City of Lexington
Overview of the 2025-2026 Budget

1 Comparison to prior year budgeted income

	2024-2025	2025-2026
Tax Fund	$ 1,151,073	$ 1,171,931
Utility Fund	13,419,150	13,429,502
Total	$ 14,570,223	$ 14,601,433

2 Property tax rate will drop from $0.3939/100 to $.3870/100. Taxable property values increased from $94.3 million to $101.4 million. Property tax levy for current year will increase from $371,623 to $392,481

3 Budgeted salaries include pay raises determined by the council (3%) based on employee performance evaluations plus bonus of $800. Retirement is estimated based on 9% of budgeted salaries

4 Budget for cost of health insurance increased 5% over estimated actual expenses for fiscal year end September 30, 2025

5 Utility Fund includes grant income and expenses for storm drainage system upgrade for $6.3 million

6 Tax Fund includes $64,700 budgeted for street improvements

7 Budget includes increase in garbage rates for the utility fund

8 Utility water fund budgeted $25,000 for capital outlay for water line revitalization.

9 Utility water fund includes proceeds from grant and 2023 certificates of obligation for construction of water well #8 totalling $2,454,100 and capital outlay expenses of $2,454,100 related to well #8

10 Utility fund includes principal payments of $55,000 and interest of $25,823 related to 2023A & B certificates of obligation and principal payments of $115,000 and interest of $5,254 related to the 2012 certificates of obligation.

11 Budget includes grant proceeds and associated capital outlay for MITMOD($1,967,500) and RCP ($232,500) grants

12 Police budget includes annual payment for new police vehicle ($16,618).

City of Lexington-Tax Fund
Budget
2025 - 2026

	October 2024 through May 2025 Actual	Annualized Actual	2024/2025 Budget	**2025/2026 Budget**
Ordinary Income/Expense				
Income				
400 · Property Taxes	$ 349,106	$ 349,106	$ 371,623	$ 392,481
401 · Penalties & Interest	6,322	9,483	5,000	5,000
402 · Sales Tax	295,569	443,354	430,000	430,000
405 · Corporation Court Fees	22,323	33,484	80,000	80,000
414 · Franchise Fees-Garbage	1,516	2,274	1,000	1,000
415 · Interest Income - General	248	372	250	250
417 · Franchise Fees-Gas	9,797	14,696	6,500	6,500
418 · Franchise Fees-Telephone	2,476	3,713	4,700	4,700
419 · LCRA Grant Revenue	1,000	1,500	-	-
423 · Local EMS Revenue	-	-	6,000	6,000
424 · Miscellaneous Income	1,767	2,651	1,500	1,500
429 · EDC-Parks & Recreation Funds	17,000	17,000	12,000	12,000
444 · Grant proceeds -RCP Grant	67,400	101,100	232,500	232,500
443 · Grant proceeds -DRP Grant	-	-	-	-
1950 · Grant Income-Cares Act	-	-	-	-
Total Income	774,524	978,733	1,151,073	1,171,931
Expense				
1500 · Expenses - Adminsitrative				
1501 · Salaries	35,764	53,647	55,933	54,971
1502 · Payroll Taxes	2,736	4,104	4,279	4,205
1503 · Insurance - Retirement	3,444	5,166	5,034	4,947
1504 · Insurance - Hospital	8,040	12,060	12,290	12,663
1507 · Education	472	708	1,000	1,000
1601 · Materials & Supplies	230	345	1,000	1,000
1604 · Election Expense	11,152	16,728	8,000	8,000
1605 · Legal & Professional	-	-	500	500
1606 · Advertising	-	-	150	150
1607 · Dues & Subscriptions	125	188	-	-
1610 · Office Supplies & Postage	-	-	250	250
1613 · Miscellaneous Exp	71	107	500	500
1614 · Appraisal Fee	6,177	9,266	10,000	10,000
1616 · Property Tax Collection Fee	2,284	3,427	1,800	1,800
1650 · EDC Sales Tax	98,523	147,785	143,333	143,333
1701 · Capital Outlay RCP Grant	89,900	134,850	232,500	232,500
Total 1500 · Expenses - Adminsitrative	258,918	388,378	476,569	475,819
2500 · Expenses - Police				
2501 · Salaries-Police	111,693	167,539	239,476	230,849
2502 · Payroll Taxes-Police	8,545	12,817	18,320	17,660
2503 · Insurance - Retirement-Police	11,056	16,585	21,553	20,776
2504 · Insurance - Hospital-Police	32,513	48,770	48,761	51,208
2505 · Insurance- Liability-Police	3,486	5,229	6,000	6,000
2506 · Insurance - W/C - Police	3,731	5,596	4,800	4,800
2507 · Education-Police	3,139	4,709	6,000	6,000
2509 · Uniforms-Police	604	905	6,000	6,000
2601 · Materials & Supplies-Police	1,989	2,983	16,000	16,000
2602 · Repairs & Maintenance-Police	10,309	15,464	5,000	5,000
2603 · Vehicle Operating-Police	4,020	6,029	10,000	10,000
2605 · Legal & Professional-Police	2,161	3,241	6,000	6,000
2606 · Advertising-Police	-	-	-	-
2607 · Dues & Subscriptions-Police	-	-	500	500
2608 · Utilities & Telephone-Police	4,210	6,315	7,000	7,000
2610 · Office Supplies/Postage-Police	8,277	12,416	4,300	4,300
2613 · Miscellaneous-Police	4,195	6,293	15,000	15,000
2618 · Drug Lab Shared Costs	-	-	5,000	5,000

