

Budget Message

Fiscal Year 2026

July 1, 2025 - June 30, 2026



Budget Overview

The City's Funds

The financial accounts of the City are organized into Funds. A fund is a group of accounts used to control funds that have been earmarked for specific activities or objectives. By keeping the revenue in its appropriate funds, the City is able to obey laws that require certain revenues to be spent on specific items - for example, the City cannot raise water bills to pay for Police services. Each fund is generally made up of expenses related to Personnel, Operational, Capital, and Other Expenses (such as debt, bank fees). The use of Fund Balance refers to utilizing unspent reserves collected in prior fiscal years.

General Fund

The General Fund is the first major fund and drives general governmental services such as Police, Fire, and Public Works. The general fund is overall financially stable with a sufficient fund balance. However, due to continuously increasing costs, the City needs to continue to look for ways to diversify and expand opportunities for revenue. This fund includes Community Partners and Joint Funded Agencies (agencies that have an agreement with the Fiscal Court). The City continues to invest heavily in Public Safety, accounting for approximately 69% of the General Fund. This includes Police, Fire, EMS, and E911. EMS and E911 are Joint Funded Agencies. The funding for these agencies increased in FY26 by over \$220,000 due to increased cost and prior years of maintaining funding rather than increasing funding. In FY24, Hazardous Duty Retirement was implemented for Public Safety employees. Those Hazardous Duty rates have decreased by 2.8% for the FY26 period. Medical insurance rates increased 6.5% from the prior year. Aging facilities and bridges requiring repairs have increased expenses for Public Works. As a result, the use of additional Fund Balance is necessary. This budget continues to allocate funding for City road resurfacing and funding to address properties with chronic code enforcement concerns. This budget also provides for some technology improvements and replacement of aging fleet as a capital expense.

Utility Fund

The Utility Fund is the second major fund and funds departments such as Water, Sewer, and Electric. The primary source of revenue for this fund is usage fees. In FY24, a rate study was performed and the adopted FY25 budget included Year 1 of the 3-Year Rate Study to increase funding. FY26 takes into account increases for Year 2 of the rate study. There is a continued investment in infrastructure, with the largest expenses being related to the improvements to the water plant, the Millersburg Road sanitary sewer line extension, and upgrades to the Fords Mill sanitary sewer system.

Capital Improvement Plan (CIP)

The City has created a Capital Improvement Plan. Capital improvements include projects such as street construction, utility infrastructure, public buildings, etc. Since capital projects tend to be expensive, the City may issue bonds or debt to cover the associated costs. The City issued Debt in FY25 to assist in funding major projects and is estimated at \$2.5M in grant funding in FY26 to assist in completing those outstanding projects. The City also continues to seek further grant funds for these projects. Vehicle replacements are also part of the CIP. The Capital Cost is approximately 35% of the FY26 budget. A full copy of the CIP can be found on the City's website at www.paris.ky.gov.

Capital Improvement Plan (CIP) FY 26 Highlights

General Fund

\$360,000	City Municipal Building HVAC/Cooler
\$330,000	Self Contained Breathing Apparatus (Fire Gear)*
\$320,000	Police Fleet Replacement
\$240,000	Asphalt Resurfacing
\$150,000	Bridge Overlay (Houston Creek, Lilleston Ave)
\$70,000	Technology Replacement Program
\$35,000	Body Worn Cameras

Utility Fund

\$3,521,793	Water Plant Improvements*
\$2,240,000	Millersburg Rd. Sanitary Sewer Extension
\$1,400,000	Fords Mill Rd. Sewer Upgrades
\$950,000	Water Plant Settling Basin Repair
\$650,000	Automated Metering Infrastructure*
\$500,000	19 th Street Tank Rehabilitation
\$491,506	Electric Distribution Fleet Replacement*
\$430,000	Halo Meter Replacement*
\$415,713	Transfer Station Relocation*
\$300,000	Substation Spare*

*Includes unspent carryover funding allocated in prior year budget.

