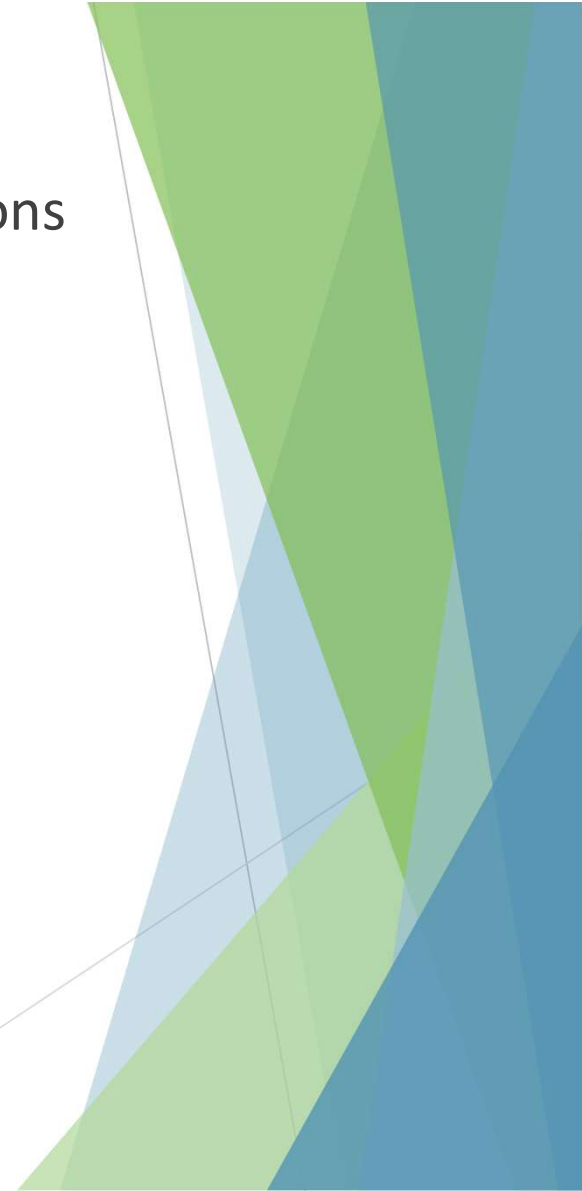




FY 2026 Proposed Budget  
May 21, 2025

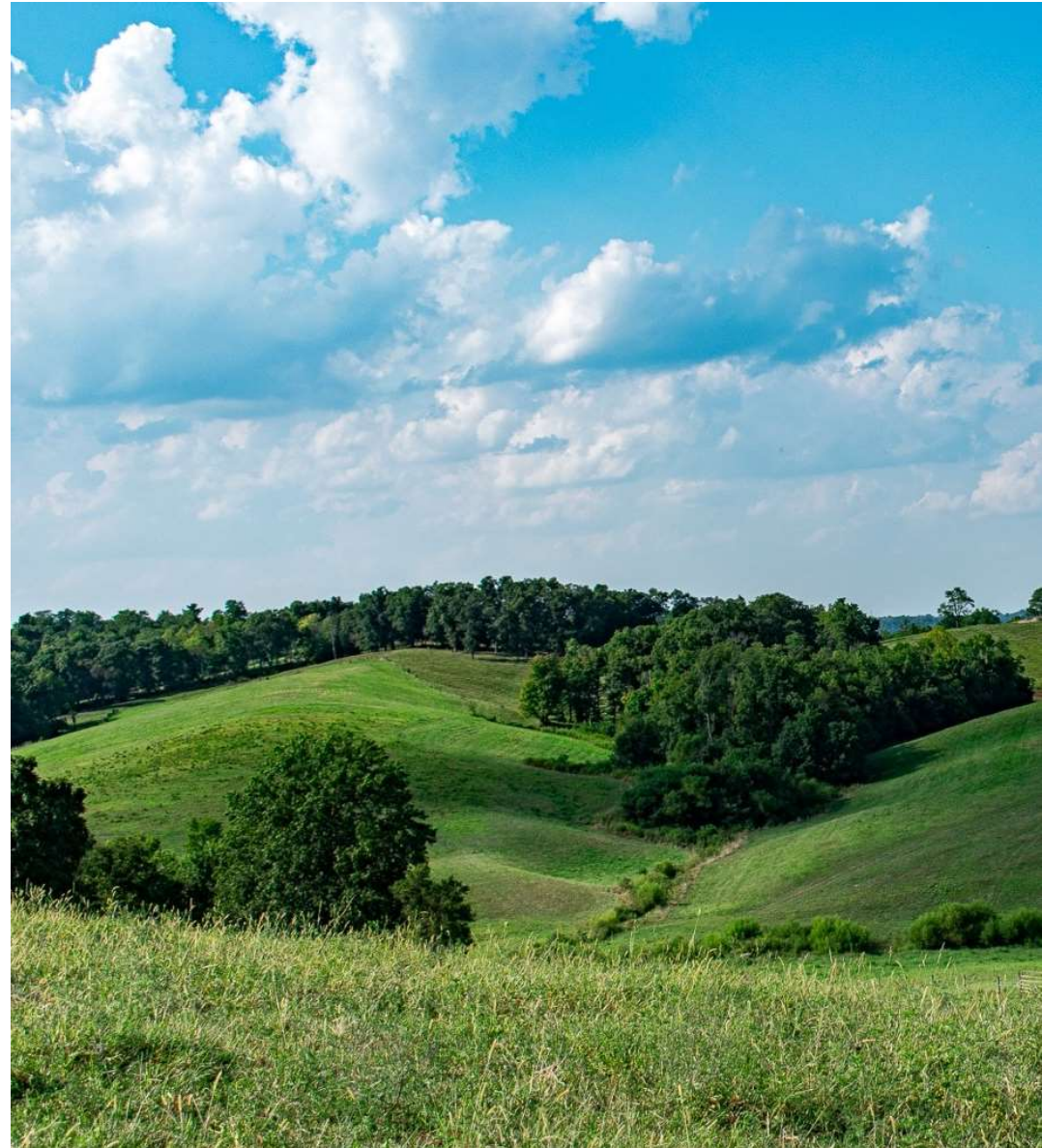
## FY 2026 Budget Presentation Outline

- ▶ Budget Themes & Assumptions
- ▶ Fiscal Year 2025 Budget vs Projected Year End Results
- ▶ Fiscal Year 2026 Budget Overview
  - ▶ New year vs Current year
  - ▶ Future Financial Concerns
  - ▶ FY26 Budget by Major Funds