	October 2024 through May 2025 Actual	Annualized Actual	2024/2025 Budget	**2025/2026 Budget**
2620 · Special Account Exp-Police	(612)	(918)	1,500	1,500
2682 · Axon (Taser & Body Cam)	5,634	8,451	-	-
2671 · IT services	-	-	9,240	9,240
2680 · Debt Service-Principal	-	-	20,678	12,342
2681 · Debt Service-Interest	-	-	-	4,276
2700 · Capital Outlay-Police	-	-	5,000	5,000
2811 · Materials & Supplies-Animal Con	-	-	4,000	4,000
Total 2500 · Expenses - Police	214,949	322,423	460,129	448,452
3000 · Municipal Court				
3001 · Salaries-Municipal Court	24,039	36,058	36,905	37,706
3002 · Payroll Taxes-Municipal Court	1,839	2,759	2,823	2,884
3003 · Retirement-Municipal Court	2,030	3,045	3,321	3,394
3004 · Insurance-Hospital-Mun Court	11,682	17,524	17,111	18,400
3005 · Legal and Professional-Mun Cour	8,170	12,255	15,000	15,000
3007 · Dues and Subscriptions-Mun Cour	154	231	-	-
3008 · Utilities and Telephone-M C	354	531	600	600
3009 · Education - Mun Court	4,516	6,773	4,200	4,200
3010 · Office Supplies-Mun Court	478	717	2,500	2,500
3011 · Donations	-	-	500	500
3015 · Court Costs-Mun Court	2,467	3,700	20,000	20,000
3050 · Capital Outlay - Software	-	-	-	-
3051 · Capital Outlay -muni ct renovations	-	-	-	-
Total 3000 · Municipal Court	55,729	83,593	102,961	105,183
3500 · Expenses - Fire				
3505 · Insurance - Liablility-Fire	8,574	12,861	3,000	3,000
3506 · Insurance - Workers Comp.-Fire	-	-	2,100	2,100
3599 · Building Maintenance-Fire	-	-	1,000	1,000
3601 · Materials & Supplies-Fire	608	911	20,000	20,000
3602 · Building Repairs-Fire	180	270	2,000	2,000
3603 · Vehicle Maintenance-Fire	3,285	4,927	4,000	4,000
3604 · Vehicle Repairs-Fire	-	-	10,000	10,000
3606 · Vehicle Fuel-Fire	-	-	1,000	1,000
3608 · Utilities & Telephone-Fire	1,220	1,830	1,500	1,500
3609 · Firefighting Supplies-Fire	-	-	5,000	5,000
3610 · Office Supplies & Postage-Fire	-	-	100	100
3611 · Protective Equipment & Clothing	-	-	5,000	5,000
3613 · Miscellaneous-Fire	320	480	1,000	1,000
3620 · Fire Dept Financial Assistance	-	-	20,000	20,000
Total 3500 · Expenses - Fire	14,187	21,280	75,700	75,700
4500 · Expenses - Street				
4501 · Salaries-Street	24,907	37,361	37,118	38,854
4502 · Payroll Taxes-Street	1,905	2,858	2,840	2,972
4503 · Insurance - Retirement-Street	2,436	3,654	3,341	3,497
4504 · Insurance - Hospital-Street	8,174	12,261	17,499	12,874
4505 · Insurance - Liability-Street	3,486	5,229	2,500	2,500
4506 · Insurance-Worker's Comp-Street	2,616	3,924	1,300	1,300
4507 · Education-Street	-	-	100	100
4601 · Materials & Supplies-Street	8,303	12,454	10,000	10,000
4602 · Repairs & Maintenance-Street	-	-	4,000	4,000
4603 · Vehicle Operating-Street	1,010	1,514	3,000	3,000
4605 · Legal & Professional-Street	-	-	200	200
4606 · Advertising-Street	-	-	200	200
4608 · Utilities & Telephone-Street	624	936	700	700
4610 · Office Supplies/Postage-Street	-	-	100	100
4613 · Miscellaneous-Street	-	-	300	300
4701 · Capital Outlay DRP Grant - sidewalks	-	-	-	-

