

Lexington-Fayette Urban County Government Council Meeting

State of the Merged Government Address

January 16, 2018

The Council of the Lexington-Fayette Urban County Government, Kentucky convened in regular session on January 16, 2018 at 11:30 a.m., in the Lexington Center, Bluegrass Ballroom, 430 W. Vine St., Lexington, Kentucky. Present were Mayor Jim Gray in the chair presiding, and the following members of the Council: Plomin, Smith, Stinnett, Worley, Bledsoe, F. Brown, J. Brown, Evans, Farmer, Gibbs, Henson, Kay, Lamb, Moloney, and Mossotti.

*

*

*

The Mayor gave his State of the Merged Government Address as follows:

Good afternoon and welcome to our Councilmembers. Vice Mayor Steve Kay, At Large Councilmembers Kevin Stinnett and Richard Moloney. And District Councilmembers: James Brown, Joe Smith, Jake Gibbs, Susan Lamb, Bill Farmer, Angela Evans, Preston Worley, Fred Brown, Jennifer Mossotti, Amanda Mays Bledsoe, Peggy Henson and Kathy Plomin.

I routinely say, that even on a bad day, I've got a great job. I get a hug from someone every day; this one from Jean Powers as we celebrate the 50th anniversary of Bell House. It's a great job, and a challenging job, sometimes very challenging. Here I am enjoying the Ice Bucket Challenge at the Court House Plaza.

Councilmembers are our partners. The 16 of us agree far more often than we don't. And we work together to solve problems, to get things done. After all, potholes are not Democratic; traffic is not Republican. We will keep moving forward. We know progress survives the politics of the moment and I see great things in Lexington's future, always have.

When I was a boy growing up down in Glasgow, Lexington was The Big City. A place you could go to get a great education. A place where you could meet amazing, ambitious people. And a place where you could make big dreams come true. And that's absolutely what Lexington has been for me. As a businessman. And certainly in my job as Mayor.

Since this is my eighth State of the City address, just for a minute, I'd like to go back to my inaugural remarks from January 2, 2011. We were still coming out of the Great Recession. We'd been losing jobs. Unemployment had been as high as 9.3 percent. Our city's finances were tough and challenging. As I would talk to people all across our community, there was anxiety about the future. I understood that. But in tough times, I've always embraced a kind of stubborn optimism. Believing that things will get better because good people will work together to make them better. In times of adversity the human spirit triumphs, it does not fail.

So in my inaugural remarks I offered this challenge: Let's make Lexington one of the greatest cities in America, one of the greatest places in the world. Will you join me in that effort? Will you work to make our city better? Will you band together to help us make the tough choices, to face the tough challenges? Will you become an ambassador for our city? Will you tell anyone who will listen, "I'm from Lexington!" "I love Lexington!"

"Here's what makes us special." "It's a great place to live and work, to raise a family, to start a business." The people of Lexington have responded with a resounding YES! And we have worked together to make that optimistic vision of our city a reality. We've been getting things done, making progress the right way through civility and respect for each and every person who calls our city home.

Since 2011, we have moved from deep deficits to financial stability; from an underfunded police-fire pension to a sustainable one; from multi-million dollar employee health care subsidies to responsible plans; and from higher unemployment to one of the lowest jobless rates in the country. We're taking better care of those who need our help most through an affordable housing initiative, we've increased funding for social services, we've created a stronger social safety net, drug court, jobs for panhandlers and help for those facing substance abuse.

Our police and fire departments are fully staffed and have the best equipment and facilities. We've been recognized in 2016 as the 6th best managed City in the country; and again in 2017 as the 5th best managed city in the country; we're known as a great place to do business; and as one of the top travel and food destinations in the

country! Our success has come by focusing on three goals: Creating Jobs, running government efficiently, building a great American city.

So let's talk about them one at a time; talk about getting things done. Since 2011 our economy has produced almost 20,000 new jobs; more people employed in Lexington than at any time in our history. And we're creating good jobs. Average pay in Lexington has increased by more than five percent. That's higher than what we're seeing nationwide. And our job participation rate is higher than the state or national average. The job participation rate tells us if you are living in Lexington and want to work, you can find a job here. Our unemployment rate today is 3.2 percent. Lower than the nation, lower than the state.

In recent years, we have expanded our efforts to grow jobs. In 2013, we created the Jobs Fund, Lexington's incentive program designed to attract high tech companies, advanced manufacturing, health care and company headquarters. And it's working. There are now 20 companies participating in the Jobs Fund. Two of these, Florida Tile and Fusion, have expanded their operations. Congratulations to Michael Franceschelli with Florida Tile, which has grown its corporate headquarters, and Michael Baer, with Fusion Corporation.

