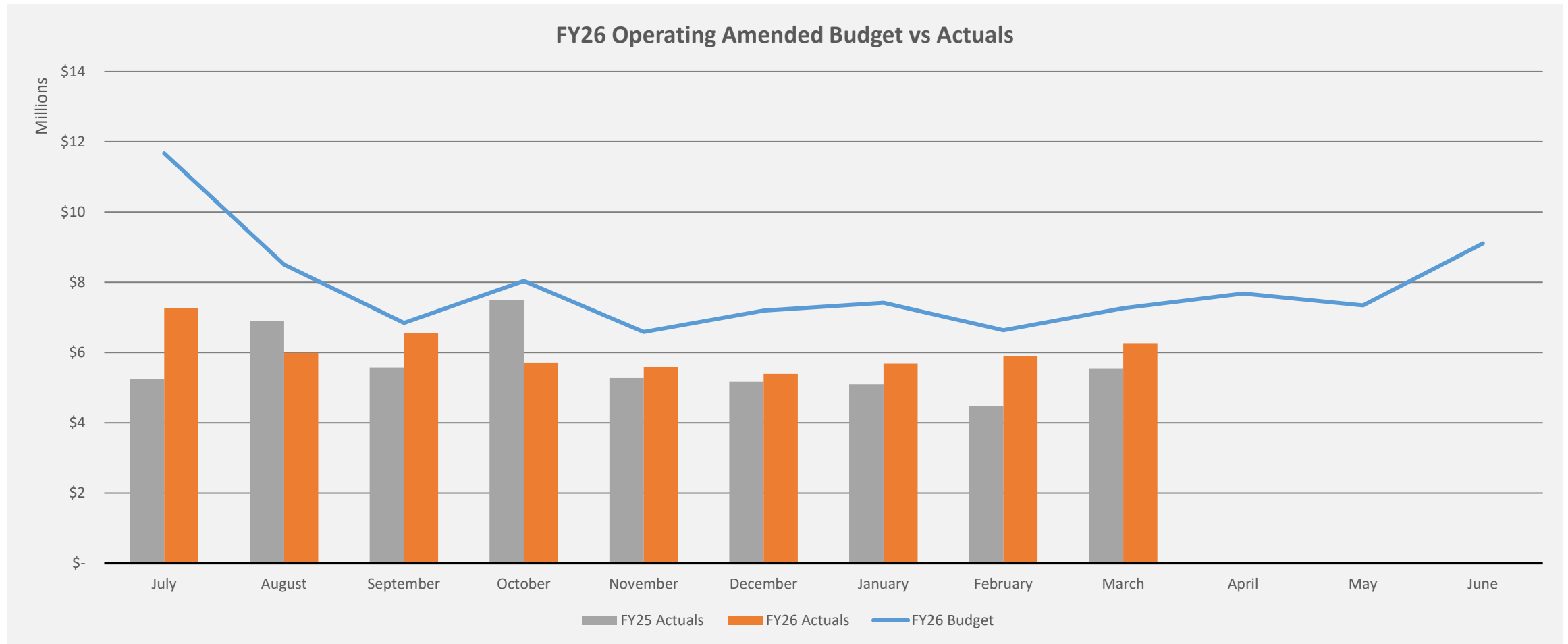
2026 Fiscal Year – Cash Flow Variance Revenue (CY to PY)

<i>For the nine months ended March 31, 2026</i>				
	FY 2026	FY 2025	Variance	% Var
<u>Revenue</u>				
Payroll Withholding	221,393,210	210,976,958	10,416,252	4.9%
Net Profit	34,881,118	31,748,059	3,133,059	9.9%
Insurance	36,198,226	35,719,684	478,542	1.3%
Franchise Fees	23,912,911	22,128,979	1,783,932	8.1%
Other Licenses & Permits	5,998,179	5,789,267	208,912	3.6%
Property Tax Accounts	32,051,258	31,045,953	1,005,305	3.2%
Services	22,369,049	20,224,842	2,144,207	10.6%
Fines and Forfeitures	202,324	42,775	159,549	373.0%
Intergovernmental	801,688	679,244	122,444	18.0%
Property Sales	230,798	215,070	15,728	7.3%
Investment Income	156,790	401,717	(244,927)	-61.0%
Other Financing Sources	9,080,313	1,718,583	7,361,730	428.4%
Other Income	4,198,797	4,180,291	18,506	0.4%
Total Revenues	\$391,474,661	\$364,871,422	\$26,603,239	7.3%

FY26 Personnel Actuals vs. Budget



FY26 Operating Actuals vs. Budget



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

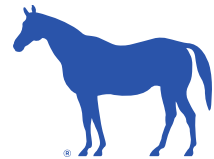
<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
<u>Expense</u>				
Personnel	238,647,441	247,109,562	8,462,121	3.4%
Operating	54,341,874	70,142,674	15,800,800	22.5%
Insurance Expense	14,503,875	14,221,598	(282,277)	-2.0%
Debt Service	45,345,536	45,130,086	(215,450)	-0.5%
Partner Agencies	24,628,879	25,855,934	1,227,055	4.7%
Capital	9,342,619	9,457,184	114,565	1.2%
Total Expenses	\$386,810,224	\$411,917,039	\$25,106,815	6.1%
Transfers	5,094,313	7,966,974	2,872,661	36.1%
Change in Fund Balance	(\$429,876)	(\$35,473,073)	\$35,043,197	

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

<i>For the nine months ended March 31, 2026</i>				
	FY 2026	FY 2025	Variance	% Var
<u>Expense</u>				
Personnel	238,647,441	227,974,538	10,672,903	4.7%
Operating	54,341,874	50,788,570	3,553,304	7.0%
Insurance Expense	14,503,875	10,060,099	4,443,776	44.2%
Debt Service	45,345,536	45,166,532	179,004	0.4%
Partner Agencies	24,628,879	22,151,471	2,477,408	11.2%
Capital	9,342,619	3,658,949	5,683,670	155.3%
Total Expenses	\$386,810,224	\$359,800,159	\$27,010,065	7.5%
Transfers	5,094,313	27,122,562	(22,028,249)	-81.2%
Change in Fund Balance	(\$429,876)	(\$22,051,299)	\$21,621,423	

OTHER FUNDS QUARTERLY UPDATE

Through March 31, 2026



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 \$57,275,000 (full year) total for FY26.



