

Lexington-Fayette Urban County Government Council Meeting

State of the Merged Government Address

January 20, 2015

The Council of the Lexington-Fayette Urban County Government, Kentucky convened in regular session on January 20, 2015 at 11:30 a.m., in the Hyatt Regency Hotel, 401 W. High Street, Lexington, Kentucky. Present were Mayor Jim Gray in the chair presiding, and the following members of the Council: Council Members Bledsoe, Brown, Evans, Farmer, Ford, Gibbs, Henson, Kay, Lamb, Lane, Moloney, Mossotti, Scutchfield, Stinnett, and Akers.

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

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Good afternoon and welcome. Thanks to the Lexington Forum and especially to Kim Sweazy. Let's start today by shining a lens on our new Council. First, Vice Mayor Steve Kay; our new at-large Council Members: Kevin Stinnett and Richard Moloney; new faces among our District Council Members: Jake Gibbs, District 3, Susan Lamb, District 4, Angela Evans, District 6, Fred Brown District 8 and, Amanda Mays Bledsoe, District 10; and our returning District Council Members: Chris Ford, District , Shevawn Akers, District 2, Bill Farmer, District 5, Jennifer Scutchfield, District 7, Jennifer Mossotti, District 9, Peggy Henson, District 11, and Ed Lane, District 12. Let's have them stand for a generous round of applause.

The Council Members and I thank everyone here and citizens across Lexington, for trusting us to take care of our city. In a democracy, there is simply no greater honor than a vote of public trust. We are here today to talk about the state of our city. I am proud to report that the state of our city is strong and promising.

2015 is a time to celebrate our strength and to make the most of it; and a time to use our strength! And we've got plenty to do as we work together. But first, since past performance is the best indicator of future performance, let's get a sense of where we've been, and then look ahead to where we're going.

It boils down to three words: Getting things done. We got things done. We're getting things done. And the best is yet to come.

Four years ago, in 2011, we identified two core values for our city - public safety and quality of life. Then we established goals to support those values - create jobs, run government efficiently and build a Great American City. Together, we got things done.

First came surviving the worst recession in our lifetimes, without compromising the quality of our basic citizen services: police, fire, garbage pick-up. This was about the time I learned that if you have a deep need to be loved, don't run for mayor. And the recession held on for years. THIS was about the time I learned that in this job that you've gotta love three things: You've gotta love people. You've gotta love Lexington. And you gotta love problems, because we've got plenty of them.

Yes, the recession was tough. But our citizens were tougher. We affirmed that. In times of adversity the human spirit triumphs, it doesn't fail. Together, we got things done. Our basic services remained vigorous, strong.

At the same time we began work on our top goal - creating jobs. And over the past four years, we HAVE created jobs. The unemployment rate was 8.8 percent in January 2011, according to the Bureau of Labor Statistics. The most recent numbers show it at 4.4%, a 50 percent drop. The job of attracting and growing jobs is an everyday one, a continuous one. So we set up a unique jobs incentives program called the Lexington Jobs Fund. Local businesses are now applying for the Jobs Fund loans, a program designed to help companies grow jobs. So far, two companies have signed up. And the fund has kept 250 jobs from moving out of Lexington.

In any conversation talking about jobs and the strength and promise of our city, the University of Kentucky is a key measure of that strength. We are a University City. And UK is growing and thriving under President Eli Capilouto, let's welcome him and his wife, Mary Lynne. UK is our largest employer and, in recent years, our largest source of job growth. But it is even more, UK is our cultural, intellectual and economic anchor and engine. A growing and thriving university leads to a growing and thriving city.

When the economy began recovering, we initiated major investments in Public Safety, and since 2012 we've made significant investments in police and corrections officers, firefighters, and in new equipment. Since 2012, we have invested almost three quarters of a billion dollars in public safety, including new police officers, new firefighters, new ambulances and fire trucks and new cruisers, investing more than in

any 3-year period. Last month we welcomed a new Police Chief, Mark Barnard, as former Chief Ronnie Bastin moved into the Public Safety Commissioner's post, giving us another layer of experience. Together, we got things done.

We also set our sights on running government efficiently. Through significant structural changes, and by working with police officers and firefighters to reform our pension, we have already reduced our unfunded liability by \$116 million. And these reforms have made have turned an unstable pension into a stable one, so police officers and firefighters can retire with security and confidence. In fact, a national actuarial firm called Lexington's Pension Reform "The. Most. Effective. Reform. In. the. Country." Together, we got things done.

We also restructured employee health insurance, providing cost savings for the city and for employees. This year we're expanding to serve young children at the clinic for the first time. Our new approach to health insurance has paid off, saving the city roughly \$12 million a year.