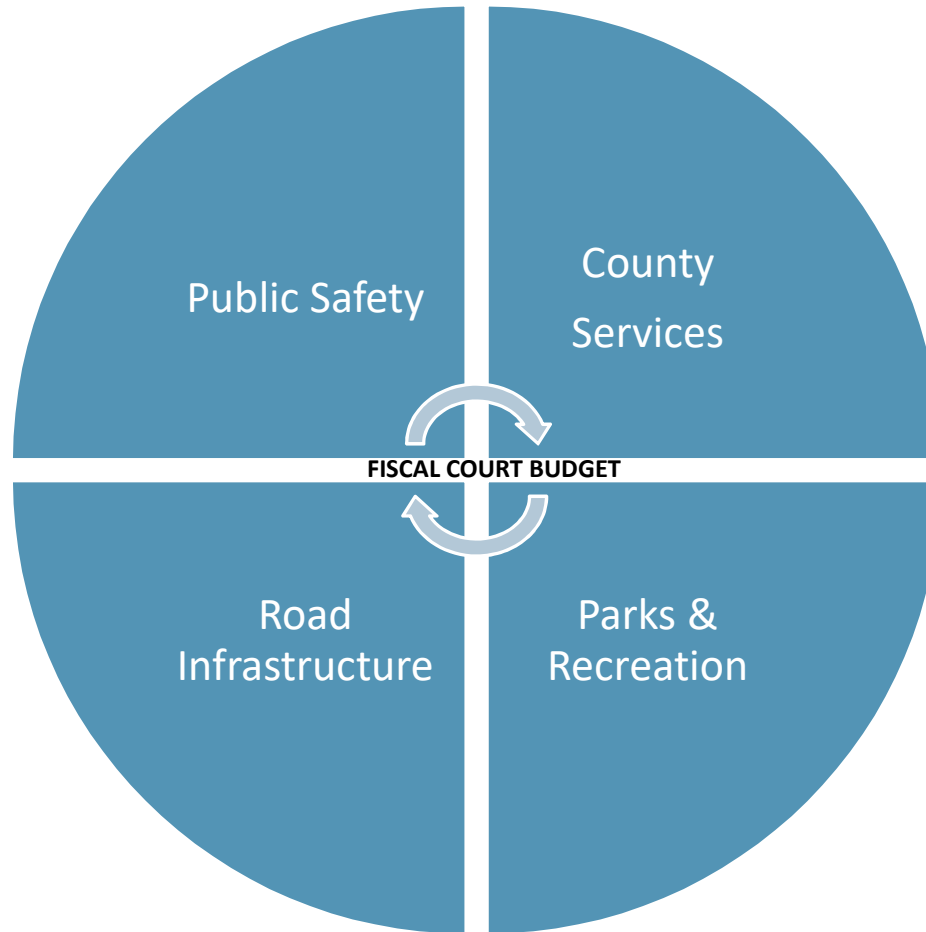


## FY26 Budget Themes/Assumptions

- ▶ Conservative, fiscally responsible revenue estimates
- ▶ Appropriations budgeted responsibly
  - ▶ Maintain services to meet community needs
  - ▶ Ongoing expenditures are funded with ongoing revenues
- ▶ FY25 projection is the foundation for FY26 budget
- ▶ Macroeconomic impacts, unknowns, and contingency