For the full Capital Improvement Plan, visit www.paris.ky.gov

Personnel

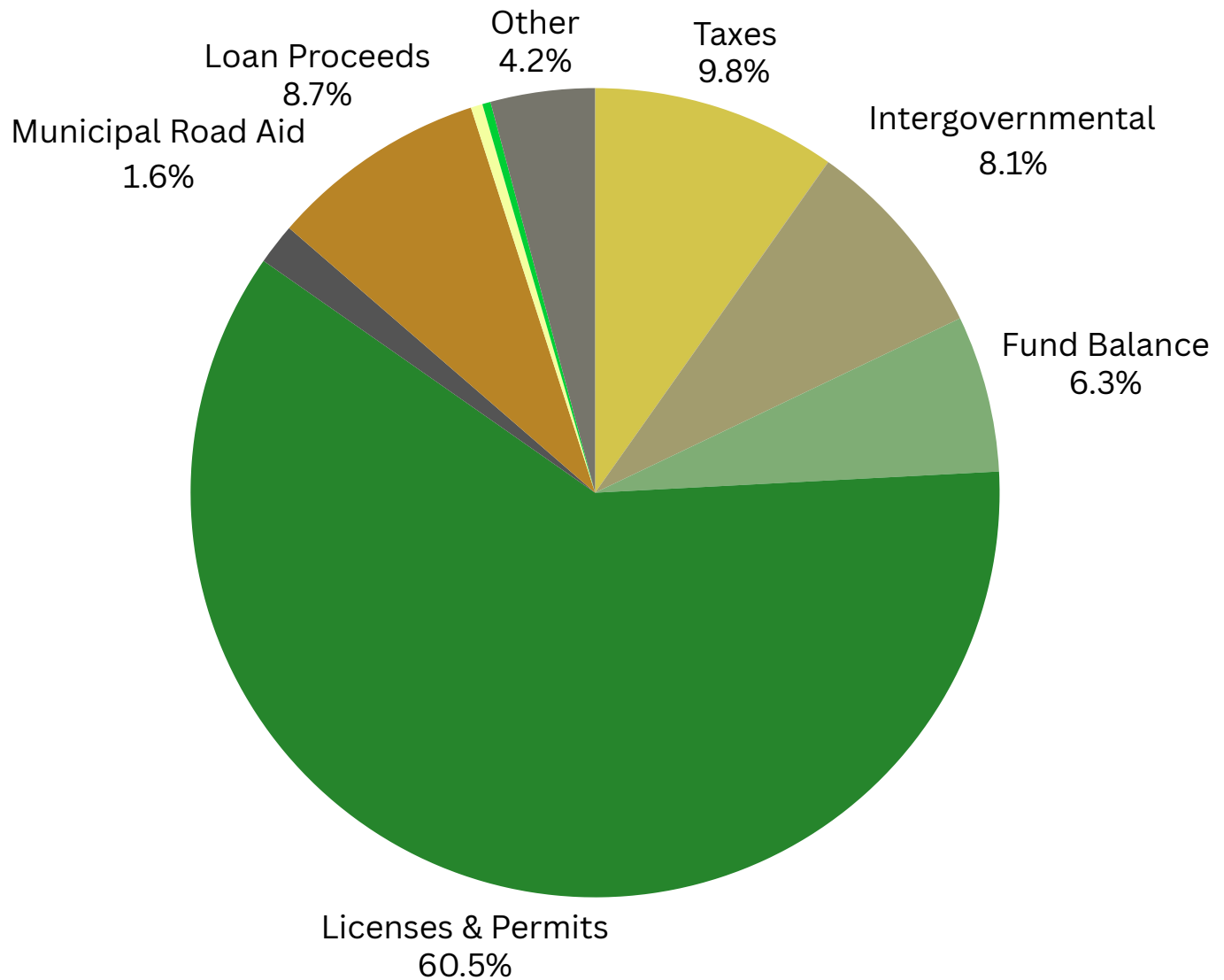
Department	Prior Year Full Time Staff	Proposed Full Time Staff
General Administration ¹	8	11
Police ²	34	34
Fire and EMS	37	37
Dispatch	11	11
Public Works	11	11
Power Production ³	2	1
Electric Distribution ²	7	6
Field Operations ⁴	10	11
Water Treatment ⁵	7	8
Wastewater Treatment	6	6
Solid Waste & Recycling ⁶	2	3
Utility Administration ⁷	3	3
Total	138	142
<i>*Many departments also feature authorized part time positions.</i>		












The personnel budget includes adjustments to the compensation scale and increases to insurance costs.

