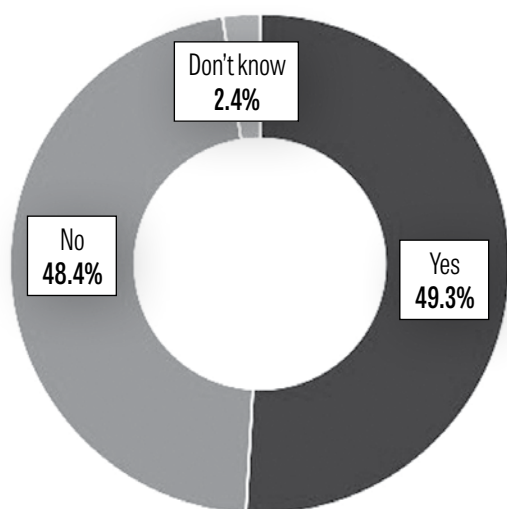


**ONLINE POLL:**

The Kentucky General Assembly passed a joint resolution to restore the Ten Commandments monument on the Capitol grounds. Do you think Gov. Andy Beshear should sign it?



This poll reflects the opinions of 335 respondents. Visit [www.state-journal.com](http://www.state-journal.com) to take part in today's poll.

**EDITORIAL**

# Senior Nutrition Program a vital community service

This week marks 53 years since the Senior Nutrition Program, which is funded by the Older Americans Act, was established and we are grateful for the meals and services provided locally by the Capital City Activity Center/Meals on Wheels Greater Frankfort (CCAC).

During Community Champions Week, area, state and federal leaders showed their gratitude by serving meals at the center. Servers included First Lady Britany Beshear and Frankfort Police Department officers on Monday; representatives from U.S. Sen. Mitch McConnell's office on Tuesday; as well as Rep. Erika Hancock (D-Frankfort); Franklin County Judge-Executive Michael Mueller; Franklin County magistrates; and the Frankfort Board of Commissioners.

Consider this — the center serves more than 50,000 meals annually in addition to operating Helping Hands Food Pantry onsite and offering services and programs to make sure local senior citizens are fed.

"We are experiencing an unprecedented time right now, where the most dominant demographic is those aged 60 and older nationwide. Increased funding for the Older Americans Act nutrition program is vital now more than ever as many seniors are experiencing food insecurities," Capital City Activity Center/Meals on Wheels Greater Frankfort Executive Director Marche Jenkins told The State Journal. "I'm hopeful the funding will increase. No senior left behind — #SaveThePlate."

With the cost of food and delivery continually rising, financial support to sustain senior nutrition programs is imperative as the center hopes to avoid having a waitlist in Frankfort and Franklin County.

And CCAC offers so much more than just senior nutrition. The center provides connections to home and community-based services that can support independence and overall well-being.

Each week is chockfull of activities from the more docile like billiards, knitting and crochet, telephone bingo, wordcarvers and drama club; to those that require more movement such as bingocize, exercise with Karen, Tai Chi for arthritis and beginning dancing with Sylvia.

The center also has a caregiver support group, offers diabetes education and a smoking cessation program. For more information, visit [www.frankfort-kyseniors.org](http://www.frankfort-kyseniors.org)

We are fortunate to CCAC in the Franklin County community and encourage our local leaders to support measures that provide funding for its instrumental programming.

# City dedicated to maintaining fiscally sound budget

As the City of Frankfort enters its Fiscal Year 2026 budget season, it is facing a significant budget deficit that the city must address. This deficit can be attributed primarily to changes stemming from the COVID-19 pandemic, which caused both an increase in expenses and a decrease in revenues. The challenges created by COVID are not unique to the City of Frankfort. Businesses and municipalities everywhere are dealing with changes to revenues and expenditures that must be addressed differently than before to create balanced budgets.

In the eight years prior to 2021, the city's revenues generally outpaced expenses, with an overall budget surplus of \$5.7 million dollars. Prior to 2019, the city's reserves had steadily increased. At its peak, we had enough reserves to fund six months of operations. From 2020 until 2023, the city faced an annual budget deficit due to COVID-19 factors that was mitigated by \$10.1 million dollars in federal COVID relief funds. After those funds were depleted, the 2024 and 2025 budgets had to be balanced with \$6.4 million dollars in transfers from reserves. The city's expense budget has increased 30% in the last five years. Revenues have improved well beyond pre-COVID trends, but they have significantly lagged the increase in expenses.