FY26 - Cash Flow Variance Urban Services Fund – Quarter 3

1115 Beginning Fund Balance : \$30,306,922

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
Revenue				
Other Licenses & Permits	2,519,099	2,350,000	169,099	7.2%
Property Tax Accounts	56,537,519	56,615,306	(77,787)	-0.1%
Services	220,865	2,262,377	(2,041,512)	-90.2%
Property Sales	97,050	112,500	(15,450)	-13.7%
Investment Income	945,170	742,500	202,670	27.3%
Other Financing Sources	144,875	144,875	0	0.0%
Other Income	15,508	14,850	658	4.4%
Total Revenues	\$60,480,086	\$62,242,408	(\$1,762,322)	-2.8%

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
Expense				
Personnel	18,008,245	19,457,618	1,449,373	7.4%
Operating	20,137,278	29,341,225	9,203,947	31.4%
Insurance Expense	1,427,511	1,399,700	(27,811)	-2.0%
Capital	4,913,951	6,848,569	1,934,618	28.2%
Total Expenses	\$44,486,985	\$57,047,112	\$12,560,127	22.0%
Change in Fund Balance	\$15,993,101	\$5,195,296	\$10,797,805	



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.



FY26 – Cash Flow Variance Sanitary Sewer Operating Fund – Quarter 3

4002 Beginning Fund Balance: \$40,529,181

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
Revenue				
Services	66,721,104	66,093,744	627,360	0.9%
Property Sales	80,372	56,250	24,122	42.9%
Investment Income	2,401,777	1,452,500	949,277	65.4%
Other Financing Sources	141,715	141,715	0	0.0%
Other Income	853,297	600,000	253,297	42.2%
Total Revenues	\$70,198,265	\$68,344,209	\$1,854,056	2.7%

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
Expense				
Personnel	11,567,895	13,066,400	1,498,505	11.5%
Operating	9,643,518	17,836,503	8,192,985	45.9%
Insurance Expense	4,274,427	4,191,214	(83,213)	-2.0%
Debt Service	7,865,647	7,905,375	39,728	0.5%
Capital	4,380,135	7,057,064	2,676,929	37.9%
Total Expenses	\$37,731,622	\$50,056,556	\$12,324,934	24.6%
Change in Fund Balance	\$32,466,643	\$18,287,653	\$14,178,990	

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.



FY26 – Cash Flow Variance Water Quality Operating Fund – Quarter 3

4051 Beginning Fund Balance: \$4,830,574

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
<u>Revenue</u>				
Services	13,911,182	13,500,000	411,182	3.0%
Fines and Forfeitures	13,700	10,500	3,200	30.5%
Investment Income	598,607	600,000	(1,393)	-0.2%
Other Financing Sources	29,991	412,991	(383,000)	-92.7%
Other Income	146,690	187,500	(40,810)	-21.8%
Total Revenues	\$14,700,170	\$14,710,991	(\$10,821)	-0.1%

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
<u>Expense</u>				
Personnel	6,168,794	5,880,613	(288,181)	-4.9%
Operating	2,738,744	4,203,684	1,464,940	34.8%
Insurance Expense	43,023	42,291	(732)	-1.7%
Debt Service	344,820	344,831	11	0.0%
Capital	29,991	178,456	148,465	83.2%
Total Expenses	\$9,325,372	\$10,649,875	\$1,324,503	12.4%
Transfers	50,000	50,000	-	-
Change in Fund Balance	\$5,324,798	\$4,011,116	\$1,313,682	

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.
- The Landfill fund includes a liability of \$22.3M for landfill post-closure costs that must be held within the unrestricted fund balance.



FY26 – Cash Flow Variance Landfill Fund – Quarter 3

4121 Beginning Fund Balance: \$33,892,585

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
Revenue				
Services	5,507,359	6,253,568	(746,209)	-11.9%
Investment Income	1,294,729	1,377,700	(82,971)	-6.0%
Other Income	95,166	93,750	1,416	1.5%
Total Revenues	\$6,897,254	\$7,725,018	(\$827,764)	-10.7%

<i>For the nine months ended March 31, 2026</i>				
	Actuals	Budget	Variance	% Var
Expense				
Personnel	1,318,585	1,377,793	59,208	4.3%
Operating	3,395,881	4,960,848	1,564,967	31.5%
Capital	1,615,457	2,241,113	625,656	27.9%
Total Expenses	\$6,329,923	\$8,579,754	\$2,249,831	26.2%
Change in Fund Balance	\$567,331	(\$854,736)	\$1,422,067	

Parks Ballot Initiative Fund

- The Parks Ballot Initiative Fund (1148) was established in FY2026 to account for Property Tax revenues collected and expended by LFUCG. The tax was effective January 1, 2025 and was first collected on the November 2025 tax billing.
- The Parks Ballot Initiative Fund is a dedicated source of funding for the improvement and development of Lexington’s parks, greenspaces, and associated infrastructure. It is a property tax levied and collected on the annual property tax bill.
- Each year, the Parks Department brings forth a schedule of projects to be funded with this dedicated funding source during the budget process.

<i>For the Period through March 31, 2026</i>					
	Actuals		Budget		Variance
Revenue					
Year 1 - 2026	\$	8,316,549.16	\$	7,725,000.00	\$ 591,549.16
Total Revenues	\$	8,316,549.16	\$	7,725,000.00	\$ 591,549.16

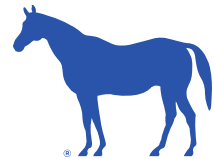
Questions?



LEXINGTON

ARPA FINANCIAL UPDATE

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



LEXINGTON

ARPA DASHBOARD

as of March 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 81
Projects Underway 5

