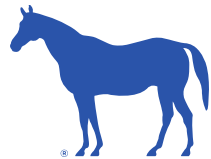


FY 2027 MAYOR'S PROPOSED BUDGET (MPB)

*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

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



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
Interfund Transfers (estimated)	(\$107,273,065)
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

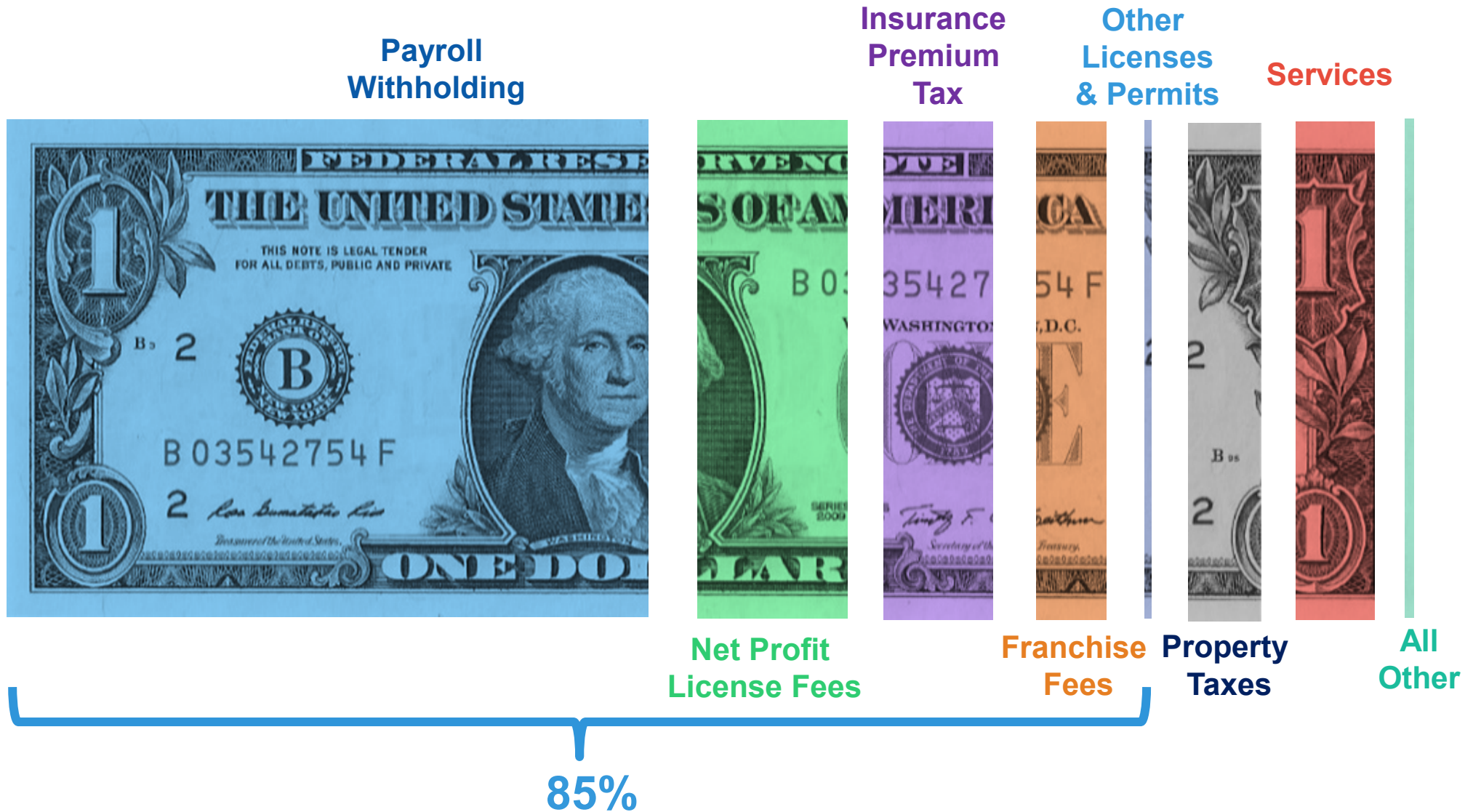
FY26 Reallocation Prefunding Items