Footnotes:

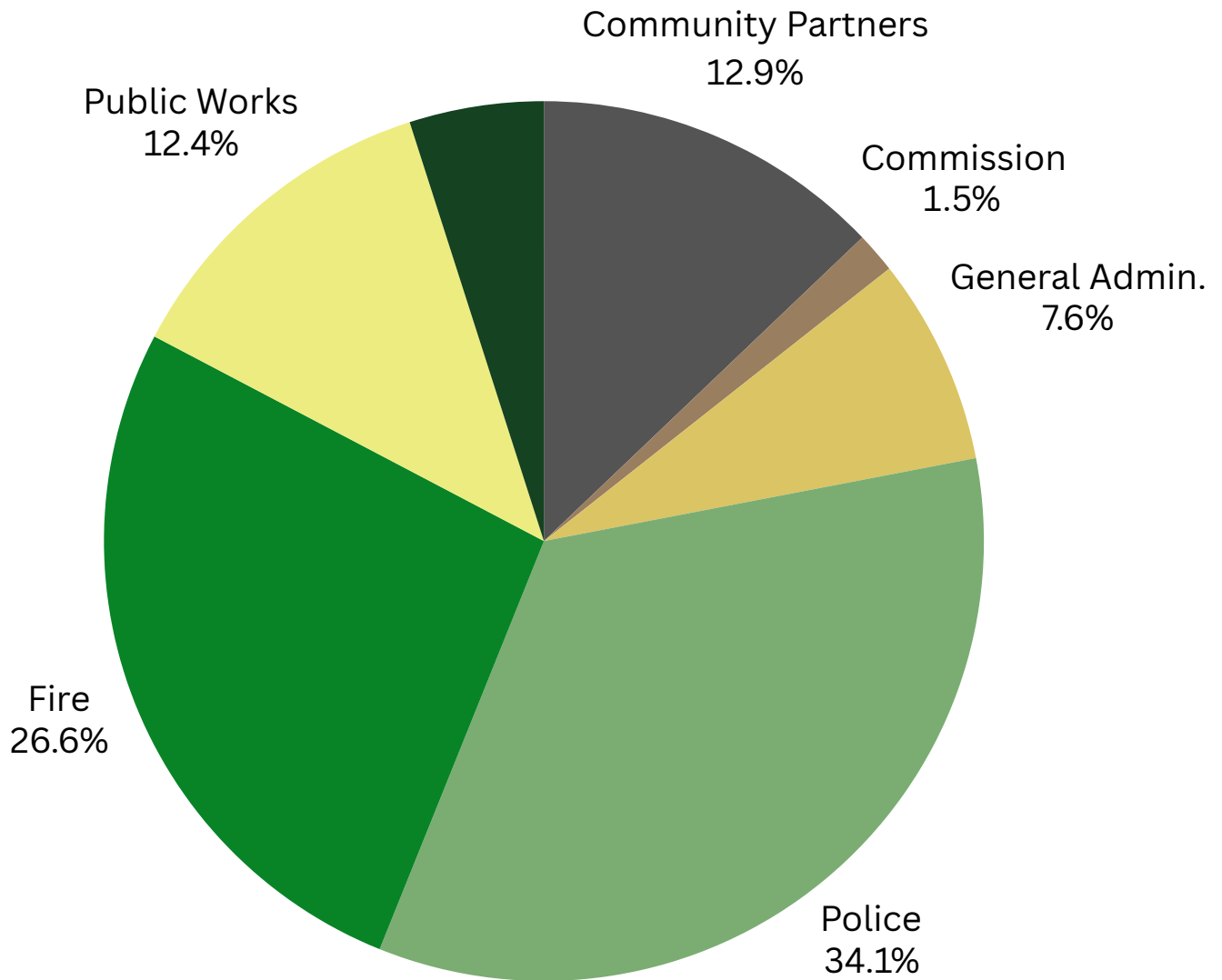
- 1.) Addition of a Financial Specialist, Engineering Technician, and GIS Trainee. (Split fund) GIS Trainee is a temporary role in FY26 to prepare for the upcoming retirement of the current GIS Technician.
- 2.) Features a full-year freeze on a vacant position.
- 3.) Removal of temporary Utility Generalist position.
- 4.) Addition of an Operator; backfill of significant retirement in FY 25.
- 5.) Addition of an Operator; facility moving to 24/7 staffing.
- 6.) Addition of an Operator; new facility requires further staffing.
- 7.) Split funded with General Administration, addition of new staff mentioned in item 1.