Discipline and improved efficiency have driven our approach to the city's largest construction project - fixing our sewers, a federal EPA mandate. In 2008, this project was estimated at \$600 million over 11-13 years. By insisting on disciplined project management, we have already cut that price tag down by \$60 million. As we rebuild crumbling sewers, so far we have kept 50 million gallons of raw sewage from getting into our creeks because of our repairs to the sewer system. Together, we got things done.

Discipline and efficiency can improve big projects and small ones, and there's nothing too small. Like Mental Health Court. A modest program but it will make Lexington safer, save taxpayer money and, most importantly, help citizens who really need our help. In the business of governing, that's called a win, win. Those struggling with mental illness who wander our streets are often jailed, spend time in shelters and hospitals, and then return to the streets. They cycle through the court system without ever getting the treatment they need, all at a very high cost to their mental and physical health and at great financial cost to taxpayers. Regrettably, those who are often stationed on our streets can cost well over \$100,000 a year and, in some cases, even

more. With innovative new projects like Housing First and the Mental Health Court, we are making important investments now that will pay off in the long term.

Joining us today are representatives from NAMI Lexington, the National Alliance on Mental Illness. They were instrumental in getting this project in place - Phill and Kelley Gunning and with them is Tony Phan, who has an immediate family member who Mental Health Court is already helping.

Now, a new term - for all of us- is beginning, and because of the disciplined efficiencies brought to city hall we can begin making quality of life investments that will lead to economic opportunity and prosperity and jobs. To be competitive, we must focus on quality of life - it's essential. Fifty years ago, people moved to where the jobs were. In Lexington think IBM, Trane, Square D. Today, jobs move to where the people are, where the talent is. And talent moves to where there's a premium attached to quality of life. We work hard in Lexington to create that environment, quality of life and place, a compelling and lively central business district, within walking distance of remarkable college campuses. Modern and attractive industrial, office and research papers. Together we are getting things done.

So, yes, today is a time to reflect on what's occurred over the past few years. For the further we look back, the longer we can look ahead. Today our citizens are demanding that we look ahead with a call to action where there is no room for complacency or second best or lack of courage. Because nothing big ever came from thinking small, and because I, like every one of you in this room want Lexington to be the best city in America.

Now let me say again something I said two weeks ago at our swearing in, being the best city in America does not mean being the biggest city in America. Being best means managing the basics and thinking aspirationally and implementing the things that matter.

So, more specifically, what does 'best' look like? It means delivering the Best Public Services. Keeping our City and citizens safe is a core value. Delivering General Services excellently supports our quality of life core value. It's important to deliver those services in the most efficient way and to focus on continuous improvement. With committed employees throughout our government, we can do just that!

Being the best means delivering the Best Infrastructure. Roads, bicycle lanes, sidewalks, trails, mass transit. Safe, modern services for water, electricity, waste disposal, storm and sanitary sewers. Modern police and fire stations, equipment and technology.

An example is our Emergency Operations Center, where we saved \$26 million by using an existing building, which opens next year. And a new Senior Center, one of the best in America. Construction is underway. Together we are getting things done.

Being the best means encouraging the Best Business Environment. Businesses need high skilled employees and we must deliver them. The best education system is essential. Thanks again to Dr. Capilouto, Interim Schools Superintendent Dr. Marlene Helm, School Board members Amanda Ferguson, Melissa Bacon and Daryl Love, and from Bluegrass Community and Technical College, Dr. Augusta Julian and JoEllen Reed - thanks to all of you for coming today and for your irrepressible spirit working together to place education as a top priority. And, Dr. Helm, as our public schools look for a new superintendent, the community stands ready to help with this transition and afterward.

Business also needs affordable broadband. We really must become a gigabit city - making the information super highway available and affordable for all our businesses and citizens. While cities with rivers and railroads had an advantage in the industrial age; knowledge and ideas are what power today's information economy, and knowledge and ideas are carried on fiber. We must have it to compete. And thanks to the University of Kentucky for working with us on this project.

Being the best means honoring and preserving our history. In the campaign I heard from many of you and from Council Members - please Mayor fix the Old Courthouse. And you are right. Taking care of history says a lot about a place. So here's our plan for the Historic Courthouse: In 2014 the City shored up the critical needs of the foundation. This year we will be taking steps to save the building. The courthouse needs to be imaginative, innovative and functional - a gravitational pull that will attract citizens and visitors. The courthouse will have an assessment report in the next few weeks and then in February and March we will host a series of public meetings to get

the Community's input. And I will include funding for the first phase in my budget address in April.

We also need to make plans for the Government Center, a historic building that is costing us far too much to operate and repairs. Creating the best place to call home.