City of Lexington-Tax Fund
Budget
2025 - 2026

	October 2024 through May 2025 Actual	Annualized Actual	2024/2025 Budget	**2025/2026 Budget**
4700 · Capital Outlay-Street	-	-	64,700	64,700
Total 4500 · Expenses - Street	53,461	80,192	147,897	145,298
5500.0 · Expenses - Sanitation				
5605 · Legal & Professional-Garbage	-	-	-	-
Total 5500.0 · Expenses - Sanitation	-	-	-	-
6500 · Expenses - EMS				
6650 · Ambulance Escrow Fund-Health	24,720	37,080	37,080	42,000
Total 6500 · Expenses - EMS	24,720	37,080	37,080	42,000
8500 · Expenses - Park				
8601 · Materials & Supplies-Park	3,871	5,807	8,000	8,000
8602 · Repairs & Maintenance-Park	3,720	5,580	7,000	7,000
8613 · Miscellaneous-Park	-	-	2,000	2,000
Total 8500 · Expenses - Park	7,591	11,387	17,000	17,000
Total Expense	629,555	944,332	1,317,334	1,309,453
Net Ordinary Income	144,969	34,400	(166,262)	(137,522)
Other Income/Expense				
Other Income				
1900 · Transfer (to)/ from Utility Fund	(150,607)	(225,911)	166,262	137,522
Total Other Income	(150,607)	(225,911)	166,262	137,522
Other Expense				
1960 · Contingency Expense	-	-	-	-
Total Other Expense	-	-	-	-
Net Other Income	(150,607)	(225,911)	166,262	137,522
	$ (5,638)	$ (191,511)	$ -	$ 0

