

## **NOTICE AND AGENDA OF PUBLIC MEETING OF THE TRANSIT AUTHORITY OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (LEXTRAN) BOARD OF DIRECTORS**

The Lextran Board of Directors will hold a work session on:  
**Wednesday, April 16, 2025 at 10:00 a.m. EST**

**Lextran – Room 110  
200 West Loudon Avenue  
Lexington, KY 40508**

The meeting will be held in person as well as livestreamed on Youtube here: <http://bit.ly/lextranmeeting>

Pursuant to the Americans with Disabilities Act, persons with a disability may request a reasonable accommodation for assistance with the meeting or meeting materials. Please contact Emily Elliott at 859-255-7756. Requests made as early as possible will allow time to arrange accommodation.

### **BOARD OF DIRECTORS WORK SESSION**

#### **MEETING AGENDA**

I.	Call to order	10:00
II.	Public Comment	10:00 – 10:05
III.	Review Fiscal Year 2026 Lextran Operating Budget & Capital Plan	10:05 – 10:45
IV.	Additional Discussion of Budget	10:45 – 11:00
V.	Adjournment	11:00

Pursuant to the Board bylaws, no matters other than the items on the agenda shall be discussed, no final votes shall be taken at the work session, and public comment (limited to three minutes per person, concerning only the item on the agenda for discussion) shall be permitted.

## MEMORANDUM

**DATE:** April 16, 2025

**TO:** Lextran Board of Directors

**FROM:** Fred Combs, General Manager

**SUBJECT:** FY2026 Operating Budget and Capital Plan

The Lextran FY2026 Operating Budget and Capital Plan are attached for the Board's consideration.

This memo provides an executive summary of Lextran's proposed FY2026 Operating Budget and Five-Year Capital Plan, along with a reflection on the progress we've made in FY2025. These updates highlight how we continue to advance our mission through sound financial stewardship and strategic investment.

Lextran is proposing a balanced operating budget of \$37,968,279 for FY2026. This reflects a \$1.5 million increase in projected revenues compared to FY2025. The growth is primarily driven by a 3.5 percent increase in property tax revenue, supported by gains in earned interest and a modest rise in federal formula funding. Fare revenue is projected to remain flat, consistent with current ridership trends. On the expenditure side, we anticipate growth in wages and fringe benefits due to our updated collective bargaining agreement, as well as improved recruitment and retention. We are also budgeting for higher costs in fuel, materials, and paratransit services as these areas continue to be impacted by inflation and demand.

The proposed capital plan totals \$10,160,602, with a central focus on paratransit fleet replacement. Included in this plan is \$1.3 million to fund the purchase of ten new cutaway vehicles, partially supported by \$300,000 from the Local Mass Transit Fund. While this represents a critical step forward, it does not yet fully meet our replacement needs, and further discussion on fleet condition will be brought forward in our upcoming meeting. In addition, the plan includes \$120,000 in matching funds for vehicles that would be used to support a trolley service, should operating funding become available. Lextran's position has been clear that we have other priorities more aligned with our mission should an opportunity to expand our operations arise. In the event that external operating funding becomes available for a trolley, Lextran would be a willing partner to deliver the service at cost.

Our accomplishments in FY2025 underscore the effectiveness of our strategic approach. We maintained a balanced \$35.5 million operating budget and invested in workforce development and training. We initiated a microtransit feasibility study to explore more responsive service models and completed the purchase of six new compressed natural gas buses to modernize our fleet. Renovations at the Downtown Transit Center are underway, aimed at improving passenger amenities and efficiency. We also launched a strategic plan to guide long-term direction and completed major infrastructure upgrades, including the CNG fueling station.



These achievements reflect our commitment to managing and sustaining resources, demonstrating value to the community, and delivering high-quality service. I look forward to discussing the FY2026 budget and capital plan in greater detail at our upcoming meeting.