\$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

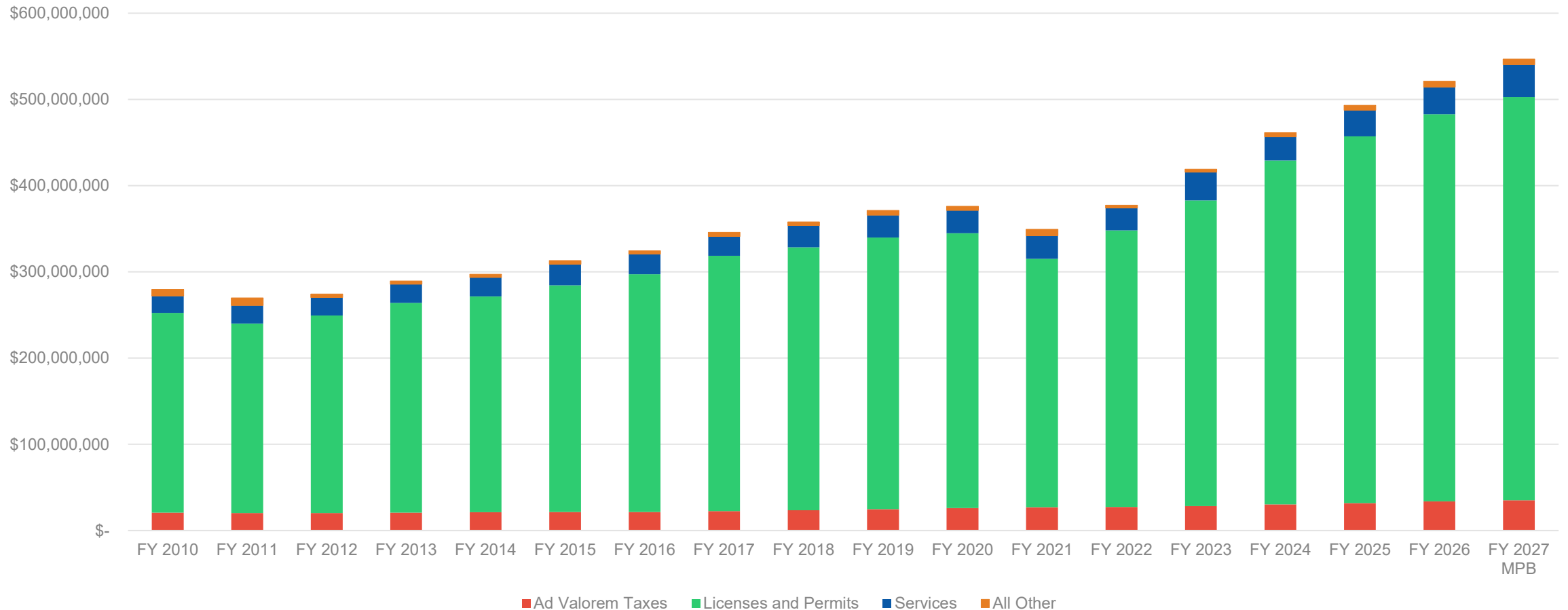
The FY27 total proposed budget package utilizes \$10.1 million in FY26 prefunding. Prefunding utilizes current year expenditure savings and additional revenues to fund items that would otherwise have been necessary to fund with FY27 revenues and other funding sources. These items will be considered as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