We look ahead to a world class parks system, including getting started on Town Branch Commons, and improving neighborhood parks across the city. Great cities have great parks – timeless public places for celebration and recreation. Lexington has 105 parks covering 4,400 acres - clearly we need a master plan to deliver the best parks system.

While we're getting that master plan in place, let's move forward on a park where we already have an excellent plan - Town Branch Commons. Town Branch Commons, the park that will follow the path of historic Town Branch Creek through downtown. The plan for Town Branch meets the criteria of a great park - it has already won national recognition. Town Branch Commons will link the present and the past. Lexington was founded on the banks of Town Branch near McConnell Springs. Almost 240 years ago in 1775. And it will link our urban core to our extraordinary countryside. And I will also include funding for the first phase in my budget address in April.

But we need to think bigger about parks, and find ways to develop great parks throughout our city. Some of our leaders and citizens have been talking to our neighbors in Louisville, who have already been creating a world class parks system.

Being the best means delivering the best arts and entertainment value to our citizens and guests. We aspire to be a city that's comfortable on the international stage, hosting events like the FEI Alltech World Equestrian Games in 2010 and now the Breeders' Cup this fall. The Horse Capital of the World is the perfect spot to host the best of the best. We're proud today to welcome Bill Thomason, President and CEO of the Keeneland Association, and Craig Fravel, President and CEO of the Breeders' Cup.

And say hello to Nan Plummer, who has just been named President and CEO of LexArts. She's one of several new professionals moving to Lexington and together they will be taking local arts to the next challenging level! Like Stuart Horodner, the new director of the University of Kentucky Arts Museum. And two new theater groups. Bo

List is here representing AthensWest; and Jeromy Smith is here representing The Lexington Theatre Company.

Former Councilmember and businesswoman Debra Hensley is here representing a new opportunity - Lexington Community Radio, a new community station that's all about downtown communities. It should go live in the fall.

And the irrepressible Isabel Yates is also here today! Thanks to Isabel and her committee, the Friends of the Kentucky Theatre who have given our grand old theatre new life, raising \$800,000 to make much needed improvements.

Over time and history Lexington has often been characterized as a leading city. Today the 61st largest city in America. We had the first urban service boundary, an early city-county merger. Once known as the Athens of the West. Today we are leading again: the National Cancer Institute designation for the University of Kentucky. The nation's most effective pension reform. An innovative housing-first model for the homeless. One of the first cities to pursue gigabit Internet speeds. A world-class talent competition to design our Town Branch Commons. Hosting world-class events like the Alltech FEI World Equestrian Games in 2010 and the Breeders Cup this year. Yes, together, we are getting things done - the right things.

Now a little story to close things out: it's a story many of you may have experienced yourselves. When I was young I played Little League baseball in a very loose sense of the verb "played." I never played in what anyone might have called an "important" ball game, and was never more than an average player. I do have several memories from those years, some good, some bad. I didn't grasp the meaning of my most bitter memory of one sports event for about 40 years.

One afternoon a game that meant nothing to anyone except our parents and the players, and not much to most of us, someone on the other team hit a little pop fly that at least 3 of us were close enough to catch. I was playing left field. Three of us ran toward the ball, and we all stopped, waiting for the other one to catch it. No one did, and the base runners ran around the bases. We lost. Forty years later I realized why that memory remained fresh and bitter.

It was not that we lost, or that an error was made. That happened many times - drop the ball, fail to get a hit, allow a hit - all those events occurred, and have been

mostly forgotten. Losing because I failed to act stuck with me forever, while failures made attempting to execute faded away.

So, let me close today with a CALL TO SEIZE THE MOMENT. Citizens of Lexington: Make 2015 your year of service, contribute your time, talent or treasure to a cause you believe in.

Council Members: Fund our shared priorities and lead Lexington's future. Let's continue working together to make big things happen for our home town.

Legislators: Give Kentuckians the opportunity to decide the fate of local projects by supporting and passing House Bill 1 – the LIFT initiative. It's true for every Kentucky city and county: When you're green you grow, when you're ripe you rot. And every city needs your help with legislation on the heroin problems and treatment.

Governor: Close out your second term strongly. Giving Lexington and other communities the innovative workforce development systems and funding we need to train tomorrow's workforce.

Candidates for Governor: Call for bold steps. Reform Kentucky's tax system and help our economic engines – rural areas and our cities – drive the state out of this budget trouble. When we do we can reinvest in education, workforce development and other economic development projects and we can fix our underfunded pension systems.

And lastly to all of Lexington, we can reach out and catch that pop fly. We can seize the moment. We know where we've been, and where we're going, and how we're going to get there. Yes, you know, we all know, that for Lexington, the best is yet to come.

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The Council adjourned at 12:33 p.m.

Clerk of the Urban County Council