## Countywide Services Funded by Fiscal Court Budget



## FY25 Budget vs FY25 Projected Results

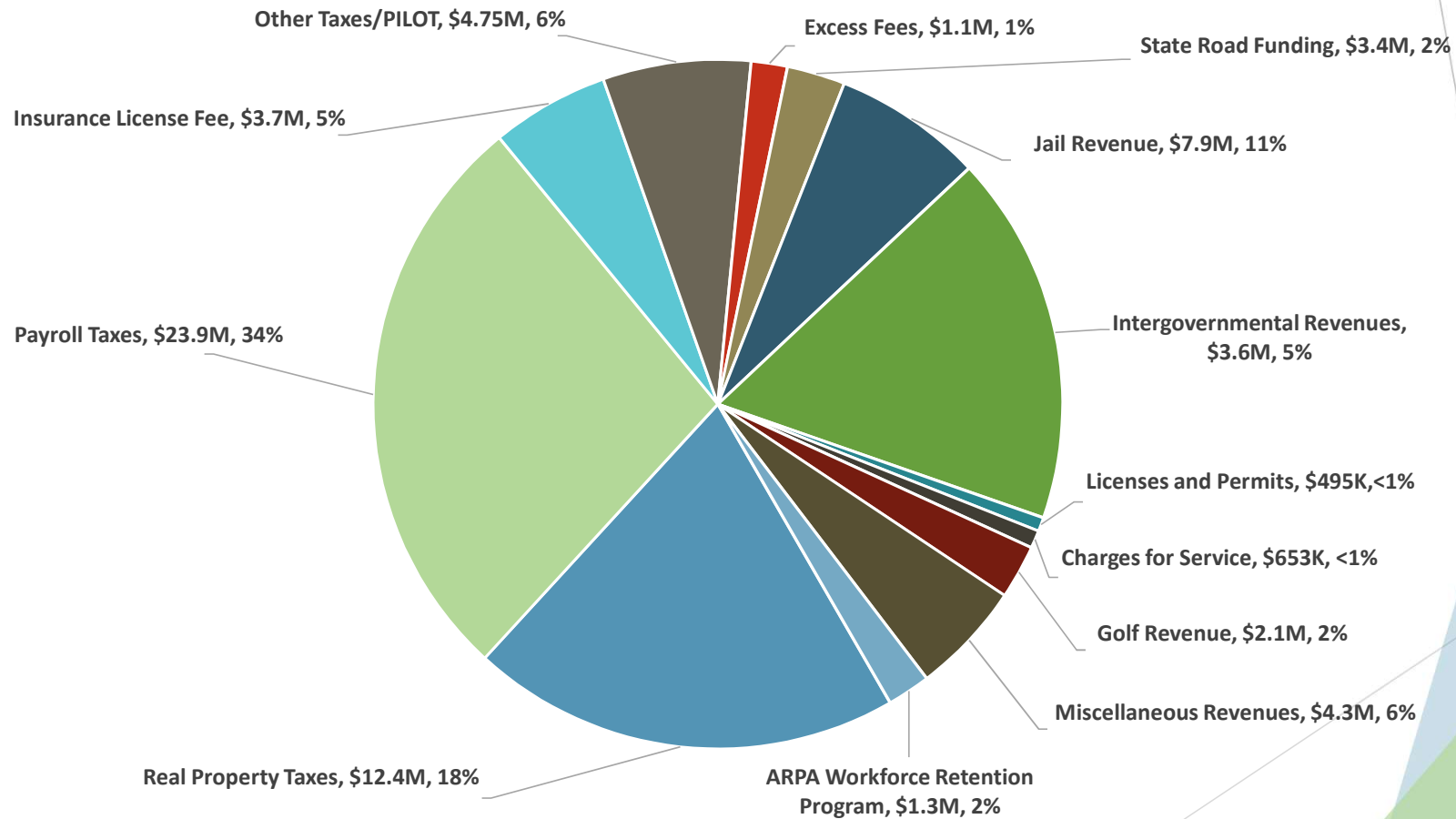
| <i>All Funds (000s)</i>                      | FY 2025<br>Adopted<br>Budget | FY 2025<br>Projection   | Favorable/<br>(Unfavorable)<br>Variance \$ | Favorable/<br>(Unfavorable)<br>Variance % |
|--|------------------------------|-------------------------|--|---|
| Revenue & Net Transfers                      | \$ 65,004                    | \$ 52,818               | \$ (12,186)                                | -19%                                      |
| Expenditures                                 | 68,784                       | 47,147                  | 21,637                                     | 31%                                       |
| <b><i>Change in Fund Balance</i></b>         | <b><i>(3,780)</i></b>        | <b><i>5,671</i></b>     | <b><i>\$ 9,451</i></b>                     | 250%                                      |
| Beginning Fund Balance                       | 53,452                       | 53,452                  |  |   |
| <b><i>Ending Fund Balance</i></b>            | <b><i>\$ 49,672</i></b>      | <b><i>\$ 59,123</i></b> |  |   |
| Restricted & Committed Funds                 | \$ 5,233                     | \$ 5,362                |  |   |
| <b><i>Funds Available for Operations</i></b> | <b><i>\$ 44,439</i></b>      | <b><i>\$ 53,761</i></b> |  |   |