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

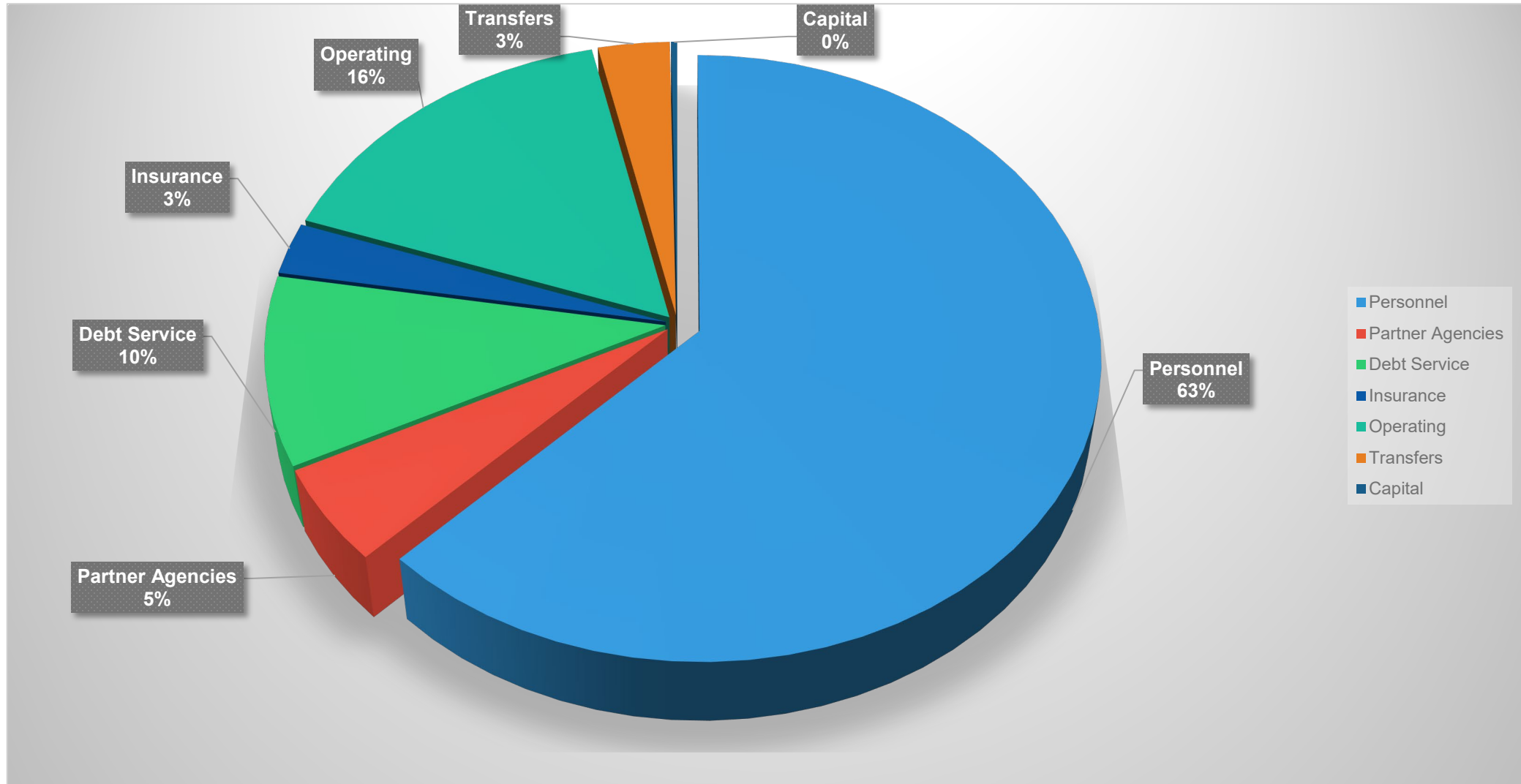


Stabilizing Revenue Growth

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

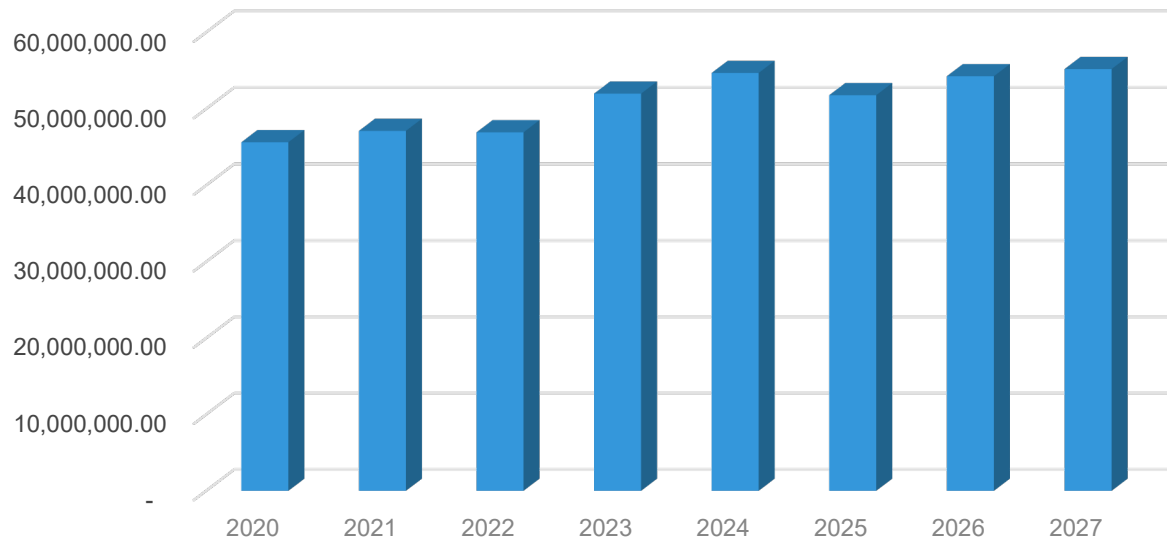
- New Investment
 - 2% salary increases for all non-sworn personnel
 - 3 New/Expanded positions across all funds

