



Lexington-Fayette Urban County Government
OFFICE OF THE MAYOR

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Mayor proposes solid, strong, ‘can do’ budget

By Mayor Linda Gorton

Good afternoon, everyone. Thank you, Vice Mayor, and welcome to our Councilmembers who are here today.

Councilmembers, I am bringing you a budget with a “can do” attitude. It will face down our challenges, and lift up our progress.

This is a budget that will push our city to be safer, and broaden our approach to public safety; take big steps forward in quality of life; sustain our city’s firm financial footing; lighten the load for many of our residents who are most in need of help; keep our hometown well maintained; grow and attract new jobs; endow investments in the future ... in short, it will meet many needs in our growing, diverse city.

Before I get into details, let’s cover some basics. First, I want everyone to know that the Council and Mayor work together on the budget. Many Council priorities are already reflected in my budget plan, based on my one-on-one meetings with each councilmember.

The public can expect Councilmembers to weigh this plan carefully. Ultimately, they will pass, and I will sign into law, a budget that represents both administrative and legislative goals.

When Councilmembers have questions about the budget, there’s a great team of people ready to answer them ... the people who helped me put this budget plan together, our budget team. It takes an experienced, knowledgeable team to balance needs and craft a budget of this size and complexity.

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Our team was led by Chief Administrative Officer Sally Hamilton and Commissioner of Finance Erin Hensley and her team, with assistance from my Chief of Staff, Tyler Scott.

Before we get into the spending plan, let's take a minute to talk about the resources that make up this budget.

This is a big budget – for the first time our city's general fund budget has risen above \$500 million ... however, all things are relative, it's serving a big city with many needs.

As always, we have had to make funding choices ... to carefully weigh what is most pressing, most important, most needed. That's a healthy process – an always-needed test of the wisdom of our spending decisions when making public investments.

We have kept our city on firm financial footing. Our careful management of debt has kept our borrowing costs low. Despite the pandemic-induced economic storm we weathered just three years ago, we have maintained our AA stable bond rating.

In this budget our General Fund totals \$505 million, a mix of several revenue streams:

- This budget includes our projection for \$42 million in new revenue over last year's adopted budget. The city has not implemented a payroll tax increase since 1993, and I am not proposing one this year.
 - Instead our revenue growth comes from job growth ... over 20,000 more people are working here now than in April 2020 ... and from increases in wages – total wages increased by 20% between 2010 and 2021.
 - Our economy has recovered from, and even surpassed, pre-pandemic levels.
 - In addition to revenue growth, we will utilize \$43.4 million in savings and multi-year commitments from this year.
 - And I have included a modest \$38.5 million bond.
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Now, it's time to dive into this budget plan. Let's start with the foundation of any strong community – public safety.

This budget not only invests in public safety in conventional ways, it broadens the definition of public safety through investments in social workers, mental health, violence prevention, technology and training.

First, the more traditional investments. As always, we want our police officers, firefighters and corrections officers to be well equipped. Therefore, our investments include bullet-resistant vests, laptops, mobile data computers, and helmets for our police; portable radios and turnout gear for our firefighters.

In Corrections, we have boosted hiring by stepping up recruitment. We also have increased our focus on re-entry with a new life skills program to help inmates who are re-entering the community find the resources they need to be successful.

Vehicles are always part of our public safety budget, and that's true this year, as well. This budget includes police cars, SUVs for inspectors in Fire, plus a \$5.2 million investment in a ladder truck, two fire engines, and two emergency medical vehicles.

All of those traditional investments are important – as always, this budget invests heavily in public safety. However, we are well aware we need to continue to take a broader approach to keep our city safe.

Here are the steps we're taking in this budget to broaden public safety:

First, police technology. Our investment in FLOCK license plate readers has been an enormous success, enabling our police to locate missing persons and close cases faster. FLOCK helps police solve cases involving burglaries, stolen vehicles, violent assaults, and even the arrest of murder suspects.