## FY25 Budget vs Proposed FY26 Budget

| <i>All Funds (000s)</i>                      | FY 2025<br>Adopted<br>Budget | FY 2026<br>Proposed<br>Budget | \$ Change              | % Change |
|--|------------------------------|-------------------------------|------------------------|----------|
| Revenue & Net Transfers                      | \$ 65,004                    | \$ 69,453                     | \$ 4,449               | 7%       |
| Expenditures                                 | 68,784                       | 71,981                        | 3,197                  | 5%       |
| <b><i>Change in Fund Balance</i></b>         | <b><i>(3,780)</i></b>        | <b><i>(2,528)</i></b>         | <b><i>\$ 1,252</i></b> |          |
| Beginning Fund Balance                       | 53,452                       | 49,672                        |                        |          |
| <b><i>Ending Fund Balance</i></b>            | <b><i>\$ 49,672</i></b>      | <b><i>\$ 47,144</i></b>       |                        |          |
| Restricted & Committed Funds                 | \$ 5,233                     | \$ 5,257                      |                        |          |
| <b><i>Funds Available for Operations</i></b> | <b><i>\$ 44,439</i></b>      | <b><i>\$ 41,887</i></b>       |                        |          |

***NOTE: Figures above do not include any federal funding Housing, ARPA or CDBG programs or the Bond Proceeds/Expense Fund of \$40M for projects still under consideration***