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

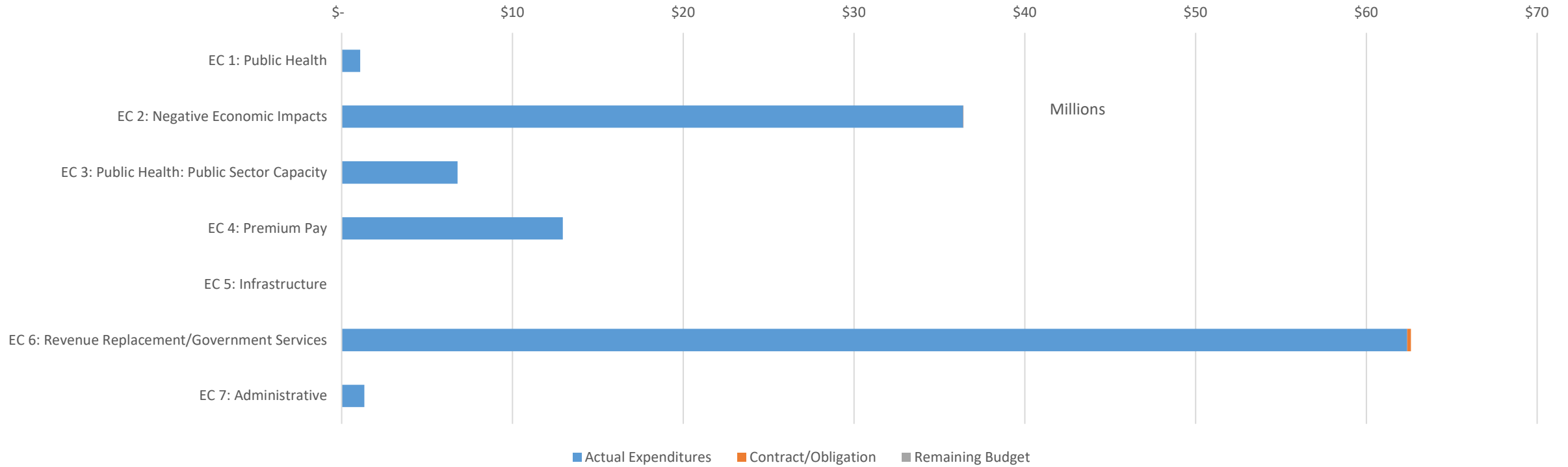
\$ 1,329,677

• 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, 2026



TOTAL EXPENDITURES THROUGH March 31, 2026
\$120,958,847



ARPA State and Local Fiscal Recovery Funds Revenue and Expense Report

For the period through March 31, 2026

		Actuals	Budget	Variance
Revenue				
LFUCG Allocation		\$ 121,178,058	\$ 121,178,058	\$ -
Total Revenues		\$ 121,178,058	\$ 121,178,058	\$ -

		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

Expense						
EC 2: Negative Economic Impacts			\$	36,402,963.42	\$	36,404,308.40
			\$		\$	1,344.98
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 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)	\$	823,419.02	\$	824,764.00
2.16	Long-Term Housing Security: Services for Unhoused Persons	OHPI Homelessness Allocation (FY24)	\$	750,000.00	\$	750,000.00
2.16	Long-Term Housing Security: Services for Unhoused Persons	Homelessness Contracts via Department of Housing and Community Developr	\$	3,717,025.18	\$	3,717,025.18
2.16	Long-Term Housing Security: Services for Unhoused Persons	Homelessness Contracts - Non-Shelter Eligible Families/Individuals	\$	159,827.97	\$	159,827.97
2.16	Long-Term Housing Security: Services for Unhoused Persons	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 Persons	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 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	\$	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

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			\$	62,396,484.49	\$	62,614,350.64	\$	217,866.15
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 Construc	\$	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

Expense						
EC 6: Revenue Replacement/Government Services			\$	62,396,484.49	\$	62,614,350.64
			\$		\$	217,866.15
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 Pa	\$	125,000.00	\$	125,000.00
6.01	Provision of Government Services	Cardinal Run North Park Development	\$	10,386,636.66	\$	10,418,886.66
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 Dev	\$	150,000.00	\$	150,000.00
6.01	Provision of Government Services	Access to Quality Green Space in QCT - Pine Meadows Park - Playground and	\$	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
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	\$	88,310.00	\$	116,310.00
6.01	Provision of Government Services	Bike/Ped - Harrodsburg	\$	571,276.02	\$	713,892.17
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

Expense								
EC 6: Revenue Replacement/Government Services			\$	62,396,484.49	\$	62,614,350.64	\$	217,866.15
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 Homeown	\$	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			\$	120,958,846.87	\$	121,178,058.00	\$	219,211.13
TOTAL - ARPA SLFRF			\$	219,211.13	\$	-	\$	(219,211.13)

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: 0328-26

File ID: 0328-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Committee of the Whole (COW)

File Created: 04/17/2026

File Name: FY2027 Mayor's Proposed Budget

Final Action:

Title: FY2027 Mayor's Proposed Budget

Notes:

Sponsors:

Enactment Date:

Attachments: FY27 Council Budget COW 4-21-2026

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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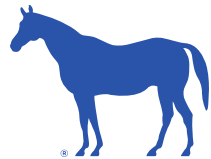
Text of Legislative File 0328-26

Title

FY2027 Mayor's Proposed Budget

FY 2027 MAYOR'S PROPOSED BUDGET (MPB)

*Urban County Council
Budget Committee of the Whole (COW)
April 21, 2026*



LEXINGTON

FY2027 Overview

Assessed and Leveraged our Resources

- Reprioritization of unspent or unrecognized FY 2026 and capital project dollars
- Worked within more normalized revenue growth
- Strategically applied pre-fund – keeping it the lowest in years

Kept focus on stated goals for Expense Prioritization and Cost Containment

FY 2027 BUDGET PROJECTIONS



FY 2027 Budget – Expenses - Personnel

- ✓
 - No new or expanded positions
 - Historical Context - \$88.5M of GF cost has been added in the last 5 years for personnel
 - Increases to sworn pay on top of bargaining contract
 - Annual Non-Sworn personnel increases
 - Compensation Study Implementation and Rolling Evaluation of positions
 - 162 GF positions added in the last 5 years plus 18 split funded and 14 other funds
- ✓
 - Hard looks at structure and allocation of health costs
 - Avg of \$1,165 per participant per month cost to government of which approximately \$62 is paid by the participant
 - Health Insurance Subsidy Increases \$13M since 2021
- ✓
 - Detailed analysis of part time, seasonal and overtime dollars requested compared to historical spend and prior year request

11

FY 2027 BUDGET PROJECTIONS



FY 2027 Budget – Expenses - Operating

- ✓
 - Prioritize the “Have to Have”
 - \$2.5M Anticipated Increase in Utilities from rate cases across government
- ✓
 - Honor Our Commitments
 - \$2M – \$3M Increase in contracted services already committed to across government (includes software subscriptions, contract labor and third-party services)
- ✓
 - Strategically remove excess by providing data driven targets to Divisions and limiting growth
- ✓
 - Empower our Commissioners to think broadly across their Department and reprioritize dollars for maximum impact