City of Lexington - Utility Fund
Budget
2025-2026

	October 2024 through May 2025 Actual	Annualized Actual	2024/2025 Budget	**2025/2026 Budget**
Ordinary Income/Expense				
1600 · Income - Electric				
1614 · Reconnect Fees	$ -	$ -	$ 500	$ 500
1623 · Rent Income	1,050	1,575	1,800	1,800
1612 · Sales-Electric-Interest	1,304	1,956	2,300	2,300
1618 · Franchise Tax	2,732	4,099	3,000	3,000
1610 · Electric - Other	3,034	4,550	5,000	5,000
1600 · Income - Electric - Other	9,969	14,953	-	-
1620 · Permits	2,500	3,750	22,000	22,000
1605 · Sales -Electric -Taps	6,000	9,000	11,000	11,000
1616 · Miscellaneous	(540)	(809)	-	-
1606 · Sales-Electric-Penalties	30	44	28,000	28,000
1601 · Sales - Electric	835,018	1,252,527	1,400,000	1,400,000
Total 1600 · Income - Electric	861,097	1,291,645	1,473,600	1,473,600
2600 · Income - Water				
2614 · Cert of Obligation proceeds -Water Well #	-	-	1,765,000	1,765,000
2613.3 · Grant proceeds -Water Well #8	-	-	689,100	689,100
2613.4 · Grant proceeds -MITMOD	-	-	1,967,500	1,967,500
2620 · Water Permits	175	263	1,000	1,000
2612 · Sales-Water-Interest	1,304	1,956	2,400	2,400
2616 · Water-Miscellaneous	80,158	120,237	2,500	2,500
2625 · Lost Pines Groundwater Cons Fee	12,215	18,322	12,000	12,000
2605 · Sales-Water-Taps	8,000	12,000	-	-
2613.1 · Grant-Storm Drainage	123,200	184,799	6,300,000	6,300,000
2613.2 · Grant-Ground Storage	311,100	466,650	-	-
2613.3 · Grant-Water Well 8	-	-	-	-
2601 · Sales - Water	367,310	550,966	600,000	600,000
Total 2600 · Income - Water	903,462	1,355,193	11,339,500	11,339,500
3600 · Income - Sewer				
3620 · Sewer Permits	300	450	1,500	1,500
3612 · Sales - Sewer - Interest	1,304	1,956	2,400	2,400
3616 · Sewer-Miscellaneous	-	-	1,500	1,500
3605 · Sales - Sewer - Taps	6,000	9,000	5,000	5,000
3601 · Sales - Sewer	156,551	234,826	250,000	250,000
Total 3600 · Income - Sewer	164,155	246,233	260,400	260,400
4600 · Income - Sanitation				
404 · Garbage	218,691	328,037	345,050	355,402
Total 4600 · Income - Sanitation	218,691	328,037	345,050	355,402
6600 · Income-Capital Projects				
6612 · Interest Income	384	576	600	600
Total 6600 · Income-Capital Projects	384	576	600	600
Total Income	2,147,789	3,221,683	13,419,150	13,429,502
Expense				
1700 · Expenses - Electric				
1701 · Salaries-Electric	52,351	78,526	88,926	82,713
1702 · Payroll Taxes-Electric	4,005	6,007	8,122	7,701
1703 · Contract Labor-Electric	2,990	4,485	44,399	44,399
1704 · Insurance-Retirement-Electric	6,021	9,031	9,555	9,060
1705 · Insurance Hospital-Electric	19,648	29,473	27,654	30,946
1707 · Insurance W/C-Electric	2,699	4,049	1,600	1,600
1708 · Education-Electric	200	300	1,700	1,700
1711 · Emergency Management Svc-Electric	800	1,200	1,200	1,200
1750 · Oper. Exp. & Repair -Electric	205,686	308,528	186,300	186,300
1751 · Advertising & Promo-Electric	335	503	1,500	1,500
1752 · Dues & Subs.-Electric	663	994	1,000	1,000
1753 · Legal & Professional-Electric	20,543	30,815	22,000	22,000
1755 · Donations & Contrib-Electric	467	700	1,333	1,333