## Proposed FY26 Budget – Revenue





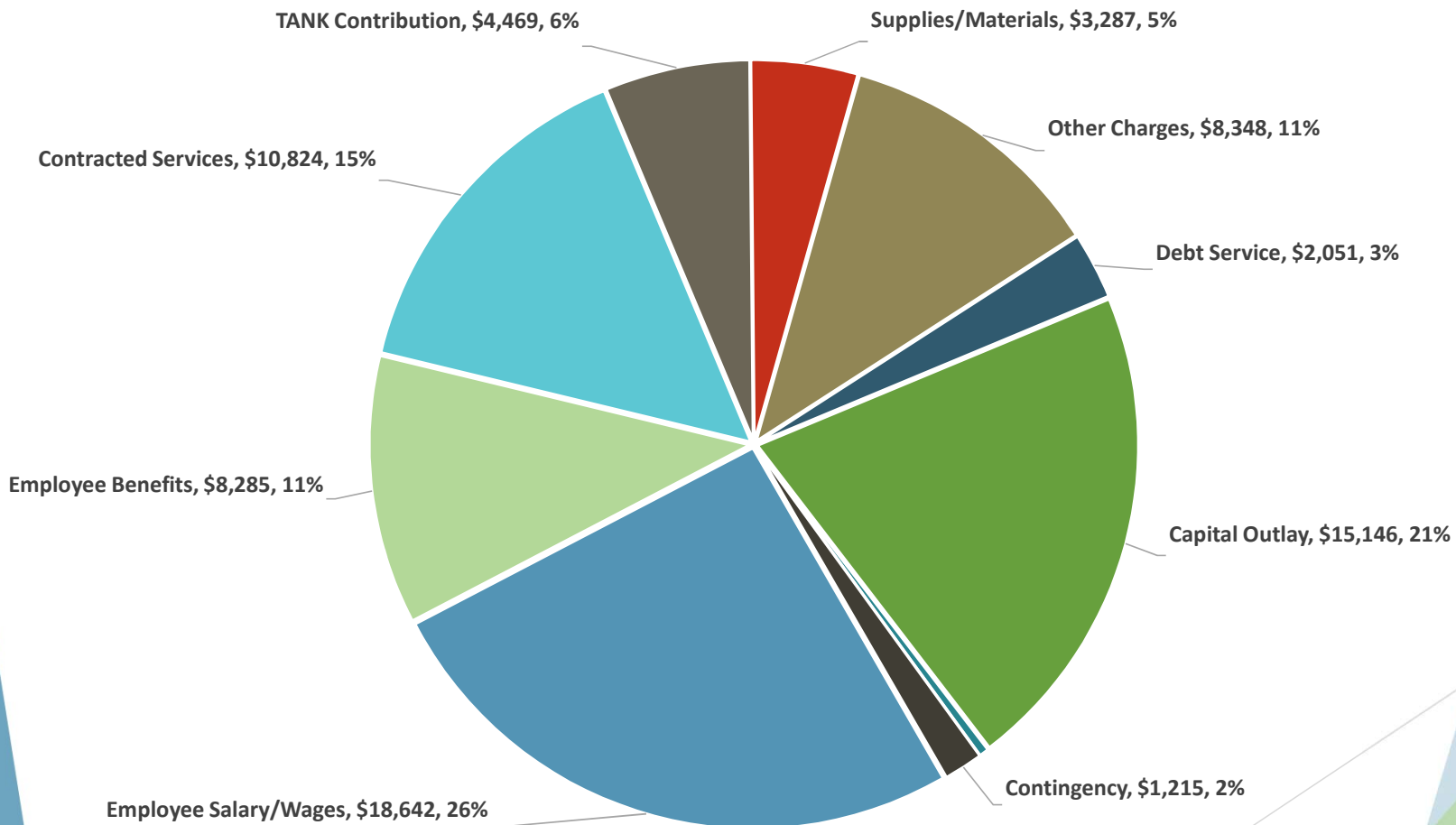
# FY26 Revenue

## Real Property & Payroll Tax Receipts

- ▶ Real Property Tax – 18% of Budgeted Revenue
  - ▶ \$12.4 million
  - ▶ 5% decrease from FY25 Budgeted
  - ▶ One of few revenue sources County can control
  - ▶ Actual tax rate is set in August/September by Fiscal Court
- ▶ Payroll Tax – 34% of Budgeted Revenue
  - ▶ \$23.8 million
  - ▶ Budget is based on actual receipts in FY25, wage growth in historical Q4 for prior year, and estimates for FY26
  - ▶ Collections come from economic growth and jobs added in the county
  - ▶ Rate remains unchanged at 1.05%



## Proposed FY26 Budget – Expenditures (000s)



## Personnel FY26

- ▶ Government is a service business
- ▶ Attracting and retaining a qualified workforce
- ▶ Health insurance expense
- ▶ Pension contributions
  - ▶ Non-Hazardous Rate – 18.62%
  - ▶ Decrease of 5.53% from FY25
  - ▶ Hazardous Rate – 35.73%
  - ▶ Decrease of 7.46% from FY25
- ▶ Full-time employee additions
  - ▶ (2) Animal Control Officers expansion of services to all cities requesting service
  - ▶ (2) Road Maintenance Specialist I for facilitation of the lake restoration project in-house



## Capital Investment FY26

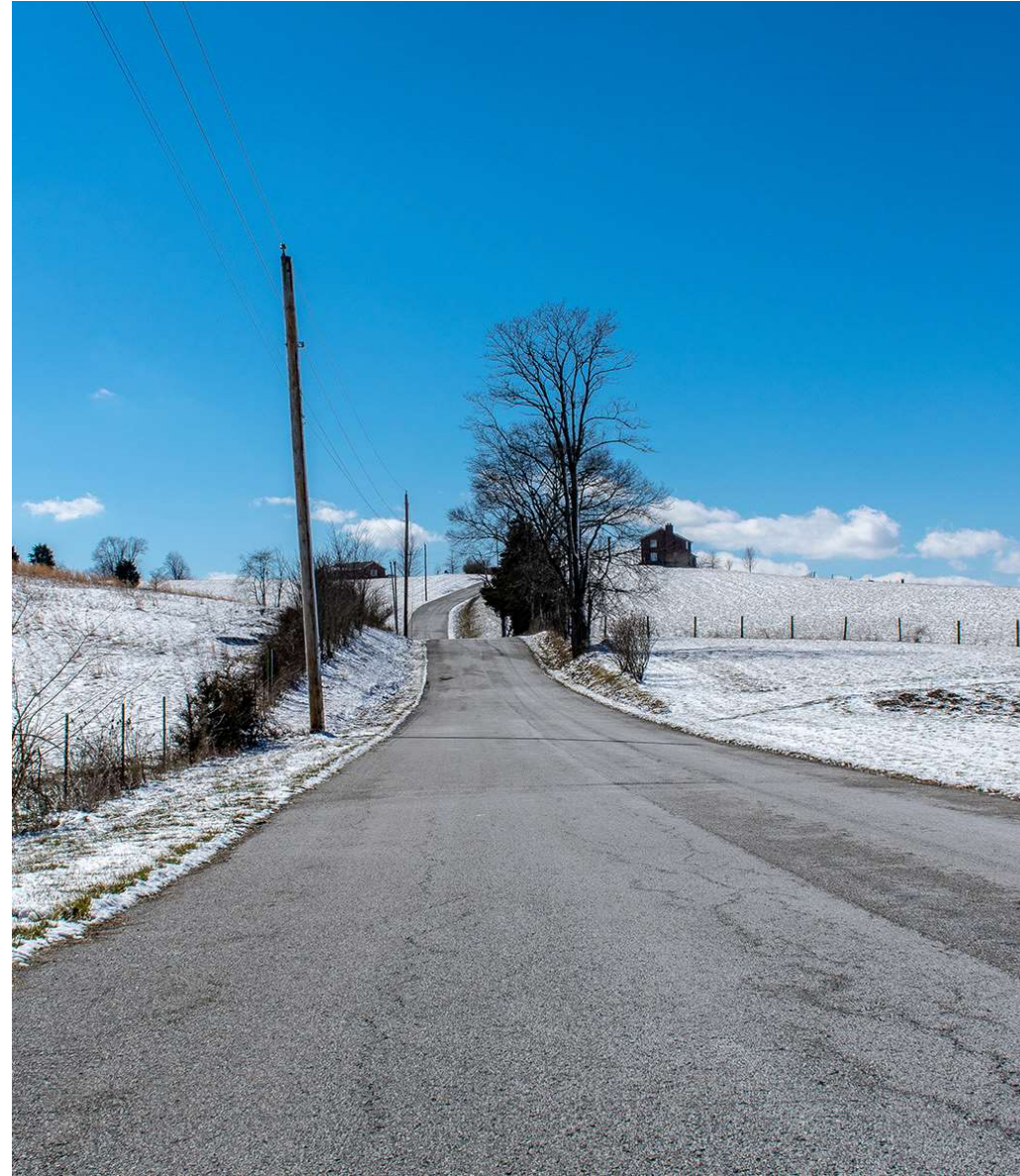
- ▶ Important to maintain County infrastructure
- ▶ Provides departments with equipment necessary to perform services safely and efficiently
- ▶ Recurring costs/projects
  - ▶ Roads/Infrastructure
  - ▶ Police & Other Fleet Vehicle Replacements
- ▶ FY26 Projects
  - ▶ AJ Jolly Lake restoration
  - ▶ Public safety building – under consideration