We currently have more than half of our license plate readers deployed, working our way up to 100. In just over a year, FLOCK has helped us find 18 missing persons, take 46 guns off our streets, charge 246 people with crimes, and recover over \$2 million in stolen property.

Flock has clearly demonstrated that technology reinforces police resources, strengthens cases, and saves time.

That's why I am proposing we take the next step and establish a Real Time Intelligence Center, with an additional investment of about \$150,000 annually in video-based intelligence software. I have also included the hiring of two intelligence analysts.

This intelligence software will allow us to combine our existing technology assets, including alerts from FLOCK license plate readers and video from traffic cameras, while also allowing the *voluntary* addition of private security cameras from partnering businesses, and even residential cameras.

Businesses and individual citizens can *choose* to have a direct impact on the safety of our community through this technology partnership.

The software combines these assets into a single source. It is an investigative tool, and a resource we can use to streamline emergency response and incident management with real-time information for our first responders.

I want to be clear, our investment in this software technology, along with license plate readers and recorded traffic cameras, will not be used for traffic tickets – that is against state law. We have taken steps to *tightly control* the use of these technologies within our Police Department's Real-Time Intelligence Center through appropriate policy, procedure, and oversight.

Technology is the future. Like the Flock program, intelligence software will enable us to solve crimes faster, support our officers, and strengthen the cases we take to court because there will often be video to back up witness statements.

The Fire Department's Community Paramedicine program is another step we have taken to expand public safety. This program, started by the City in 2018, has tapped into a real need in the community.

Before Community Paramedicine, firefighters could only address a patient's emergency needs.

Community Paramedicine expands emergency medical care by giving firefighters the opportunity to look a little deeper, and find longer-term solutions for people, including addressing mental health concerns when needed. It also relies on teamwork, working closely with our Police Department, our folks in housing, social service agencies, and health care providers.

Five years into the program, it's clear that Community Paramedicine needs dedicated staff – we are adding two dedicated firefighter-paramedics, and making two grant-funded social work positions permanent.

We will apply for grant funding for two additional social workers, who are increasingly becoming an important part of the work we do in the fire department and throughout public safety.

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Next, in the Mayor's Office, we are expanding the violence prevention work of One Lexington, which has proven itself to be essential in our broader approach to public safety.

We have already increased funding for grants to community organizations that work with One Lexington. Next fall, I am planning another increase, as One Lexington's budget continues to build partnerships throughout our city.

These nonprofit organizations have been active in our community for many years, working to stop violence among our young people.

We also have resources for street outreach and victim support in One Lexington's budget. Our street outreach team responds to all shootings, and victim support reaches out to everyone affected by gun violence, funding resources for household bills, food, repairs due to gunfire, and mental health support, as needed.

One Lexington and its partners are getting results. From 2021 through the first quarter of 2023, we have seen a 75 percent decrease in gun-related homicides among youth and young adults. It is an important part of our public safety work.

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Next, training. Lexington takes the training of new police officers and new firefighters very seriously. Our training is more intense than most training programs throughout the country. We believe our training efforts should be broad, to prepare our police officers and firefighters for the wide variety of challenges they will encounter on today's streets.

If we want to have the best training program in the latest methods, we need the best training facility, and we don't have that now.

Fire's training facility is woefully out of date, dating back to 1969. Police train in a leased facility on the Bluegrass Community and Technical College campus and more space is needed to accommodate future recruit classes and required training.

I have included \$750,000 for site development of this new joint training facility. Site selection will be part of this phase, and we will control costs by building on property we already own.

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There are many areas in our government that have a huge impact on public safety, even though they are not technically part of our Public Safety Department.

One of those is affordable housing. Having a safe, decent, affordable place to live improves safety, health, education, and overall quality of life for our entire community.

In this budget, I have included \$2 million for affordable housing. That comes on top of \$13.1 million in American Rescue Plan funds we dedicated in 2021, 2022 and earlier this year to affordable housing.

Our Affordable Housing Office has done a phenomenal job, leveraging funding to build new affordable housing developments, and to rehabilitate existing units. Since 2014, our city has allocated \$33.6 million in local tax dollars to leverage \$371 million to build or renovate 3,082 units of affordable housing.