City of Lexington - Utility Fund
Budget
2025-2026

	October 2024 through May 2025 Actual	Annualized Actual	2024/2025 Budget	**2025/2026 Budget**
1756 · Insurance Liability-Electric	3,328	4,992	6,000	6,000
1800 · Cost of Electricity-Purchase	413,068	619,602	906,027	906,027
1801 · Material & Supplies-Electric	12,451	18,676	36,000	36,000
1802 · Office Expense/Postage-Electric	12,564	18,847	8,000	8,000
1803 · Utilities-Electric	3,140	4,710	5,500	5,500
1804 · Miscellaneous-Electric	173	260	1,000	1,000
1805 · Bad Debts-Electric	5,988	8,982	1,800	1,800
1810 · Radio Tower Expense	1,157	1,736	3,500	3,500
1840 · Code Enforcement-Wages Electric	11,068	16,602	17,239	17,955
1841 · Code Enforcement - Other - Elec	1,357	2,036	5,500	5,500
1842 · Code Enf-Mow/Debris Rem-Elec	-	-	1,667	1,667
1843 · Code Enforcement-Dumpsters-Elec	-	-	3,200	3,200
Total 1700 · Expenses - Electric	780,701	1,171,052	1,390,722	1,387,601
2700 · Expenses - Water				
2701 · Salaries- Water	57,059	85,589	91,110	89,123
2702 · Payroll Taxes-Water	4,365	6,548	8,081	7,906
2703 · Contract Labor-Water	2,990	4,485	5,000	20,000
2704 · Insurance-Retirement-Water	6,021	9,031	9,507	9,302
2705 · Insurance Hosp. - Water	19,290	28,934	27,376	30,381
2707 · Insurance W/C - Water	2,699	4,049	1,600	1,600
2708 · Education - Water	478	717	3,000	3,000
2711 · Emergency Management Svc-Water	800	1,200	1,200	1,200
2750 · Oper Exp. & Repair-Water	207,600	311,400	60,000	60,000
2751 · Advertising & Promo-Water	458	687	1,000	1,000
2752 · Dues & Subs.-Water	1,952	2,928	6,000	6,000
2753 · Legal & Professional-Water	10,183	15,275	40,000	40,000
2755 · Donations & Contrib-Water	467	700	1,333	1,333
2756 · Insurance Liability - Water	3,328	4,992	6,000	6,000
2760 · Lost Pines Goundwater Cons Fee	11,286	16,929	16,000	16,000
2801 · Material & Supplies-Water	21,516	32,274	40,000	40,000
2802 · Office Expense/Postage-Water	12,672	19,008	6,000	6,000
2803 · Utilities- Water	2,438	3,657	5,000	5,000
2804 · Miscellaneous - Water	1,183	1,774	1,000	1,000
2840 · Code Enforcement- Wages-Water	10,262	15,392	14,521	14,227
2841 · Code Enforcement-Other-Water	876	1,313	5,500	5,500
2842 · Code Enf-Mow/Debris Rem-Water	-	-	1,667	1,667
2843 · Code Enforce-Dumpsters-Water	-	-	3,200	3,200
2880 · Capital Outlay-Water Well #8	-	-	2,454,100	2,454,100
2880.2 · Capital Outlay-Storm Drainage	286,275	429,412	6,300,000	6,300,000
2880.8 · Capital Outlay-MITMOD grant	-	-	1,967,500	1,967,500
2880.3 · Capital Outlay-Fire Hydrants	-	-	15,000	15,000
2880.4 · Capital Outlay-Ground Storage	312,855	469,283	15,000	15,000
2880.6 · Capital Outlay-Revitalization/water line	-	-	25,000	25,000
2890 · Water Tower Escrow Fund	14,200	21,300	24,000	24,000
7008 · Transf Cap Outlay to Util Asset	(599,130)	(898,695)	-	-
Total 2700 · Expenses - Water	392,122	588,183	11,154,694	11,170,039
3700 · Expenses - Sewer				
3701 · Salaries- Sewer	52,202	78,303	84,015	79,002
3702 · Payroll Taxes-Sewer	3,993	5,990	7,589	7,080
3703 · Contract Labor-Sewer	2,990	4,485	4,000	19,000
3704 · Insurance-Retirement-Sewer	6,021	9,031	8,929	8,329
3705 · Insurance Hosp. - Sewer	19,290	28,934	27,376	30,381
3707 · Insurance W/C- Sewer	2,699	4,049	1,600	1,600
3708 · Education - Sewer	-	-	2,000	2,000
3711 · Emergency Management Svc-Sewer	800	1,200	1,200	1,200
3750 · Oper Exp. & Rep.-Sewer	39,350	59,026	20,000	20,000
3751 · Advertising & Promo- Sewer	335	503	1,500	1,500