<b>REVENUE</b>	<b>FY2025 Budget</b>	<b>FY2025 Projection</b>	<b>DRAFT FY2026 BUDGET</b>
Passenger Fares	1,274,153	1,282,722	1,282,727
Advertising Revenue	300,000	320,000	335,000
Property Tax Revenue	24,023,978	25,459,478	26,350,560
State Capital Assistance	1,587,548	1,587,548	1,700,893
Federal Assistance	5,617,465	4,880,000	5,188,397
UK Partnership Agreement	2,511,104	2,566,434	2,511,104
Miscellaneous Revenue	180,900	364,585	599,599
<b>Total Revenue</b>	<b>35,495,147</b>	<b>36,460,766</b>	<b>37,968,279</b>

<b>OPERATING EXPENSES</b>			
Wages	12,557,405	12,734,353	13,700,256
Fringe benefits	7,212,819	6,803,880	7,511,872
Professional services	1,907,601	1,762,166	1,921,932
Materials and supplies	1,576,500	1,968,208	2,519,000
Fuel-Diesel	1,011,375	567,744	780,000
Fuel-Other	828,584	444,754	820,000
Utilities	495,297	333,284	365,000
Insurance	980,383	1,112,533	1,201,535
Fuel taxes	230,000	205,301	205,000
Paratransit Expenses	8,067,918	7,805,000	8,378,000
Dues and subscriptions	55,000	56,717	60,000
Travel, training and meetings	250,182	233,182	224,900
Media advertising	234,500	130,000	185,000
Miscellaneous	87,584	80,925	95,784
<b>Total Operating Expenses</b>	<b>35,495,147</b>	<b>34,238,047</b>	<b>37,968,279</b>

## Draft 5 Year Capital Plan

<b>CAPITAL PROJECTS</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
Bus Purchase (CNG)	4,000,000	600,000	-	-	-
Electric Buses & Chargers	943,581	-	-	-	-
Paratransit Vehicles	850,474	1,342,739	763,698	771,335	779,048
ITS Technology Services	1,025,000	1,025,000	1,025,000	1,025,000	1,025,000
Planning, Research & Development	75,000		500,000		
Non-revenue Vehicles	-	85,000		95,000	
Capital Cost of Contracting (Paratransit)	3,017,465	2,500,000	2,606,634	3,675,000	3,675,000
Capital Maintenance	2,600,000	2,688,397	2,600,000	2,304,089	2,421,805
Transit Center Project (TAP) (carry over)	350,000	-	-	-	-
Transit Enhancements (Shelters, Benches, Trash Cans)	50,000	75,000	75,000	75,000	75,000
Hardware & Software (IT Projects)	170,000	190,000	190,000	190,000	190,000
Shop Tools/Equipment/Facilities	1,100,000	1,581,328	1,519,008	1,236,709	1,300,000
Security Equipment	73,138	73,138	73,869	74,606	75,355
<b>SUBTOTAL CAPITAL PROJECTS</b>	<b>14,254,658</b>	<b>10,160,602</b>	<b>9,353,208</b>	<b>9,446,739</b>	<b>9,541,208</b>
Section 5307 Formula Funding	6,803,573	6,803,573	6,871,608	6,940,325	7,009,729
Section 5339 Bus & Bus Facilities Funding	604,909	604,909	610,958	617,068	623,238
Section 5310 Enhanced Mobility Seniors & Disabilities	240,379	-	-	-	-
State Funding	1,852,121	1,852,120	1,870,642	1,889,348	1,908,242
Carbon Reduction Program (through MPO)	754,865	480,000	-	-	-
Congestion Mitigation & Air Quality Improvement (CMAQ)	3,000,000	-	-	-	-
Local Share from Mass Transit Fund	998,811	420,000	-	-	-
<b>TOTAL</b>	<b>14,254,658</b>	<b>10,160,602</b>	<b>9,353,208</b>	<b>9,446,739</b>	<b>9,541,208</b>