With increased resources, I am confident our success will continue to grow. I have included funding for an assistant manager in the Affordable Housing Office to ensure we can continue to move projects through responsibly and efficiently as this program expands.

In addition, I am upgrading a position in Code Enforcement to Affordable Housing Specialist. Code plays an important role in ensuring our housing stock throughout our city is well maintained. This new position will connect low-income homeowners with additional options, keeping them in their homes, and keeping their homes in good repair.

Finally, in our Division of Community and Resident Services, I included a 33% increase in rent and utility assistance for low income residents.

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Like Affordable Housing, Social Services has a number of programs that reinforce public safety.

I am dedicating 1% of our FY22 revenues to our Extended Social Resource grants, increasing the amount this year to \$4.3 million. This program funds grants to social service organizations, agencies that serve citizens who are most in need of our help.

This significant increase in funding will also allow us to again make capital grants to non-profit agencies, a program we started last year. Social service agencies often find that there are few grants available to meet their capital needs. This capital grants program addresses desperate needs, and enables our social service agencies to do a better job meeting the needs of those they serve. For example, Moveable Feast replaced decrepit kitchen equipment. This year we will provide about \$476,000 for these capital grants.

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Also in Social Services, we are investing about \$440,000 for a facelift to our Family Care Center, a unique facility that helps young parents and children.

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Our programs for our growing senior population are in great demand, and make a significant contribution to the health and wellness of our older residents. I am excited to announce that I have included \$1.4 million in design funding for a new, additional senior citizens center and therapeutic facility.

This new facility, in Shillito Park, will also be a therapeutic recreation center, providing wellness opportunities for everyone.

Affordable Housing and Social Services help citizens rebuild their lives. Our popular expungement clinics and job fairs do the same.

The clinics are an opportunity for residents to have their criminal records expunged, opening the door to second chance opportunities to vote, gain employment, improve education, and attain housing.

Our next clinic is April 28. Thanks to community partners, attorneys will be on site to help with expungement. And potential employers will be there for those interested in a job.

I have included funding for two more expungement clinics in this budget.

Building on a strong foundation in public safety, another important key to a strong healthy community is quality of life.

For many residents, our parks are essential to quality of life.

In recent years, we have invested heavily in our Parks to catch up on deferred maintenance and replace aging equipment all over town.

With \$10.1 million in American Rescue Plan funding in 2021, we expanded local efforts, providing funds to develop Cardinal Run North Park. Altogether, we invested \$26 million in parks all over town through the American Rescue Plan.

This year we are again investing in our parks citywide, continuing to work on deferred maintenance, paving, trails, sport courts, and playgrounds.

Highlights include:

- \$1 million to develop Deer Haven Park, located near Hamburg, an area where there are few large, well equipped parks. Already home to a mountain bike trail, this year's funding will first cover site preparation and basic park infrastructure, including water service, drinking fountains, parking, and benches. Then we will ask the community to help us choose specific park amenities.
 - \$2 million to overhaul downtown's Phoenix Park, which has seriously deteriorated. This funding works in conjunction with \$1 million in American Rescue Plan money recently allocated to this project.
 - \$500,000 to complete Phase I of the Kelley property development. When this project is complete, for the first time, residents will have public access to the Kentucky River for kayaks and canoes in Fayette County.
 - \$2.1 million to replace the pool in Douglass Park ... funding that we hope to supplement with American Rescue Plan funds.
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The arts add to the quality of life for all our residents and visitors to this community. As part of our new Public Art Master Plan, we are starting the new Collaborative Program, inviting the community to submit proposals for public art projects to be created and installed on city property throughout our community.

The program includes a neighborhood stories component to encourage the development of public arts projects that will identify local points of pride, history, and culture.

In addition, I have included funding to add two carts to our growing Art on the Town program. 65 artists are now involved, using the carts to sell and demonstrate their art at various places and events downtown.