12



The Big Picture

**Summary of Revenue and Appropriations
FY 2027 Mayor's Proposed
General Services District**

	FY 2025 Adopted	FY 2026 Adopted	FY 2027 Proposed	\$ Change	% Change
Revenue					
Ad Valorem Taxes	\$ 31,805,480	\$ 33,948,150	\$ 35,262,350	\$ 1,314,200	3.9%
Licenses and Permits	425,274,460	448,882,680	467,586,215	18,703,535	4.2%
Services	30,306,529	31,565,200	37,533,871	5,968,671	18.9%
Fines and Forfeitures	201,181	131,000	256,036	125,036	95.4%
Intergovernmental	737,354	853,945	853,945	-	
Property Sales	180,000	150,000	200,000	50,000	33.3%
Investments	275,000	393,085	175,000	(218,085)	-55.5%
Other Financing Sources	550,000	150,000	318,977	168,977	112.7%
Other Income	3,931,430	5,015,500	4,714,985	(300,515)	-6.0%
Total Revenue	\$ 493,261,434	\$ 521,089,560	\$ 546,901,379	\$ 25,811,819	5.0%
Fund Balance, July 1	1,000,000	1,000,000	1,000,000	-	
Fund Balance Reserved for Pre-Funding	6,800,000				
Total Funds Available	\$ 501,061,434	\$ 522,089,560	\$ 547,901,379	\$ 25,811,819	4.9%
Appropriations					
Operating Expenditures					
Personnel	\$ 320,052,809	\$ 336,865,360	\$ 341,486,911	\$ 4,621,551	1.4%
Partner Agencies	24,339,388	25,753,698	27,909,492	2,155,794	8.4%
Debt Service	51,785,305	54,261,485	55,199,946	938,461	1.7%
Insurance	10,164,309	14,221,221	15,165,475	944,254	6.6%
Operating	78,961,081	81,529,887	88,235,913	6,706,026	8.2%
Transfers To/(From) Other Funds	8,691,706	7,887,154	17,273,971	9,386,817	119.0%
Total Operating	\$ 493,994,598	\$ 520,518,805	\$ 545,271,708	\$ 24,752,903	4.8%
Capital Expenditures					
CIP Capital	\$ 4,500,000	\$ 232,500		\$ (232,500)	-100.0%
Operating Capital	1,470,000	459,450	1,500,000	1,040,550	226.5%
Total Capital	\$ 5,970,000	\$ 691,950	\$ 1,500,000	\$ 808,050	116.8%
Total Appropriations	\$ 499,964,598	\$ 521,210,755	\$ 546,771,708	\$ 25,560,953	4.9%
Fund Balance, June 30	\$ 1,096,836	\$ 878,805	\$ 1,129,671	\$ 250,866	28.5%

General Fund Appropriations	\$ 546,771,708
FY26 Proposed Prefunding	\$ 10,109,346
MPB Budget Package	\$ 556,881,054

Total All Funds	\$954,696,184
<u>Interfund Transfers (estimated)</u>	<u>(\$107,273,065)</u>
Total Budget less transfers	\$847,423,119

MAYOR’S PROPOSED BUDGET FISCAL YEAR 2027

Balancing Strategies and Amounts Over the Years									
	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27 Goal	FY27 MPB
Pre-Fund			7,935,497.00	12,664,941.00	27,437,787.00	30,400,490.00	19,151,424.00	10,000,000.00	10,109,346.00
Budget Stabilization		9,400,000.00		8,110,870.00					
Economic Contingency		20,000.00							
Reallocation from Bond/Capital	643,746.08	2,089,000.73		2,878,289.85		4,960,396.52	10,988,422.87		5,868,294.25
ARPA			7,991,230.00	5,779,794.00	5,073,914.00				
One Time Interest						6,800,000.00			
Fund Balance Carry Forward	4,484,468.00				18,800,000.00				
	5,128,214.08	11,509,000.73	15,926,727.00	29,433,894.85	51,311,701.00	42,160,886.52	30,139,846.87	10,000,000.00	15,977,640.25

Reallocation includes \$3.3M of interest earned on previously bonded dollars invested during this recent period of high yield interest. Bond dollars must stay in the bond fund and are subject to the same restrictions as previously bonded dollars (i.e. for capital acquisition).

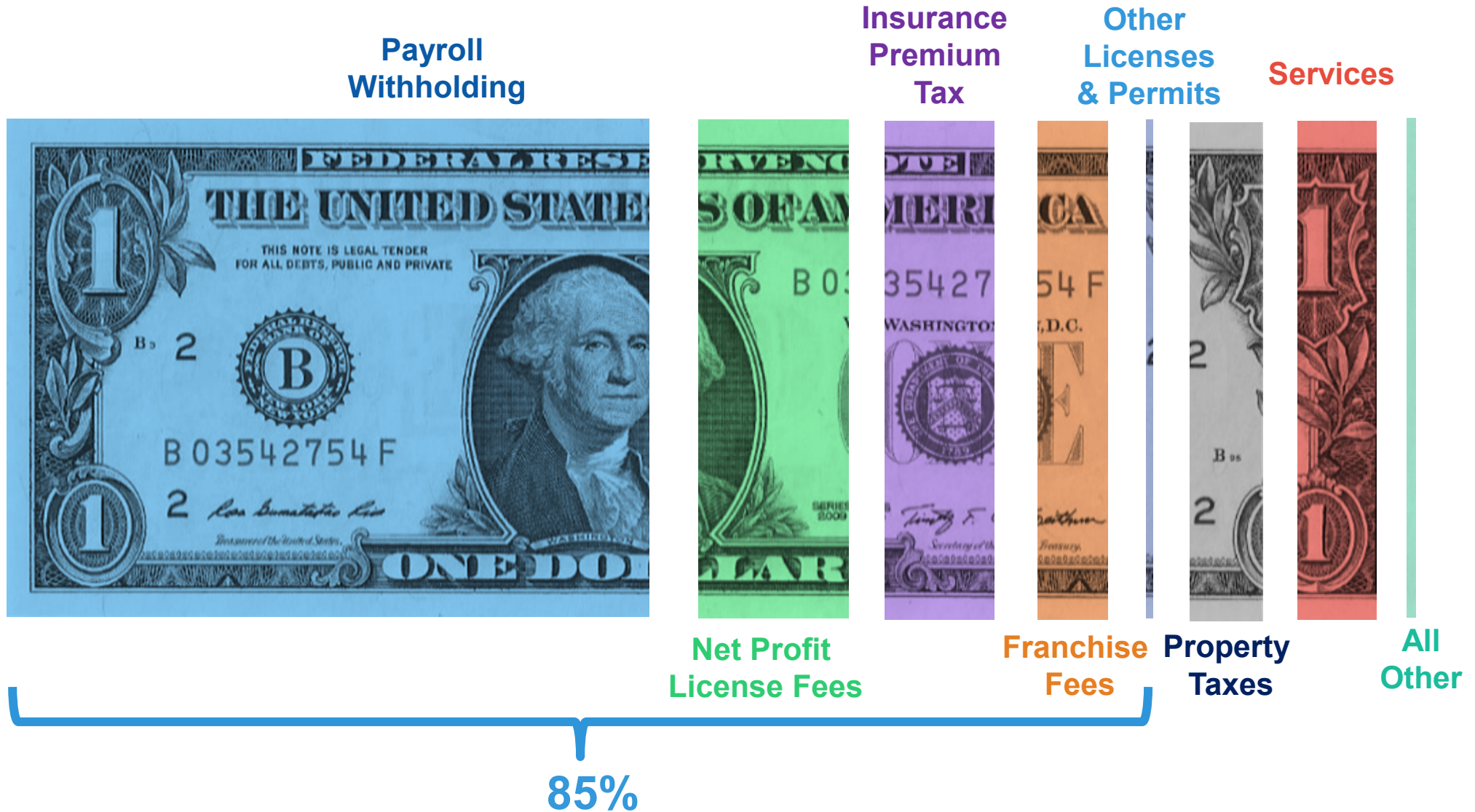
Utilizing earned dollars of \$3.3M also SAVED approximately \$700,000 of interest over a ten year period!