In addition to providing incentives, we're also working to improve our workforce, doubling our City's commitment to jobs training. Community Action is one of the agencies that has received a workforce development grant from the City, and the training they are offering is for commercial drivers and childcare workers. Yes, we want the best quality workforce, anywhere, at all levels of employment.

And here's another major step we've taken recently at City Hall to make our city more competitive. In partnership with the University of Kentucky, we have created an agreement to open up 250 acres near the interstate to business development, putting Lexington in a premier position to attract good-paying manufacturing jobs. This is a big deal. We've already had interest from companies wanting to move here.

We deeply appreciate the partnership of UK President Eli Capilouto and Eric Monday, who worked with us on this project. Working with Council and neighborhoods, we are still fine-tuning the agreement. We all know that when UK and Lexington work together, everyone moves forward. Let me say that again. When

UK and Lexington work together, everyone moves forward. Our partnership with UK, the Jobs Fund and other programs are part of our ongoing efforts to show the world that Lexington is a great place to live, work and start a business. And that's the plain and obvious truth.

But for that to stay true and be sustainable, City Hall has to make smart investments with taxpayer dollars and run government efficiently. That was our goal from day one because there was an urgent need for improvement. We started 2011 with an estimated \$20 million deficit. Pension and employee health care expenses had reached unsustainable levels. We had to take action and we did – for our citizens and for our future. So we worked with our agencies, with the Council and others to bring a new attitude and approach to managing and investing our public dollars.

Today, I'm proud to say that we've had surpluses every year since we started. And we've done this while fulfilling our commitments to both our hardworking employees and our proud retirees. And without raising taxes. Improved city finances help us fulfill all our commitments, including the most fundamental: protecting the safety of the public.

These words from the Book of Matthew describe the place public safety holds in our budget, and in our City: "For where your treasure is, there will your heart be also." Public Safety is always number one in our budget because everyone wants to feel safe in their homes, their neighborhoods, their hometown. This year, we made a big increase in our investment in Public Safety with the addition of 30 police officers, and 12 firefighters. That's the biggest one-year increase in "boots on the ground" in public safety in our history.

Before I talk about our Police Department, I want to take a minute to introduce you to our new Interim Chief Ronald Compton, a 29-year veteran of our Police Department. And recently retired Chief Mark Barnard joins us, as well. Thanks for 31 years of service, Mark Barnard!

Our investment in police this year represents an opportunity to increase our focus on community-oriented policing. We currently have an authorized strength of 630 sworn officers, higher than at any time in Lexington's history. New officers and improved community policing will help us fight the violence that too often has resulted in shootings on our streets, shootings that are often fueled by illegal drugs and guns.

Compared to other cities our size, Lexington is one of the safest cities in the country. We're thankful we don't have problems like Chicago, but we do face our own challenges. And, we all agree, one loss is too many. So we're investing in new ideas and strategies and recognizing that ending violence takes more than law enforcement.

Recently, crime research revealed that in a typical city with a population of 100,000, each additional non-profit devoted to confronting violence led to a roughly 1 percent drop in the city's homicide rate. Clearly, it will take all of us, working together: neighborhoods, schools, community groups, faith community, councilmembers, courts, social service agencies, law enforcement, and more. That's why the office of ONE Lexington was created last summer. To bring everyone together, around the table, to work on enhancing safety and quality of life in neighborhoods experiencing violent crime. Laura Hatfield, the Office Director, is here with us today. And over the last six months, Laura has held 60 meetings, visiting with citizens across our community. And she's researched 20 comparable cities to draw upon their experiences.

Last month, ONE Lexington launched its first Neighborhood Engagement Initiative in Winburn. And beginning this summer we will be working to provide employment opportunities to young black men through generous funding provided by the Kenan Charitable Trust. Thanks to Chris Ford and David Cozart for their work on the COACH Fellowship program. Thanks to the involvement of community leaders like Rev. Dr. C.B. Akins and P.G. Peebles.

Now this type of approach is not like turning on a light switch. It doesn't happen overnight. But we're working on improvements one person, one neighborhood at a time, continuous improvement. Like many other cities, our Police often find that violent crimes are rooted in illegal drugs, a statewide problem, a national problem, a problem that needs increased focus.