REVENUES - General Fund



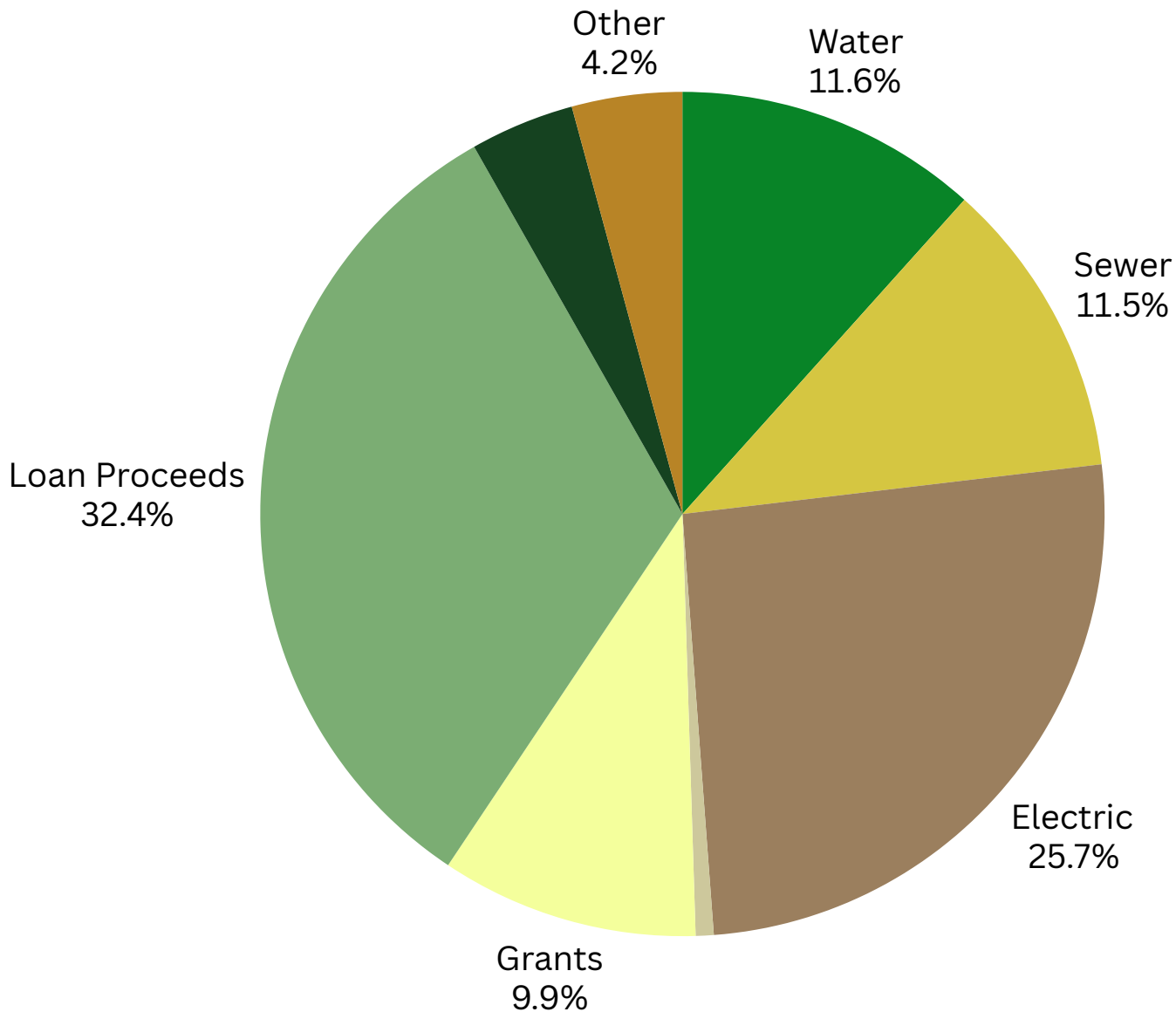
Revenue Source		FY25 Amended Budget	FY26 Proposed
	Taxes	1,191,600	1,372,500
	Licenses and Permits	7,778,000	8,503,689
	Fines and Forfeitures	1,500	1,500
	Intergovernmental	980,000	1,141,080
	Municipal Road Aid	215,000	230,000
	Fees for Service	-	-
	Carry Forward	28,421	46,320
	Loan Proceeds	1,981,125	1,220,000
	Grant Monies	96,400	66,000
	Fund Balance	1,034,503	879,000
	Other	464,279	585,125
Total		\$ 13,770,828	\$ 14,045,214