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

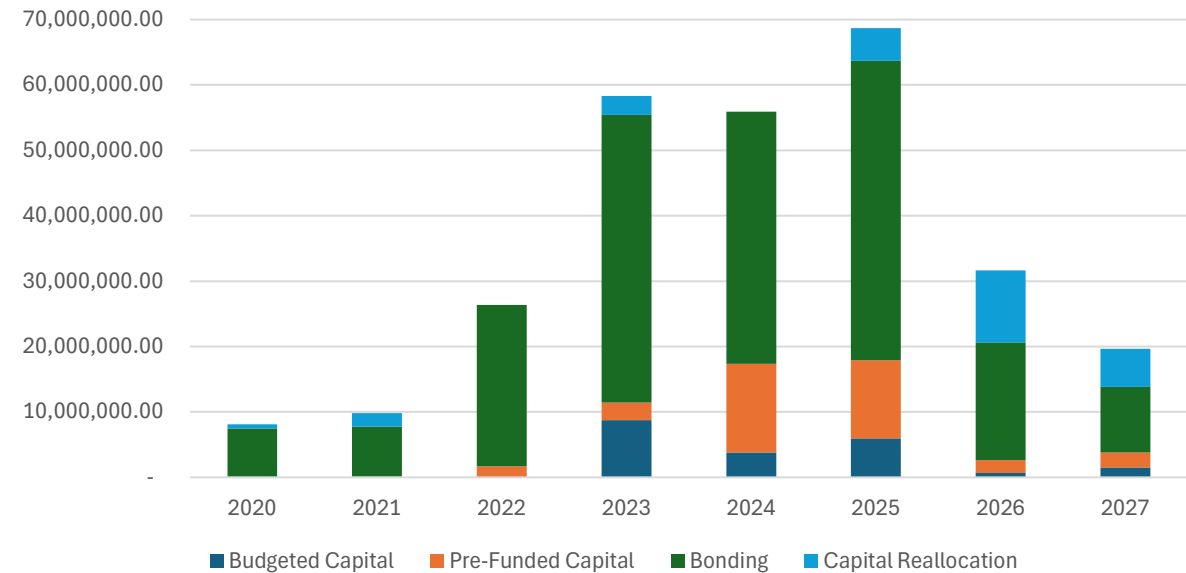
Building our Assets – Debt Service and Cash Funding