Prefund in FY2027

FY26 Reallocation Prefunding Items	\$10,109,346
Social Services – Extended Social Resource (ESR)	5,029,186
Enhanced 911 Subsidy Transfer	2,149,017
Police – Fleet Replacement	1,500,000
Parks – Roof Maintenance	560,000
Legal Aid – Eviction Assistance	400,000
Facilities and Fleet – PSOC Rooftop AAON Unit Replacement	250,000
Public Facilities Corporation Fund Transfer	221,143

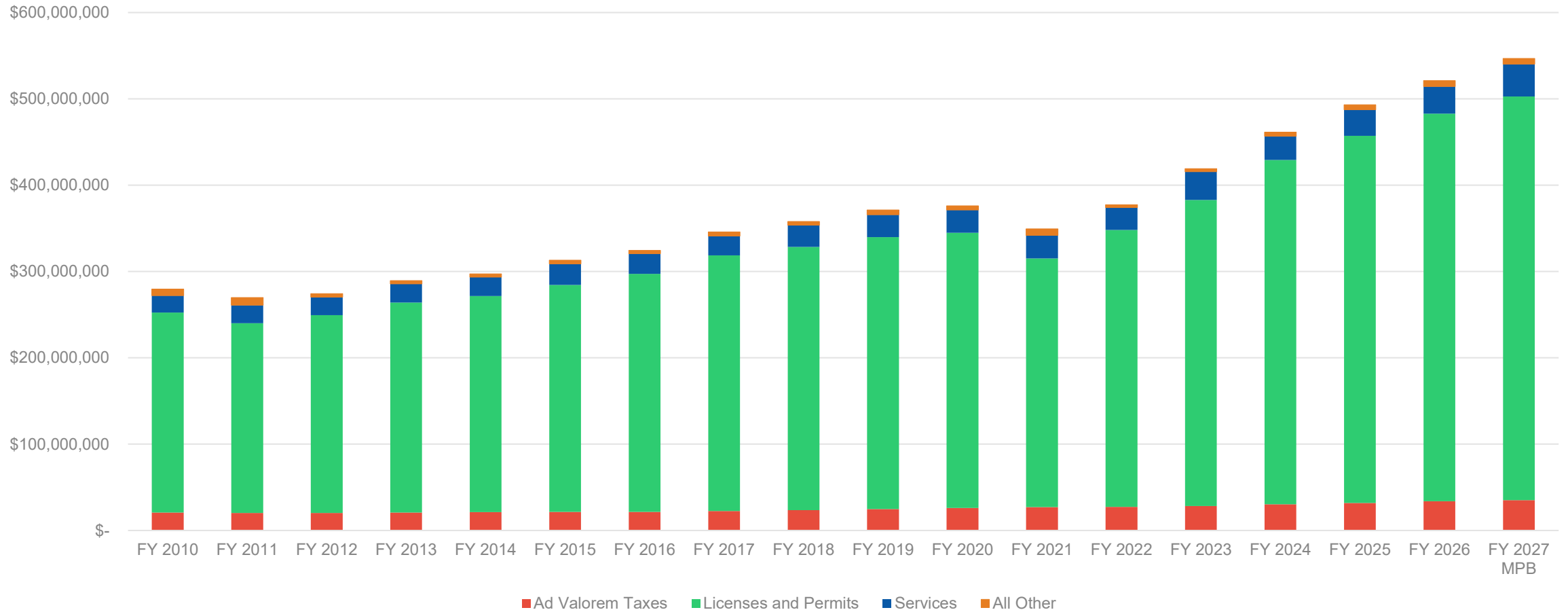
The FY27 total proposed budget package utilizes \$10.1 million in FY26 prefunding. Prefunding utilizes current year expenditure savings and additional revenues to fund items that would otherwise have been necessary to fund with FY27 revenues and other funding sources. These items will be considered as a Budget Amendment prior to the end of FY26.