EXPENSES - General Fund



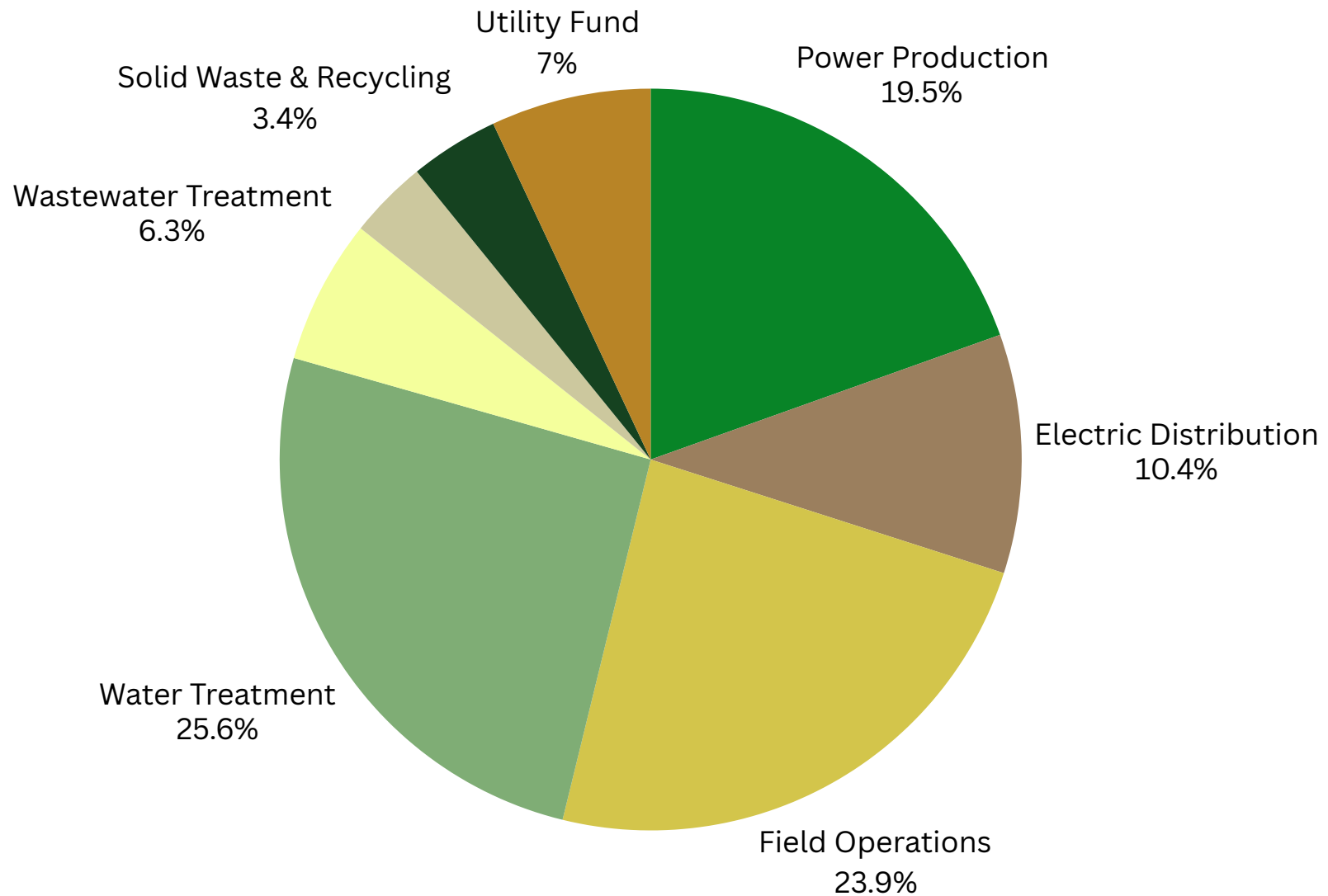
Expense Group		FY25 Amended Budget	FY26 Proposed
●	Community Partners	1,575,881	1,808,796
●	Commission	237,200	209,275
●	General Administration	833,528	1,068,987
●	Police	4,631,600	4,791,045
●	Fire	4,682,337	3,737,245
●	Public Works	1,512,452	1,736,529
●	Building Maintenance	297,830	693,337
Total		\$ 13,770,828	\$ 14,045,214