Debt Service



Capital Investment

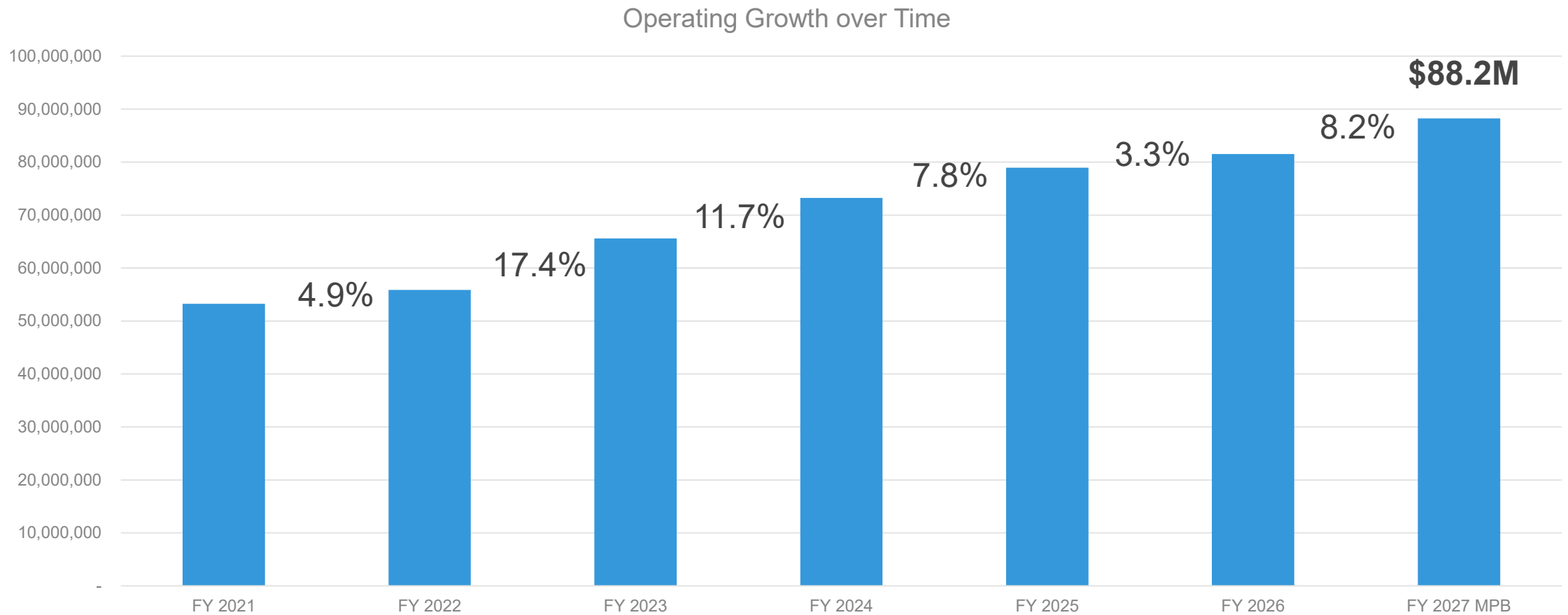
General Fund and Bonded Capital



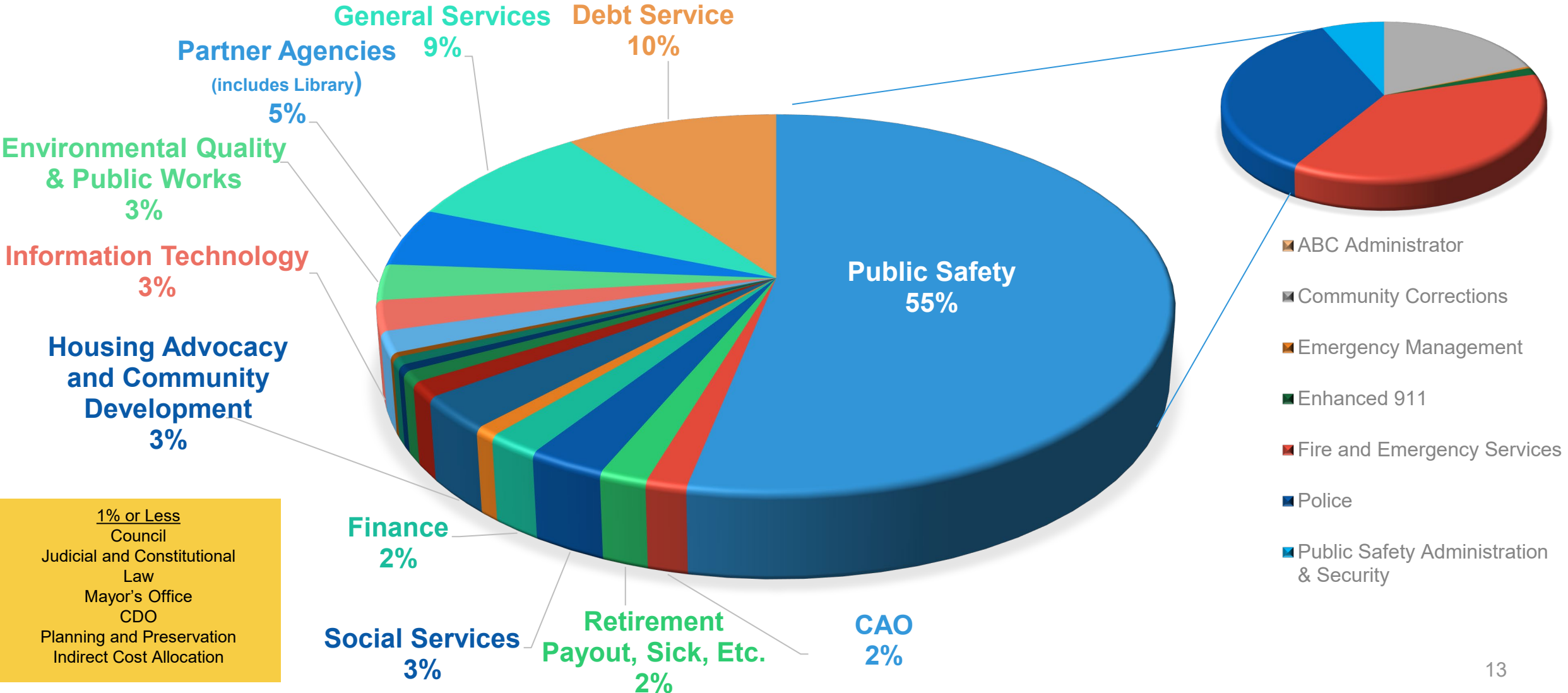
Current Year Bond - \$10,000,000 for Paving
 Debt Service - \$55,199,946
 Debt Goal – 10.09%

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

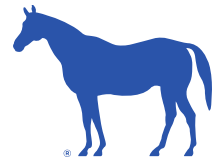


Questions?



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