Many of our families and friends have been touched by the opioid epidemic. We're the second-largest City in the state, and in 2017 we had the second-highest number of heroin- and fentanyl-related deaths in the state. We have engaged many partners to help us save lives, including the faith community. We know those who are addicted often turn to their churches for help. And we are providing life-saving information to church leaders. The Health Department is also hosting free community

training on naloxone, and providing free kits containing the overdose-reversing medication. Thanks to Ronnie Bastin for his leadership on this issue.

Our firefighters are often our first line of defense in the opioid battle. The epidemic has put a heavy burden on our emergency medical crews, and this year we added a new emergency medical buggy, fully staffed. Fire Chief Kristin Chilton, I want to take a minute to brag on our firefighters. We recently earned one of the highest fire protection rankings in the country. That ranking reflects the dedication of our firefighters. And it also reflects the support they have from the city. Since 2011 we have invested \$18 million to improve our firefighting equipment. An example is our new Rescue One truck, which responds to incidents that require specialized equipment. In addition we have opened a new training tower, and our first new fire station since 2005. And we plan to open another one in 2019. This one in the Masterson Station Area.

I often talk about the hard work and dedication I see every day from the public service professionals who work at Urban-County Government. That's because it's a great team and we have great partners to meet our third goal: Building a Great American City.

Building a Great American City. That's why we're expanding and renovating the Convention Center. This image shows the new entrance on Vine Street. This is one of the most significant public investments ever made in Lexington. And, the project continues to move forward as we work on the financial package. Thanks to former Lexington Center Board Chair Brent Rice and our current Chair Craig Turner, for overseeing the project.

Expanding our convention center will produce jobs and help us attract even more visitors to our city. With an expanded center we will be able to go after nearly 90% of national convention business, compared to only 65% that we are able to target today. And when visitors and our citizens come to our thriving downtown, starting next month, they will see our Historic Courthouse, which will re-open with a new mission, and a new and welcoming message to everyone.

Since it first opened its doors in 1898, our Main Street courthouse has been our city's front door, and one of Kentucky's most important public buildings. This is the first

image of the dome since we finished our work. The rotunda revealed after 60 years of being shut off. We've invested through a public-private partnership to make sure it will be around for Centuries. Now, the Courthouse is already fully leased with: A Visitors' Center. Mary Quinn Ramer from the CVB is here today, Breeders' Cup offices, an event space, and a new restaurant. The Courthouse is fully leased, and on budget!

Thanks to CAO Sally Hamilton, here she is at work in a hard hat, and Jenifer Wuorenmaa, who are leading our management team for this project, along with developer Holly Wiedemann, who is also here today. The rebirth of the Historic Courthouse is part of a dramatic, ongoing transformation of our downtown, everybody's neighborhood. A healthy downtown is an important key to keeping our entire community vibrant.

And change is everywhere downtown. The Bourbon Trail is running through the Distillery District, where there are once again distilling operations. Terry Sweeney is bringing new experience from Indianapolis, as he unites our downtown development and events organizations into what will be an exciting partnership and the City is digging in starting construction of Town Branch Commons. In fact, genius is at work on Town Branch Commons, this strip of Bluegrass that will wind through downtown, following the path of historic Town Branch, the water source for our City in its early years.

Now, what do I mean by genius? Well, the architect for Town Branch is a woman named Kate Orff, who won a genius grant this year from the MacArthur Foundation and her genius certainly shows in the work she's done for Lexington. If you have a chance, Google the MacArthur Foundation video on Kate, which prominently features Lexington and Town Branch Commons. This year we will break ground on the first phase of this project, which will connect our two major trails, Town Branch Trail and the Legacy Trail, giving us 22 miles of uninterrupted trail connecting downtown to our world-famous rural landscape.

Fund-raising continues for Town Branch Park, which will be located behind Rupp Arena in what is now the Cox Street lot. Many thanks to Ann Bakhaus for her visionary work on the Park. She's well into a private fund-raising campaign, and has already announced \$5 million in pledges. Giving to a city project at this level is unprecedented in

Lexington. Simply put, Great American Cities have great parks, and Town Branch Park will be a great one for Lexington.

Under the leadership of Geoff Reed, we've been working on parks projects all over town, investing \$16.7 million to improve our greenspace. We opened a money-saving splash park at Masterson Station last summer, and have plans for three more at Jacobson, Douglass and Castlewood. They're a lower cost, low maintenance complement to pools, and parents and kids love them. And we have new playgrounds at Jacobson, Douglass, Woodland and Castlewood parks. All are accessible for children with disabilities.