Government is a service organization, so I have budgeted for several internal changes that will improve our ability to serve our community.

The first is a new city hall. I think most people are aware we have been talking about the need for new government offices for decades. We've also talked about the high cost of maintaining the historic building we now call home.

A space study is currently underway to tell us what size our new home needs to be – consultants will learn everything possible about how our city operates now, post pandemic, so that we can plan for the future.

I have built \$6 million into this budget to take the next steps to make good decisions for a new city hall, including the professional services we will need.

As I said earlier, government is a service organization. Those services depend upon our team of excellent employees. I am including a 5 percent raise for non-sworn employees.

And a third, significant change inside government is the reestablishment of a Commissioner of Planning and Preservation. Several years ago, our Chief Development Officer took over the responsibilities of the Commissioner of Planning to save money.

In a growing community like ours, there are a lot of demands on the city's economic development and planning offices. It's time to once again hire a Commissioner of Planning and Preservation.

So what will keep our Chief Development Officer so busy?

This year construction will begin at Legacy Business Park – our new 200-acre economic development park adjacent to the University of Kentucky Coldstream Research Campus. The budget again provides assistance with some of the operational funds needed to make the park shovel ready for new and expanding businesses. We project the park will one day be home to over 2,000 jobs that will produce \$3.2 million annually in local tax revenue.

We continue to focus on workforce development through partnerships we have established. To date we have helped more than 1,300 people find employment.

We are again investing in the Lexington JOBS Fund that supports small growing companies. The fund has assisted 30 Lexington companies, and helped in the creation of \$15 million in new payroll. These are good-paying jobs.

Our ag tech initiative is moving forward. We're working to make Lexington a hub for ag-tech businesses through the Bluegrass Ag Tech Development Corp, a non-profit recently established by the city, Dean Nancy Cox of the UK College of Agriculture, Food, and Environment; Dr. Mark Lyons, President and CEO of Alltech; and Dr. Ryan Quarles, Kentucky Commissioner of Agriculture.

Economic Development is a busy department that focuses every day on bringing new jobs and companies to Lexington, and helping local businesses expand.

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There's also always plenty to do for those who are working to protect our environment.

This year in Environmental Services we are focusing additional resources on making our community more sustainable. We are adding a second Environmental Initiatives Specialist who will update and implement the Empower Lexington carbon reduction plan. Initial goals include growing our tree canopy, increasing recycling, and management of the city's solar energy program.

We have tripled funding for the street tree cost-sharing program, which helps residents remove damaged trees lining their streets.

Environmental Services is also taking out three concrete medians on North Broadway and replacing them with attractive landscaped medians through our Corridors Commission.

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Now, let's talk about the very important nuts and bolts of government – public works.

In Streets and Roads, we are investing \$14 million in paving. We are also spending \$1.7 million on vehicles. Without good, reliable vehicles, our Streets and Roads crews can't do their work.

In Engineering I have included \$300,000 to close gaps in the sidewalks on Lane Allen between Harrodsburg Road and Traveller Road. This is match funding for a \$1.5 million federal grant.

We are also adding turn lanes at Alexandria and Trailwood, and Harrodsburg and Red Mile. We are providing \$100,000 in match money for a \$1 million federal grant.

And finally, we are connecting the Liberty Brighton trail to Liberty Road, where the state is planning a shared use path. This \$720,000 project requires us to invest \$144,000 in matching funds to qualify for a state grant.

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You've just heard some of the basic highlights of my proposed budget. It's solid. It's strong. It will do great things for our city and her people.

This budget is a bit of a milestone for me ... it's the first budget of my second term as mayor.

It is a strong reflection of what I learned about our city and the importance of partnerships during my first term in office.

Just as partnerships were a lifeline for us during the pandemic, partnerships are helping us meet today's challenges.

Partnerships with nonprofits, businesses, and individual volunteers throughout the community are part of this budget because they are a very important source of our community's strength.

As educator and civil rights leader Booker T. Washington once said, "If you want to lift yourself up, lift up someone else."

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