FY2027 General Fund Projected Revenue - \$546,901,379

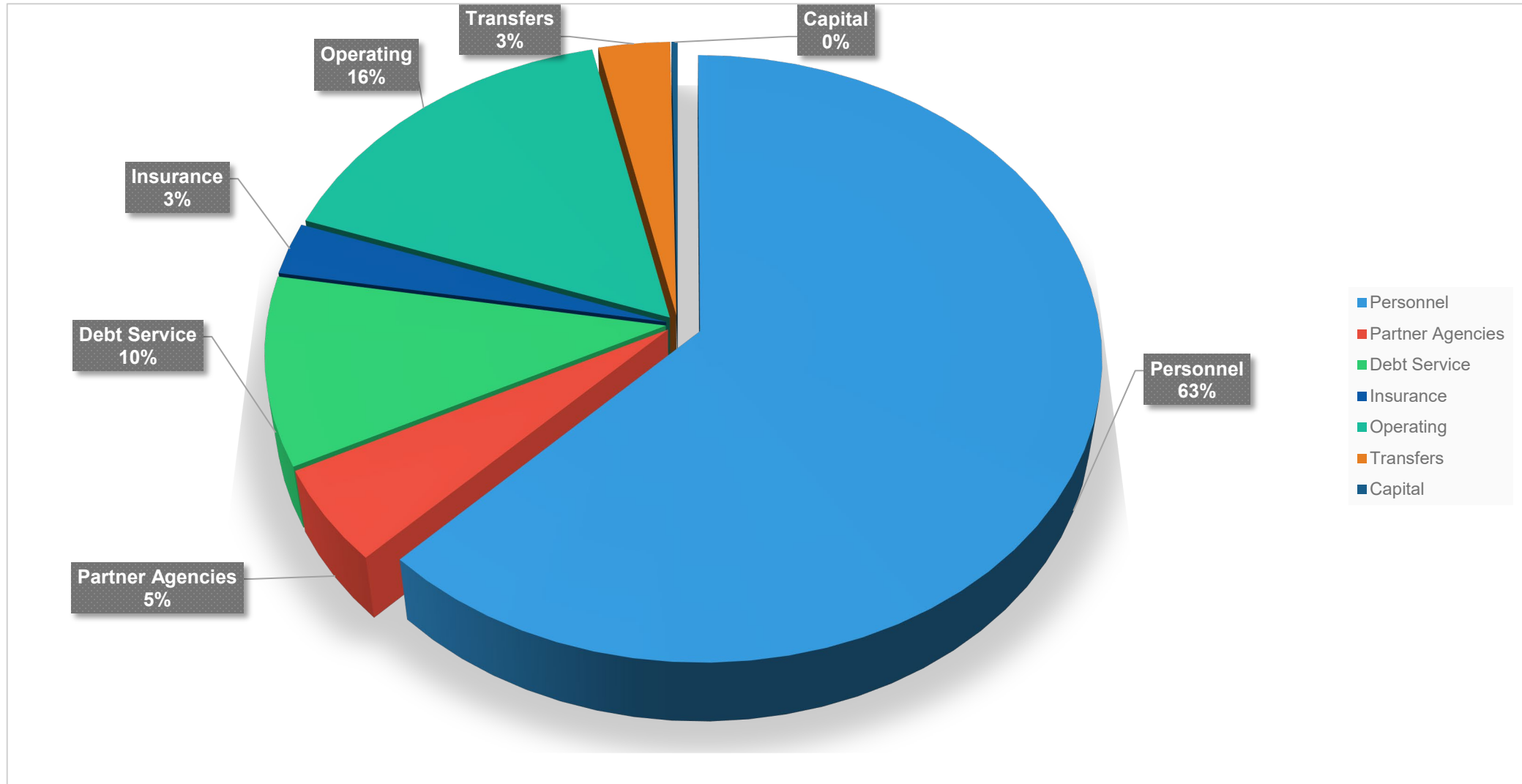


Stabilizing Revenue Growth

General Fund Long-Term Revenue Budget History - Adopted Budgets



General Fund MPB By Category – FY2027



Our Biggest Investment – Our People



FY2027 General Fund Personnel - \$341,486,911

- Organic Increases to Cost
 - Public Safety step increases by contract: range from 1.5% to 6.92%
 - Increased Police and Fire Pension Fund employer contribution rate (50.06% to 51.24%) offset by decreased CERS Non-Hazardous (18.62% to 17.43%) and Hazardous (35.73% to 34.72%) employer contribution rates
 - Health insurance subsidy by LFUCG estimated at \$16.2M over regular contributions

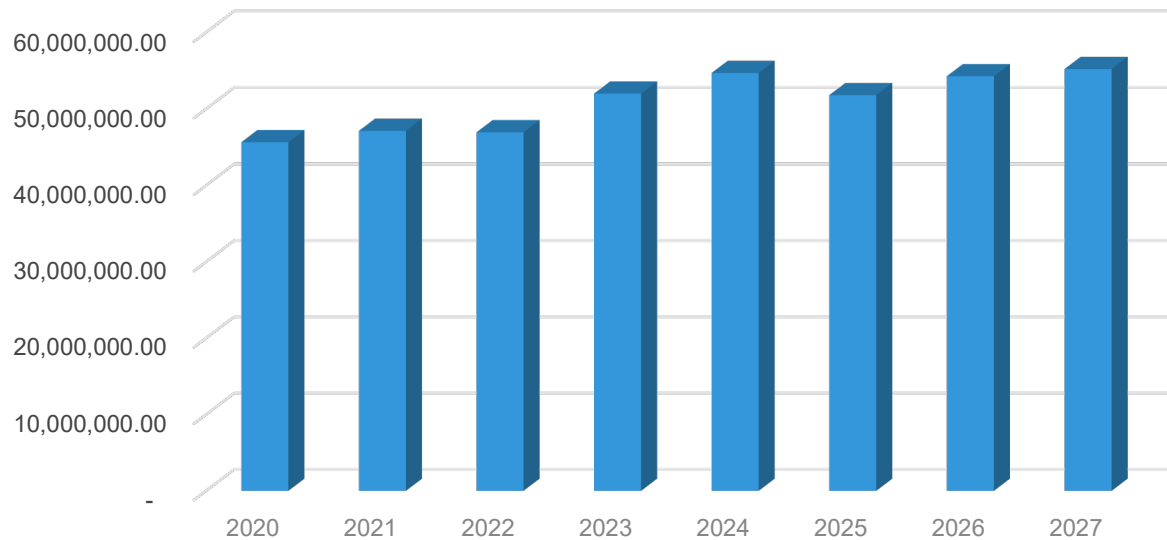
- New Investment
 - 2% salary increases for all non-sworn personnel
 - 3 New/Expanded positions across all funds

Personnel Additions – All Funds

Division	Position
1 New/Expanded Positions	
CAO’s Office (Mayoral & Council Priority)	Development Liaison
2 New/Expanded Positions for New Senior and Therapeutic Center (One funded Partial Year)	
Parks & Recreation	Recreation Manager
Parks & Recreation	Recreation Specialist Senior

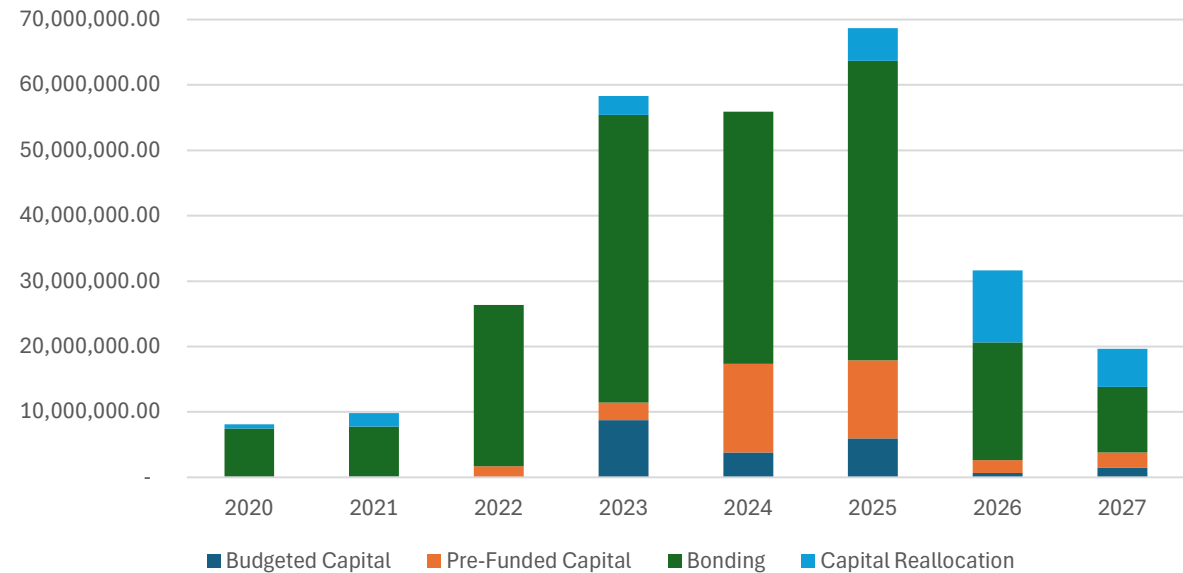
Building our Assets – Debt Service and Cash Funding

