Lexington- Fayette Urban County Government Council Meeting

Lexington, Kentucky   April 14, 2026

The Council of the Lexington-Fayette Urban County Government, Kentucky convened in regular session on April 14, 2026 at 3:04 p.m. Present were Mayor Gorton in the chair presiding, and the following members of the Council: Ellinger, Elliott Baxter, Hale, Higgins-Hord, Lynch, Morton, Reynolds, Sevigny, Sheehan, Wu, Beasley, Boone, Brown, Curtis, and, Eblen. Absent were Council Members XXX.

The Mayor delivered her FY 2027 Budget Address as follows:

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Good afternoon, Councilmembers. Welcome, everyone!

In the 19th Century, thoroughbreds were prized for their staying power; their stamina. Truly successful horses had a quality that drove them beyond the brink, past the exceptional, and into the extraordinary. The thoroughbred Lexington was just such an extraordinary horse, demonstrated by his success on the racecourse, and as the most successful sire of the second half of the 19th Century. Even though he died in 1875, his impact on our local thoroughbred industry, and on the pedigrees of the modern American Thoroughbred, are still felt today. No surprise, then, that this horse, Lexington, is the symbol of our city: his portrait, with a modern twist, is the blue horse you see all over town. We have a lot more in common with this thoroughbred than loving the color blue. Our city has staying power, we have grit, we prevail. In our 250-year history, we have consistently overcome our challenges. And we will continue to do so, into the future.

This year, our budget is challenging. The same is true for the budgets of many households, our state, and our nation. Even though the local economy is healthy, and has produced an estimated 4 percent growth in our revenue, our expenses have also grown, just as they have grown in your household budgets. For example, we estimate that due to higher rates, utility costs will increase by over $2 million this year. There are a lot of demands for each public dollar. We have responded by overcoming the challenge through fiscal management that goes the distance – today.

I am presenting you with a balanced, right-sized budget that has no tax increases. This $546 million General Fund budget meets many needs in our community, and, importantly, keeps our sights set on a successful future.

The General Fund budget I am presenting today is clearly built on a foundation of fiscal restraint: Our bonding package is $10 million, our lowest since 2021, the year the pandemic threatened to upend our finances. In the past 10 years we have bonded an average of $32.8 million per year. This proposed budget creates 3 new positions; the lowest number of positions created in our budget since 2021. This year our personnel expenses are increasing by only 1.4%. And it holds the line on expenses in these times of inflated prices and rising costs. We estimate recurring expenses this year will increase by only 4.8%, compared to 5.4% last year.

At the same time, this budget makes solid progress for our city, and sets us up for continued success in the future by: investing $78 million in capital that will meet many current and future needs throughout our community; opening and fully staffing our new senior and therapeutic recreation center; investing in increased protection from snow and ice storms, and other threats; establishing a plan for opioid abatement funds; and investing $13 million in paving, plus $1 million for ADA ramps.

Before I talk more about some of the highlights of this budget, I want to first thank our budget team: Chief Administrative Officer Sally Hamilton and her staff; Chief of Staff Tyler Scott; and Finance Commissioner Erin Hensley and her staff. This team took steps that have significantly improved the amount of capital funds available in this budget: over a number of years, our team made careful choices about what we pay for with bond funds, and what we pay for with cash. Those choices have significantly reduced our interest expenses. And, the team closely monitored operating spending throughout government, right-sizing the budgets of divisions that were not able to spend their entire operating budgets.

Let’s talk more about the progress we are making with this budget: First, in Parks, we invested $1.2 million in a number of basic maintenance projects at Raven Run, Lakeside, Douglass, Masterson Station and more. In addition, we allocated the second year of Park Fund projects, totaling $7.5 million. Through the Park Fund, we are planning to replace sports courts at nine parks, including a $1.1 million investment in the Dirt Bowl courts. In addition, we are: replacing the gazebo at Woodland Park; establishing a trail at Kelley's Landing; building a playground at Addison Park; and, in Castlewood Park, improving the community center, and more. These projects and other projects we have included were identified in our Parks Master Plan, which is rooted in public input. They are found throughout the community.

Each year, over half of our General Fund budget is dedicated to public safety. This year is no exception, with 54.6% of our General Fund budget earmarked for police, fire, corrections, E-911 and Emergency Management. Investments in technology have strengthened our Police Department in recent years. In this budget plan, we are continuing our investment in body-worn cameras, and expanding our computer storage capability for digital evidence. A $2.6 million technology contract gives us unlimited computer storage that will ensure access to all digital evidence, including evidence submitted by members of the public. This same contract will give officers access to a new Taser that offers improved accuracy, expanded range, and an even better de-escalation response to significant incidents. It will also extend our access to Fusus, used in our real-time intelligence center to help officers respond more effectively and efficiently to incidents as they unfold.

Technology has helped our community drive crime rates down. Last year, Lexington recorded its fewest total homicides in a decade. Over the past five years, we've seen substantial decreases in gun violence and overall community violence. Between 2024 and 2025, violent crime dropped 10.8 percent, including: Homicides down 13%, Assaults with firearms, down 23%, and Robbery, down 26%. Overall, crimes against property dropped 8.7%, including: Motor vehicle thefts, down 15.7%.

We recognize that a safe city is essential to our quality of life, now and in the future. This budget includes $230,000 to remodel the Police Gym, an investment in the health of our officers. And while I'm talking about investments in our officers, I also want to mention that after several years of searching, we have finally found the right site for our Police Training Center on University of Kentucky Coldstream Research Campus. We will bring this investment in our current and future officers to the Industrial Authority Board this week, then forward to the Council for its approval, and soon be able to start design work.

Thanks to UK President Eli Capilouto and Executive Vice President Eric Monday. Thank you to Chief Lawrence Weathers, and to all of our officers and support staff.