REVENUES – Utility Fund



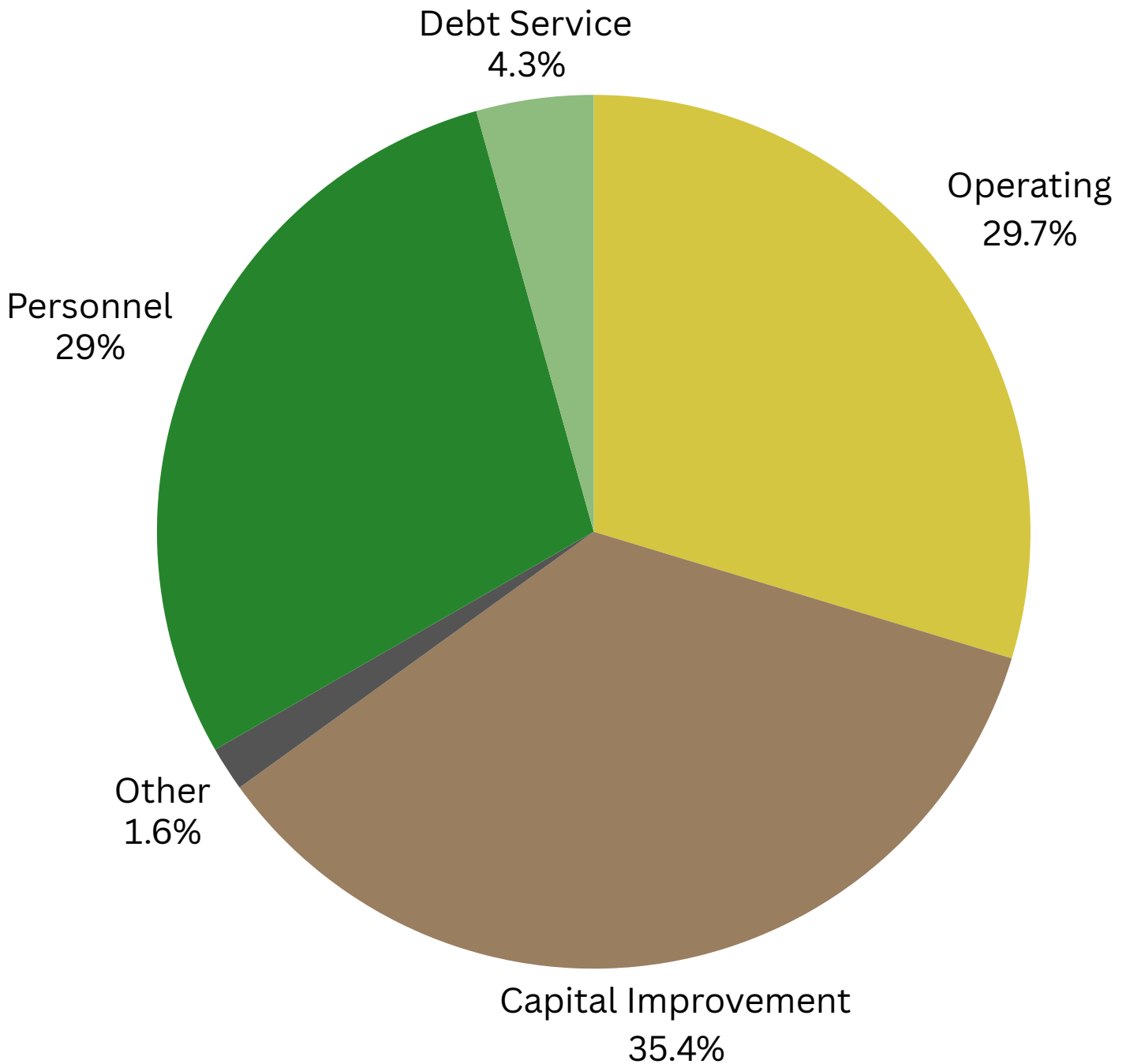
Revenue Source		FY25 Amended Budget	FY26 Proposed
	Water	2,383,500	2,961,998
	Sewer	2,228,750	2,920,350
	Electric	6,484,800	6,537,562
	Solid Waste & Recycling	140,000	175,000
	Grant Monies	5,886,936	2,509,956
	Loan Proceeds	10,345,205	8,249,306
	Carry Forward	614,230	1,015,044
	Other	856,404	1,074,500
Total		\$ 28,939,825	\$ 25,443,716

EXPENSES – Utility Fund



Expense Group		FY25 Amended Budget	FY26 Proposed
	Power Production	5,209,032	4,972,177
	Electric Distribution	2,300,453	2,649,266
	Field Operations	5,312,245	6,071,602
	Water Treatment	6,088,809	6,512,957
	Wastewater Treatment	1,452,437	1,602,783
	Solid Waste & Recycling	4,757,421	874,095
	Utility Administration	1,713,152	985,686
	Utility Fund	2,106,276	1,775,150
Total		\$ 28,939,825	\$ 25,443,716