# Road Department FY26

- ▶ State road funding
  - ▶ CRA \$863K/\$57K increase PY
  - ▶ Truck Distribution FY26 –\$234K
  - ▶ Flex Funds - \$182K in FY26
- ▶ Expenses - historical trends & intended to cover normal operations
- ▶ Capital Projects - \$4.4M
  - ▶ Road & Bridge Projects - \$3.7M
  - ▶ Road Equipment Replacements – \$700K
- ▶ *Operations supported by Payroll Tax Receipts*



# Detention Center FY26

## Jail Cost of Operations

- ▶ Estimated cost per inmate per day is \$110 for FY25
- ▶ Jail Budget breakdown
  - ▶ Personnel/Benefits 54%
  - ▶ Non-personnel 33%
  - ▶ Capital/Debt Service 13%
- ▶ FY26 \$17M/25% of county operating budget

## State/Federal Per Diem

- ▶ Average state inmates held on a downward trend
- ▶ Budget impact of \$3M/year revenue lost over last 4 years
  - ▶ 372 state inmates in 2020 pre-Covid
  - ▶ 107 state inmates on average in 2025
  - ▶ State inmates – \$35.34 per diem
  - ▶ 45 Federal inmates 2020; 35 Federal inmates 2025
  - ▶ Federal inmates - \$88 per diem



## FY26 Non-Discretionary Expenditures (000s)

|   | <u>Budget</u>           |     |
|---|-------------------------|-----|
| <b><i>Proposed Budget FY26 - Total Expenditures (excluding Housing/CDBG/ARPA/Bond)</i></b>                  | <b><u>\$ 71,981</u></b> |     |
| Expenditures from Restricted Funds  | 4,677                   |     |
| Pass-Thru Funding   | 3,579                   |     |
| TANK Contribution   | 4,469                   |     |
| Debt Service  | 2,051                   |     |
| Non-Recurring / Grant Funded Programs/Projects  | 1,437                   |     |
| Statutory Support, Offices of Elected Officials, Payments pursuant to Interlocal Agreements, Elections, TIF | 5,573                   |     |
| Golf Course Operating Expenditures covered by Revenue   | <u>1,911</u>            |     |
| <b><i>Subtotal</i></b>  | <b><u>23,698</u></b>    | 33% |
| <b><i>Net Expenditures for County Operations</i></b>  | <b><u>\$ 48,283</u></b> | 67% |

## Future Considerations FY26 & Beyond

- ▶ Long-Term Impact of Current Market Conditions
  - ▶ Inflation, workforce, housing
- ▶ Federal and State funding
  - ▶ Unfunded mandates
- ▶ Capital Needs
  - ▶ Countywide infrastructure investment
  - ▶ County asset preservation
- ▶ Pension
  - ▶ Unfunded Liability
- ▶ Cash Flow / Operating Reserves