In Fire, we continue our ongoing investment in equipment. Each year we spend a minimum of $1.5 million to replace heavy equipment, like fire engines. We are also replacing our emergency medical equipment again this year, allocating $700,000. We have one of the best and most highly accredited fire departments in the country. In recent years it has successfully broadened its horizons, emphasizing collaboration, problem-solving, and service that addresses complex community challenges. Our firefighters demonstrate a commitment not only to responding to emergencies, but to preventing them, and improving the quality of life for the people we serve. We are also investing in our future firefighters, and in the ongoing training of the entire department. Our fire training center is in the design phase. Thank you to Chief Jason Wells, and to all of our firefighters and support staff.

Another important investment in public safety is the dollars we spend to fight snow and ice on our roads. Changing weather patterns have brought more ice into our forecasts, and last winter, despite upgrades to our equipment, we still had difficulty handling the ice. The public was frustrated with our roads, and so was I. Funding for this fight - totaling $5.1 million - will help us bring in the support we need when our streets are icy and snow-covered by having contracts in place with a mix of local and regional contractors who have the heavy equipment needed to break up ice. We will also invest more in salt, Beet Heet, new trucks, additional salt spreaders, overtime, and additional contractors. Although increased funding is definitely needed, it's just the beginning of the changes we are making. We are redesigning our winter weather plan, improving communication and oversight, increasing training for drivers, and more.

Overdose deaths dropped 25% between 2024 and 2025 – a huge step forward. Even so, we lost 96 residents to overdoses in 2025. Clearly, there's still work to do. Going forward, we have a plan for Council's consideration for how to use the opioid abatement funds to further reduce overdoses, and to address substance use disorder. Opioid abatement funding comes from legal settlements paid by opioid manufacturers, distributors and retailers to state and local governments. The Opioid Abatement Commission, with input from many community members, has recommended a plan to spend these funds, while also ensuring they can have a lasting impact. So far, Lexington's share is an estimated $30 million to come in by 2038, we project. Currently we have $9 million on hand. Later this month, we will recommend that Council spend: $2 million for small and large grant programs for nonprofit organizations involved in treating substance use disorder; $2.2 million to provide supportive housing and treatment services for people who are homeless; $1.8 million for further discussion and needs; and then deposit $3 million in an interest-bearing account to fund programs each year into the future. Thank you to the members of the Opioid Abatement Commission for all of your hard work.

Just as members of the Opioid Abatement Commission designed a plan tailored to our community in the struggle with substance use disorder, a second group, the Mayor's Task Force on Homelessness, is working to find ways we can address challenges to provide services for those who are homeless in Lexington. We look forward to their recommendations in a couple of months. In this budget, we will again fund our winter shelter, this year increasing funding by $200,000 to $2.2 million. In addition, we have included $400,000 for our Housing Stability Services program, which provides access to attorneys and legal advice for individuals who are being evicted.

This budget also includes changes aimed at increasing the efficiency of government's interactions with the development community. First, we are creating a Development Liaison position within the Chief Administrative Officer's Office. This person will educate developers about the government requirements, shepherd development applications through the approval process, monitor the status of projects, and inform the development community on changes to regulations.

In addition, we are making changes to the government's organizational chart to balance and realign divisions and departments. We are moving the Division of Building Inspection and the Division of Engineering into the Department of Planning and Preservation, putting government divisions involved in development-related approvals, or those principally responsible for issuing permits under one roof.

Beyond the General Fund, which is funded primarily by the payroll tax and business net profits taxes, our complete budget totals $847 million. It includes funds from property taxes, state road funds, and several dedicated fees that pay for garbage collection, sewer operations, the landfill, recycling, and other government services.

While the General Fund budget has some flexibility; the dedicated fees are for specific services. For example, we use these dedicated fees to fund our ongoing sanitary sewer improvements – over 75 percent of the improvements ordered by the courts in 2011 are now complete, with total costs under original estimates. This is the largest environmental quality project in our city's history.

Before I close today, I want to call your attention to several other initiatives included in this spending plan:

- We continue our investment in private security downtown in public areas including Phoenix Park, the Courthouse plaza and Tandy Park. This investment, plus an increased police presence and enhanced lighting, keeps these downtown spaces safe.
- Spending just over $5 million on our Extended Social Resource two-year grant program, which helps non-profit organizations that provide important community services.
- Building new sections of Town Branch Trail.
- Rebuilding a section of North Limestone, including bike lanes and sidewalks, between Withers Avenue and New Circle Road.
- Funding to complete the match needed to begin a portion of design and right-of-way for the Scott Street connector, which will connect Oliver Lewis to South Limestone near the University of Kentucky campus, giving campus visitors a direct link to the interstates.
- New plans for Tates Creek Community Center. With expanded hours and a variety of programming for all ages, it will become a neighborhood center for the entire community.
- A two percent cost-of-living increase for non-sworn employees.
- $70,000 in One Lexington's budget to expand support of those who have experienced gun violence. Funding would be used for survivor-led non-profits that would lead survivor support initiatives.
- And, $282,000 to update Enhanced-911 computer equipment.

In closing today, I want to thank the Council for being good partners in this public budget process. Each year, we work for several months to build a budget that is responsible and responsive - fiscally responsible - keeping our finances on track in good times and in challenging times, and responsive to the public, who demand good service.

Theodore Roosevelt once said, “This country will not be a good place for any of us to live in unless we make it a good place for all of us to live in.” Lexington is a “good place to live” in part because of good services provided by government. Good public services and a bright future for all are the framework upon which I build every budget for our community.

Thank you.

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The meeting adjourned at 3:25 p.m.

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Deputy Clerk of the Urban County Council