Debt Service



Capital Investment

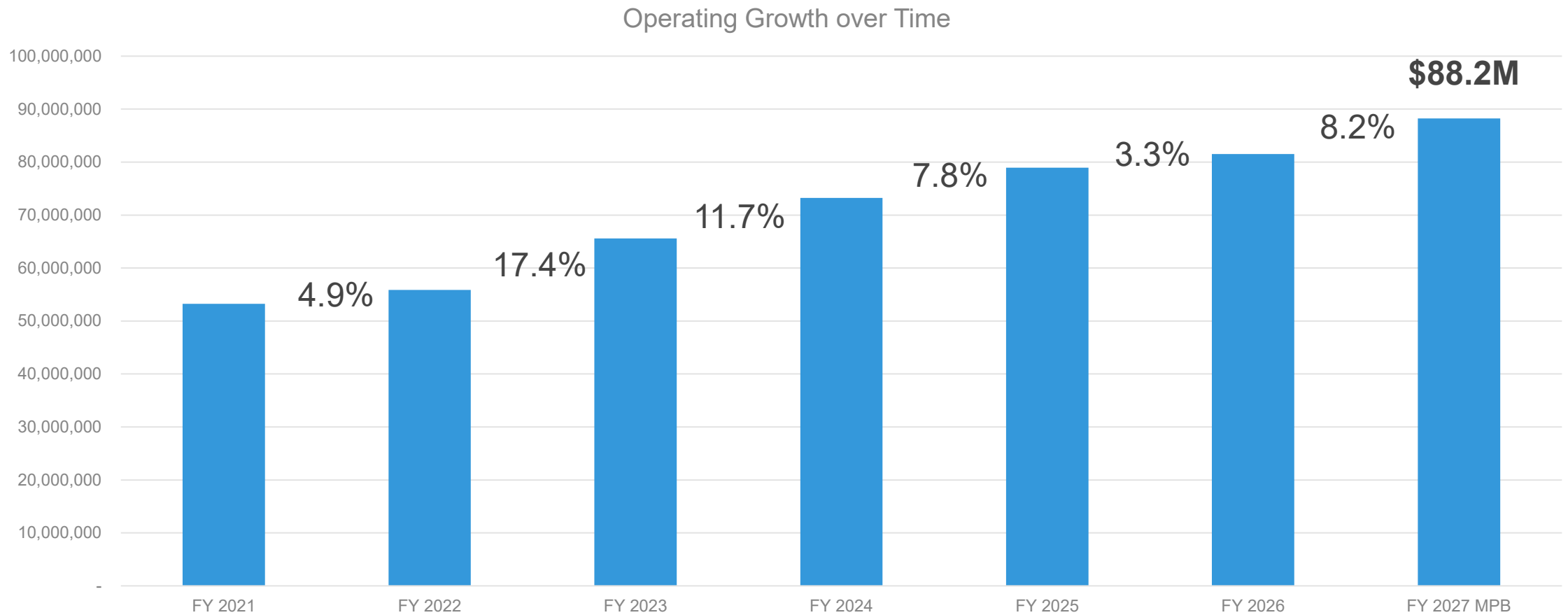
General Fund and Bonded Capital



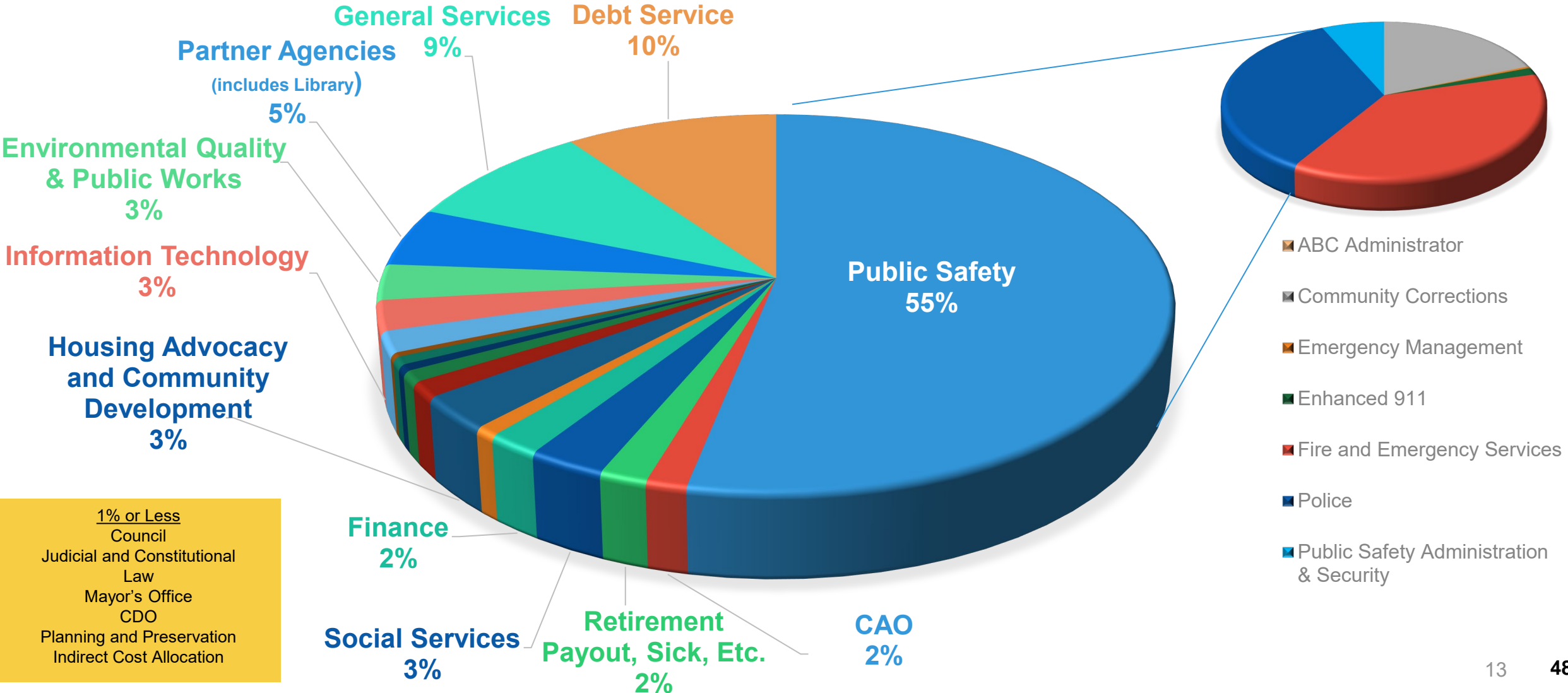
Current Year Bond - \$10,000,000 for Paving
 Debt Service - \$55,199,946
 Debt Goal – 10.09%

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

Thoughtfully Controlling Growth – Operating Budgets



General Fund MPB By Department – FY2027

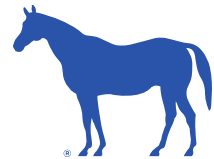


Questions?