City of Lexington - Utility Fund
Budget
2025-2026

9/5/2025

	October 2024 through May 2025 Actual	Annualized Actual	2024/2025 Budget	**2025/2026 Budget**
3752 · Dues & Subs. - Sewer	4,231	6,346	4,000	4,000
3753 · Legal & Professional-Sewer	9,543	14,315	24,000	24,000
3755 · Donations & Contrib- Sewer	467	700	1,000	1,000
3756 · Insurance Liability - Sewer	3,328	4,992	6,000	6,000
3801 · Material & Supplies - Sewer	13,056	19,583	20,000	20,000
3802 · Office Expense/Postage-Sewer	15,949	23,924	8,000	8,000
3803 · Utilities - Sewer	2,438	3,657	4,200	4,200
3804 · Miscellaneous - Sewer	246	370	1,000	1,000
3840 · Code Enforcement-Wages-Sewer	10,072	15,107	15,191	13,543
3841 · Code Enforcement-Other-Sewer	876	1,313	5,500	5,500
3842 · Code Enf-Mow/Debris Rem-Sewer	-	-	1,667	1,667
3843 · Code Enforce-Dumpsters-Sewer	-	-	3,200	3,200
Total 3700 · Expenses - Sewer	187,886	281,829	251,966	262,202
5500.0 · Sanitation				
5500 · Garbage Pickup - Sanitation	209,712	314,567	268,338	268,338
Total 5500.0 · Sanitation	209,712	314,567	268,338	268,338
7000 · Non-Budgeted Items				
7013 · Debt Reduction for C O	(115,000)	(172,500)	-	-
7001 · Depreciation-Electric	34,315	51,473	-	-
7002 · Depreciation-Water	74,678	112,017	-	-
7003 · Depreciation-Sewer	98,792	148,188	-	-
7011 · Budget rec-Emergency Mgmt F	(2,400)	(3,600)	(3,600)	(3,600)
Total 7000 · Non-Budgeted Items	90,385	135,578	(3,600)	(3,600)
Total Expense	1,660,806	2,491,209	13,062,120	13,084,581
Net Ordinary Income	486,983	730,474	357,030	344,921
Other (Expense)				
1900 · Transfers (from)to General Fund	150,607	225,911	(166,262)	(137,522)
1903 · Transfer to Debt Service Fund				
1903.4 · Debt Service 2012 C O Interest	(5,171)	(7,756)	(8,643)	(5,254)
1903.2 · Debt Service RTSB Interest	(7,166)	(10,750)	(18,000)	(18,000)
1903.3 · Debt Service 2012 C O Principal	(115,000)	(172,500)	(115,000)	(115,000)
1903.5 · Trf to Cert Obligation (9500)	(160,000)	(240,000)	-	-
1903.6 · Debt Service 2023A C O Principal	-	-	(35,000)	(35,000)
1903.8 · Debt Service 2023B C O Principal	-	-	(20,000)	(20,000)
1903.7 · Debt Service 2023 C O Interest	(9,063)	(13,594)	(18,126)	(25,823)
1904 · Water/Sewer Escrow Intra Fd Trf	14,200	21,300	24,000	24,000
7010 · Budget Rec-Cert Obligation	160,000	240,000	-	-
Total Other Expense	28,407	42,611	(357,031)	(332,599)
Change in Net Position	$ 515,390	$ 773,085	$ (0)	$ 12,322