In 2023 the city implemented a prudent minimum fund balance policy stipulating not less than three months or 25% of operating expenditures to be maintained in the fund balance. Today, this rainy-day threshold is approximately \$10.5 million, and the city's reserves are funded at approximately \$13.2 million or 31% of operating costs. At current funding levels, however, the city is estimated to dip below its minimum fund balance threshold just a few months from today. Absent significant changes to anticipated revenues and expenditures, the city will exhaust its discretionary reserves in approximately three



**Jason Monroe**  
Guest columnist



**Andrew Hartley**  
Guest columnist

years.

**REVENUE STREAMS FOR THE CITY**

Four sources make up 78% of the City's annual revenues:

- ▶ Payroll withholding taxes account for half of the city's total revenues.
- ▶ Net Profits, Insurance Premium Tax and Property taxes together account for 28%.
- ▶ The remaining 22% is comprised of various fees for services, contributions from state and local partners, grants, and interest from investments.

Payroll tax revenues held steady for the six years leading up to COVID. In 2020, they took a sharp dive, decreasing \$2.8 million, or just over 15%. In contrast, the other big three sources increased \$1.5 million, or almost 16%.

In Frankfort, payroll withholding revenues can be broken down into two pieces: withholding from state government employees and withholding from everyone else. In a single year, state government payroll tax revenues dropped an astonishing 37.5%, or almost \$3 million. In contrast, payroll taxes from non-government sources increased by \$251,000 or 2.3%. State government payroll revenues have nearly recovered to pre-COVID levels but have been outpaced by inflation by \$2.6 million dollars.

The number of government jobs in Franklin County has been steadily declining since 2015. The post-COVID transition to remote work means some state government employees pay withholding taxes to other jurisdictions. All the recent growth in state government payroll tax revenues has

come from wage increases, which makes future revenue growth look less than ideal.

**CITY EXPENSES**

▶ Personnel costs account for an average of 68% of the city's expense budget.

▶ Across the board, the cost to buy materials, supplies and vehicles and to renovate or build new structures has increased by 28% or more in the last four years.

Both wages and material costs have seen significant increases over the past five years since COVID. In the 21 years leading up to COVID, state and local wages nationwide grew at a steady average of about 2.2%. After COVID, that rate has more than doubled, with an average over the last three years of 4.5%. In the five years leading up to COVID, the city's personnel costs increased 3.3%. In the following five years, personnel costs increased 31%. That's nearly 10 times as fast. While personnel expenses are up 38.5% over the last 10 years, headcount has only increased 11.2%, indicating that wage inflation has been the primary cause of personnel expense growth.

Last year, the budget included a capital plan where we identified approximately \$23 million in operating capital needs. These are capital purchases required for day-to-day government operations: items such as new police cruisers, network equipment, 911 system hardware, maintenance equipment, facilities remodeling, and new garbage trucks, fire trucks and ambulances. In the current year's budget, we have already funded \$2.7 million dollars of these capital purchases.

At current funding levels, the cost to just keep the lights on exceeds annual revenues by about \$1.1 million dollars. Funding operating capital purchases at the current year's level pushes the annual deficit to \$3.9 million dollars. Fully funding a year of the capital purchasing plan increases

SEE BUDGET A5

**LETTER**

**CANADIAN TO KENTUCKIANS — 'YOU'RE BEING LIED TO'**

Dear editor,

As a Canadian, let me start by saying sorry. I'm sorry for the disruption that the U.S./Canada/Mexico/China trade war is about to bring into your lives. Many of you, actually most of you, don't deserve this disruption and the associated economic pain you're about to endure. This isn't what you voted for. We didn't ask for this either.

The argument put forward by President Donald Trump that fentanyl and illegal migrants are pouring across the border from Canada to the U.S. simply isn't true. Out of 21,148 pounds of fentanyl seized coming across the border into the U.S., just 43 pounds came from Canada.

Out of the 2.9 million "encounters" with migrants by U.S. CBP, just 23,721 or 1.5% happened at

the Canadian border.

In short, you're being lied to, and for the life of me, I can't imagine why so many of you seem to be OK with that.

So here we are friends, neighbors, and cousins fighting over a non-existent problem. So what does this mean to Kentucky? How is this going to impact you?

I'm sure many of you have heard that Canada has imposed counter tariffs that are targeting Kentucky businesses and industries. We've placed tariffs on things such as your bourbon and whiskey and on your clothing manufacturers. Those tariffs won't hurt you directly, but they will reduce demand by Canadian consumers, which in turn will reduce sales and profitability. What will hurt you directly are the boycotts.

*Timothy McDermott  
Halifax, Nova Scotia*

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