We also have a couple of exciting announcements about parks programming. Our youth football program has more than doubled in size in just two years. We now have 677 players involved. Youth football is a proud tradition in Lexington. We count 10 NFL players who got started on one of our Parks football teams. We have worked to revitalize this program through a grassroots enrollment effort, and by reaching out to coaches.

And I want to congratulate Monica Conrad, Penny Ebel and Amber Luallen from Parks and Recreation. Parks recently won the Governor's Award in the Arts. Now it's unusual to find arts programming in city parks in Kentucky. Under Amber's supervision, we offer more than 1,300 arts classes a year, everything from Kiddie Kapers Dance Camp, to Thriller, to pottery, to printmaking, to theater. Between classes at Carver Center and arts events all over town, we involve about 250,000 people in the arts each year. I want to congratulate our entire hardworking team at Parks and Recreation!

Greenspace in parks and a clean environment are essential to quality of life. That's why we're investing in Water Quality, where work is continuing on the biggest infrastructure project in our city's history, rebuilding our city's leaking sanitary sewer system. With about one-third of the 116 planned projects complete or under construction, we are today \$92 million under original estimates. This savings has come through value engineering, an ongoing analysis of each project, with the goal of achieving the highest quality at the lowest price. Thanks to Dowell Hoskins-Squier, Charlie Martin and Vernon Azevedo, who are overseeing this project.

Quality of life investments are essential for our city's economy to grow long-term. It's also essential that as we look to the future, we hold onto that stubborn optimism by thinking big, like Henry Clay did. He dreamed of Lexington not as a hamlet or a village or a town, but as a Great American City. Clay understood that to be a great city, Lexington had to be connected to the wider world. In his time, those connections came by river and railroad. That's why he recruited partners who shared his vision and raised an enormous sum of money in 1832 to build a railroad between Lexington and the Ohio River. It was one of the most significant infrastructure projects of the 19th Century. And it was crucial to the growth of our city.

Today, that critical connection to the wider world isn't just physical – it's digital. That's why we invited MetroNet to create a new world-class fiber-optic network for our city. MetroNet will make Lexington the nation's largest gigabit city, with some of the fastest internet speeds in the world. MetroNet will offer ultrafast internet that will attract high tech businesses, and provide quality competition for telephone and cable TV services. And they will invest \$70 million in our city. Since we made the MetroNet announcement in November, folks have been stopping me on the street to say how excited they are about it. One guy even rolled down his truck window as he passed by and said, "Hey mayor, I love that fast internet." MetroNet is starting to build its fiber-optic network this week. Thanks to Aldona Valicenti and Scott Shapiro for their hard work on this project. High speed internet is the fuel our University City needs to serve expanding technology jobs and advanced industries. It will create more opportunities for better jobs. It will grow entrepreneurship and it shows the world that Lexington is a city where big dreams can come true. Joining us today are MetroNet's John Cinelli and Benjy Diesbach. John and Benjy, on behalf of the 318,000 people of this community, I say, welcome to Lexington.

With all the remarkable things happening in our city, all the energy and the sense of possibility, "Welcome to Lexington" is something we'll be saying a lot in the days ahead. And in closing, I just want to say that as I as I think about how far we've come as a city, and where we're headed, I'm excited, gratified and honored to have the chance to work with and for so many outstanding people. I want to take a minute to recognize a few of the folks who are the reason we're getting things done at City hall.

We've crowded the winner's circle with talented staff and commissioners. What Ronald Reagan and Harry Truman both said applies here: "There's no limit to what someone can accomplish so long as he doesn't mind who gets the credit." Thanks to our Commissioners, Mayor's Staff and Chief Administrative Officer Staff.

And I know that these days, we have concerns about the future as well especially when we look to elected leaders outside Lexington and see so much conflict and division and little accomplished. I hope they will take a lesson from Lexington, because, we've been getting things done. We've proven we know how to overcome challenges and come out ahead. When good people work together, anything is possible. That's why I'm proud to say that the future of Lexington is bright, it's wide open and it's ours to create together. It's all about seeing and believing.

The power of seeing and believing, which allows me to finish with this story about Walt Disney. It was 1977. Walt Disney had passed away the year before. At the opening of Walt Disney World, Walt's brother, Roy, expressed his regret to Walt's widow, Lillian that Walt had not lived to see the Disney World opening. Lillian didn't miss a beat. She said, "Oh, Roy, but Walt did see it," Lillian said. "That's why we are here today." So I will just say simply in closing, thank you all for seeing and believing in Lexington.

The Council adjourned at 12:46 p.m.

Clerk of the Urban County Council