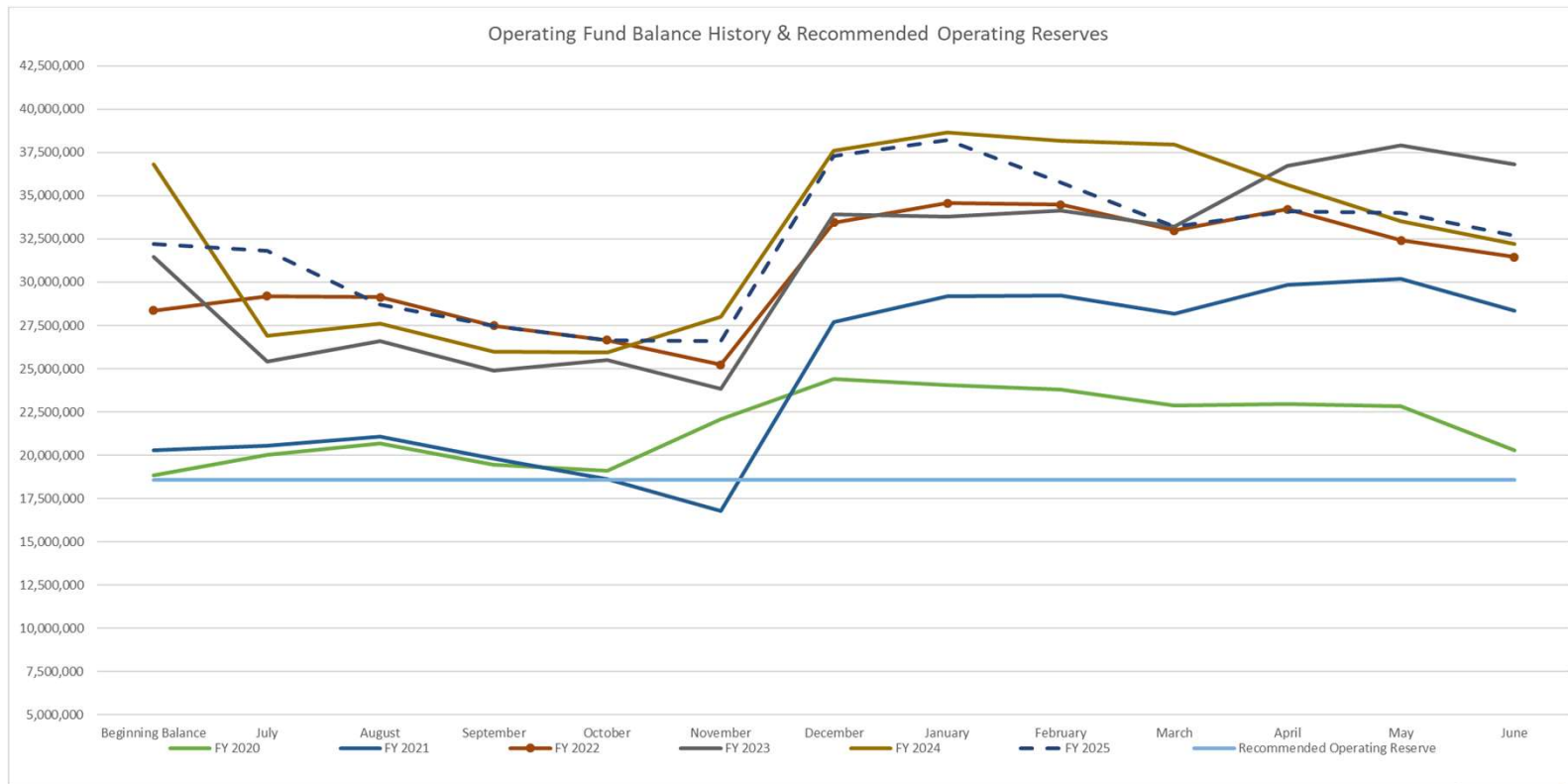




## Reserve Analysis & Outstanding Liabilities as of March 31, 2025

|   |           |                   |
|---|-----------|-------------------|
| Total Cash at Month End                                   | \$        | 65,478,786        |
| Less: Restricted/Committed Funds                          |           | <u>14,983,572</u> |
| Unrestricted Funds  | \$        | 50,495,214        |
| Outstanding Encumbrances - Unrestricted Funds             |           | <u>4,898,868</u>  |
| Net Unrestricted/Uncommitted                              | \$        | 45,596,347        |
| Reserve of 35% of Expenditures (Excluding Debt)           |           | <u>18,100,000</u> |
| Balance   | \$        | 27,496,347        |
| <b>Bond Principal &amp; Interest Outstanding</b>          | <b>\$</b> | <b>8,910,463</b>  |
| <b>Estimate of Pension Liability as of June 30, 2024:</b> |           |                   |
| <b>High Estimate</b>                                      | <b>\$</b> | <b>35,610,000</b> |
| <b>Low Estimate</b>                                       | <b>\$</b> | <b>27,630,000</b> |