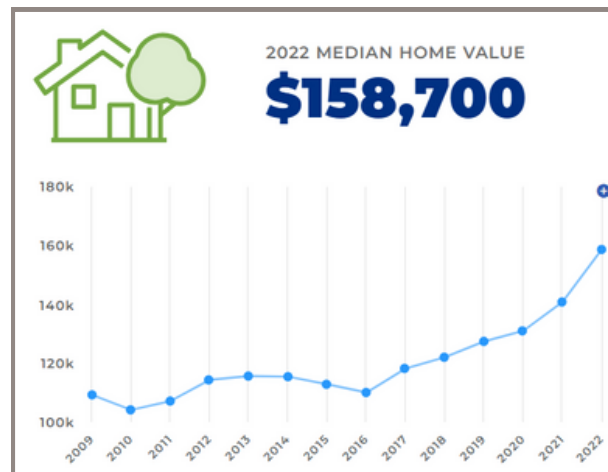
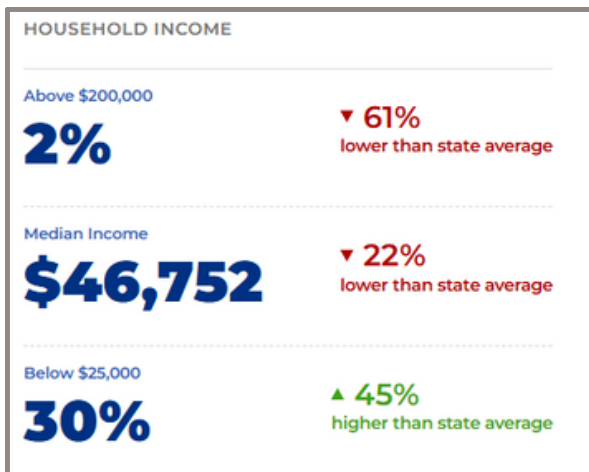
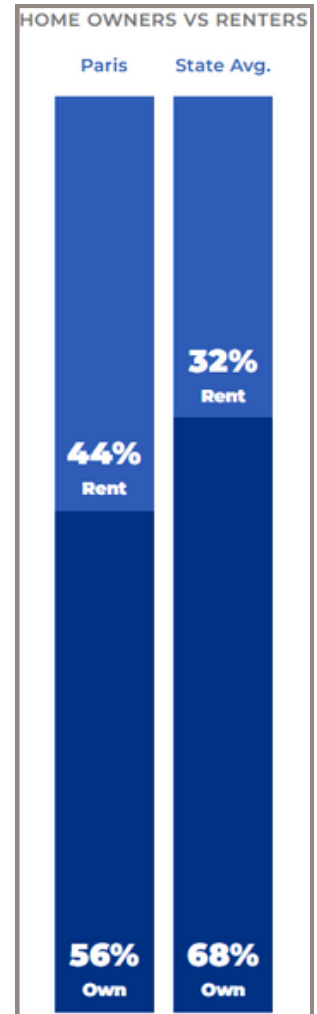
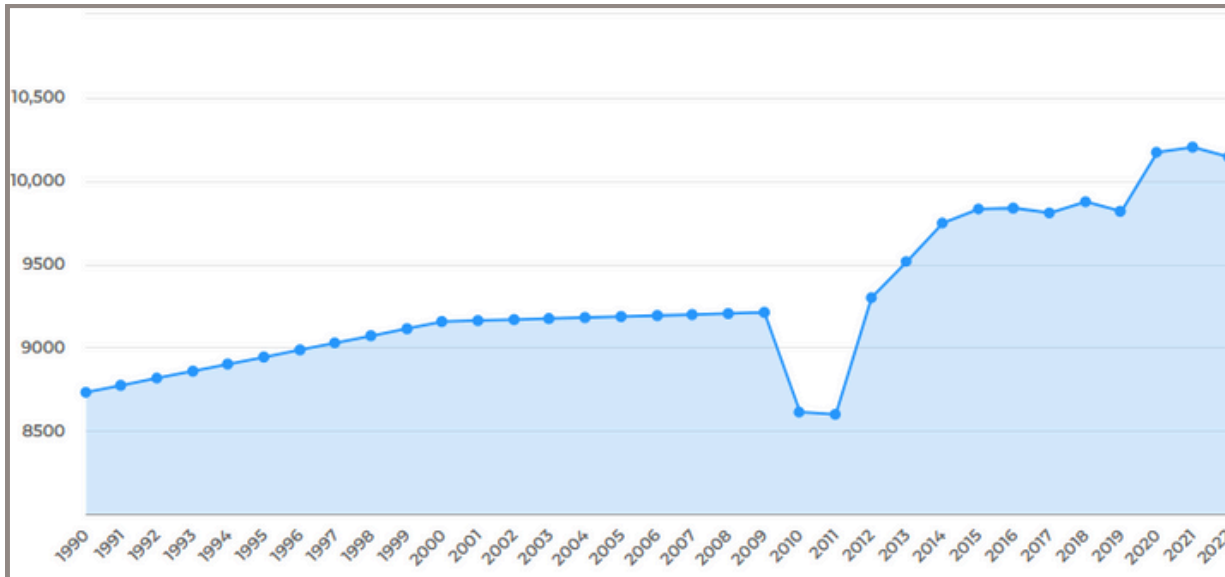
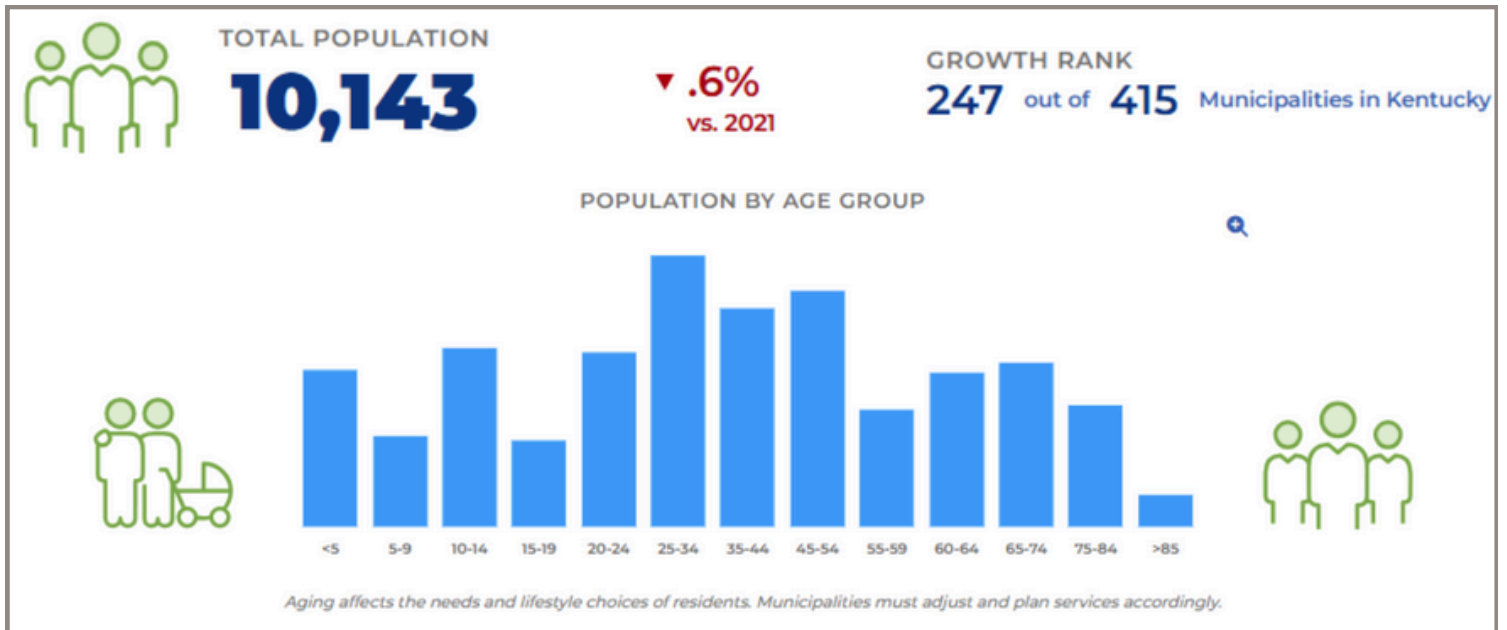
Additional Information



For more information about
Paris, scan the QR code or
visit www.paris.ky.gov

The City of Paris is an equal opportunity provider and employer.

Additional Information



Data powered by US Census Bureau and American Community Survey.