LEXINGTON

SUPPLEMENTARY INFORMATION



LEXINGTON

Urban Services Fund

- Highlights

Urban Services Fund	
Estimated Fund Balance (7/1/26)	\$5,000,000
Revenue	\$65,348,315
Operating	\$60,760,475
Capital	\$6,119,503

- \$4.3 million for aging compactors, light trucks, street sweeper, and other fleet replacement, 500k for facility design, 500k for CNG backup solution, 500k for MRF upgrades.

Municipal Aid Program Fund

- Highlights

Municipal Aid Program Fund	
Estimated Fund Balance (7/1/26)	\$1,750,000
Revenue	\$5,500,000
Operating	\$2,622,500
Capital	\$4,000,000
Transfers (Bond)	\$168,750

- Includes \$2 million for street paving and \$ 1 million for ADA ramps

Municipal Aid Program

MAP Funding List

\$168,750 Debt Service Transfer

Project	FY27 Funded
Newtown Pike – Scott Street Connector	\$ 750,000
Town Branch Trail Phases 4/5 and Mid-Block Crossing	1,435,000
Construction Project Management	200,000
Paving	2,000,000
ADA Ramps	1,000,000
Traffic Signal New and Rebuilds	400,000
Fiber Optic and Camera Network Expansion	350,000
Neighborhood Traffic Management Program (NTMP)	100,000
Multimodal Safety Improvements	50,000
UK Area Bike/Pedestrian Improvements	100,000
	\$ 6,385,000

Mineral Severance Fund

- Highlights

Mineral Severance Fund	
Estimated Fund Balance (7/1/26)	\$340,000
Revenue	\$570,000
Operating	\$475,000
Capital	\$350,000

Sanitary Sewer Funds

- Highlights

Sanitary Sewer Revenue and Operating Fund	
Revenue	\$94,055,000
Operating	\$61,130,457
Capital	\$5,583,490

- Budgeted Fund Balance is reserved for capital repairs and maintenance
- Funding for Town Branch and West Hickman Treatment Plant Capital Repairs and Maintenance
- \$2.69 million for replacement of vehicles used to provide sewer services

Sanitary Sewer Construction Funds

- Highlights

Sanitary Sewer Construction Fund	
Estimated Fund Balance (7/1/26)	\$26,000,000
Operating	\$3,050,000
Capital	\$22,790,000

- Funding for projects to comply with the EPA Consent Decree
- \$3.5 million for odor control initiatives at Town Branch

Water Quality Fund

- Highlights

Water Quality Fund	
Revenue	\$19,590,500
Operating	\$14,582,452
Capital	\$251,210

Water Quality Construction Fund

- Highlights

Water Quality Construction Fund	
Estimated Fund Balance (7/1/26)	\$10,000,000
Operating	\$2,312,600
Capital	\$1,350,000

- \$1.81 million for Water Quality Incentive Grant Program

Landfill Fund

- Highlights

Landfill Fund	
Estimated Fund Balance (7/1/26)	\$750,000
Revenue	\$9,735,500
Operating	\$8,772,445
Capital	\$504,600

Parks Fund


- Highlights

Parks Fund	
Revenue	\$8,595,120
Operating	\$150,000
Capital	\$7,350,000

FY2027 Capital Investment

Lexington-Fayette Urban County Government
Mayor's Proposed Budget
 FY 2026-2027

Linda Gorton
 Mayor



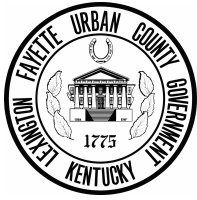
Mayor's Budget Address - April 14, 2026

Capital Project Summary
 FY 2027 - 2032

	All Requested FY 2027	Mayor's Proposed FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
1101 - General Services District	71,889,515	1,535,000	35,605,589	15,638,388	14,794,089	20,069,089	10,479,089
1115 - Full Urban Services District	6,119,503	6,119,503	14,780,000	8,030,000	7,820,000	13,765,000	8,640,000
1131 - Police Confiscated Federal	45,000	45,000	-	-	-	-	-
1136 - Municipal Aid Program	6,385,000	6,385,000	2,950,000	1,350,000	1,350,000	3,050,000	3,050,000
1138 - Mineral Severance Fund	350,000	350,000	-	-	-	-	-
1142 - Police Confiscated - Treasury	611,000	611,000	-	-	-	-	-
1148 - Parks Fund-Balot Initiative	7,500,000	7,500,000	-	-	-	-	-
2617 - 2027 Bond Projects	11,000,000	10,000,000	-	-	-	-	-
4002 - Sanitary Sewer RO	5,583,490	5,583,490	4,935,000	4,455,000	4,825,000	5,940,000	5,500,000
4003 - Sanitary Sewer Construction	25,840,000	25,840,000	53,030,000	26,320,000	16,280,000	18,020,000	9,880,000
4022 - PFC - General	-	-	-	1,500,000	-	-	-
4051 - Water Quality Management	1,326,210	1,051,210	-	-	-	-	-
4052 - Water Quality Construction	3,662,600	3,662,600	4,664,000	5,314,000	4,414,000	2,414,000	2,414,000
4121 - Landfill Fund	592,100	592,100	5,000,000	2,250,000	600,000	6,000,000	-
4201 - Right Of Way Program	1,150,000	1,150,000	-	-	-	-	-
4204 - Enhanced 911 Fund	282,000	-	-	535,000	225,000	50,000	-
4205 - CKY Network	-	-	400,000	-	200,000	-	-

475

Project listings are included on pages 475-495 of the LFUCG Mayor's Proposed Budget



Lexington-Fayette Urban County Government

Master

200 E. Main St
Lexington, KY 40507

File Number: 0329-26

File ID: 0329-26

Type: Committee Item

Status: Agenda Ready

Version: 1

Contract #:

In Control: Committee of the Whole (COW)

File Created: 04/17/2026

File Name: FY2027 Revenue Adoption Discussion

Final Action:

Title:

FY2027 Revenue Adoption Discussion

Notes:

Sponsors:

Enactment Date:

Attachments:

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 0329-26

Title

FY2027 Revenue Adoption Discussion