# Operating Fund Balance History & Operating Reserves



## Proposed FY26 Budget (000s)

|                    |                            | Revenue       | Expenditures   | Net<br>Before<br>Transfers | Operating<br>Transfers<br>In | Operating<br>Transfers<br>(Out) | Borrowed<br>Money | Net<br>Excess/<br>(Deficiency) | Prior<br>Year<br>Surplus |
|--------------------|----------------------------|---------------|----------------|----------------------------|------------------------------|---------------------------------|-------------------|--------------------------------|--------------------------|
| <b>Funds</b>       |                            |               |                |                            |                              |                                 |                   |                                |                          |
| 01                 | General                    | 29,644        | 31,959         | (2,315)                    | 4,585                        | (9,170)                         | -                 | (6,900)                        | 6,900                    |
| 02                 | Road                       | 3,436         | 10,512         | (7,076)                    | 7,076                        | -                               | -                 | 0                              | (0)                      |
| 03                 | Jail                       | 7,861         | 17,031         | (9,170)                    | 9,170                        | -                               | -                 | -                              | -                        |
| 04                 | LGEA                       | -             | -              | -                          | -                            | -                               | -                 | -                              | -                        |
| 05                 | Bond Proceeds              | -             | 40,000         | (40,000)                   | -                            | -                               | 40,000            | -                              | -                        |
| 14                 | Golf                       | 2,111         | 2,409          | (298)                      | -                            | -                               | -                 | (298)                          | 298                      |
| 75                 | Jail Commissary            | 1,772         | 1,772          | -                          | -                            | -                               | -                 | -                              | -                        |
| 76                 | Developers Road Escrow     | 175           | 175            | -                          | -                            | -                               | -                 | -                              | -                        |
| 86                 | Senior Tax                 | 958           | 822            | 137                        | 1                            | (1)                             | -                 | 137                            | (137)                    |
| 87                 | Mental Health Tax          | 2,008         | 1,909          | 99                         | -                            | -                               | -                 | 99                             | (99)                     |
| 88                 | Payroll Tax                | 21,415        | 5,393          | 16,022                     | -                            | (11,661)                        | -                 | 4,360                          | (4,360)                  |
| <b>Subtotal</b>    |                            | <b>69,380</b> | <b>111,981</b> | <b>(42,601)</b>            | <b>20,832</b>                | <b>(20,832)</b>                 | <b>40,000</b>     | <b>(2,601)</b>                 | <b>2,601</b>             |
| 07                 | Federal Grants - CDBG/ARPA | 725           | 4,577          | (3,852)                    | -                            | -                               | -                 | (3,852)                        | 3,852                    |
| 25                 | Housing Program            | 6,388         | 6,388          | -                          | -                            | -                               | -                 | -                              | -                        |
| <b>Grand Total</b> |                            | <b>76,493</b> | <b>122,946</b> | <b>(46,453)</b>            | <b>20,832</b>                | <b>(20,832)</b>                 | <b>40,000</b>     | <b>(6,453)</b>                 | <b>6,453</b>             |

# FY 2026 BUDGET

Budget Period: 7/1/25-6/30/26

**TOTAL  
BUDGET** = **\$122.9M**  
(Total Revenue: \$120.4M)

**OPERATING  
BUDGET** = **\$71.98M**



Personnel  
Wages &  
Benefits 37%



Jail Operations  
& Transfers 25%



Public  
Safety 9%



Solid Waste  
Recycling 1%



Animal  
Control 1%



Economic  
Development  
4%



Housing  
Program 5%



County Capital  
Investment 15%



Parks, Recreation  
& Golf 5%



Debt Service  
3%

# Finance Department

- ▶ Financial Systems, Analysis & Reporting
  - ▶ Public facing, transparent, quality data
- ▶ Protecting Public Funds using Fraud Prevention and Internal Controls
  - ▶ Banking tools
  - ▶ Multiple levels of review for data validation and completeness
  - ▶ Budget as an internal control tool
  - ▶ Cybersecurity awareness
- ▶ Transparency
  - ▶ Budgets
  - ▶ OpenGov
  - ▶ Opportunities & Bids
  - ▶ Surplus



## In Appreciation

- Campbell County Fiscal Court and Other County Officials
- County Administrator, Assistant County Administrators and HR Director
- County Department Directors and staff
- Finance Department

# Questions?

May 22, 2025

The FY26 proposed budget will be available for public review under the Government Transparency tab on the county website at:

<http://www.campbellcountyky.gov>

Contact:

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Finance Director/Treasurer

(859) 547- 1820

[LLewis@campbellcountyky.gov](mailto:LLewis@campbellcountyky.gov)

