

Thank you.

I'd like to thank each of you for your service to our city through the Metro Council. I'm proud to serve alongside you.

When we each swore an oath to "faithfully execute, to the best of my ability," the office we'd been elected to serve, we knew it was a great honor.

We also knew it was a great responsibility, one with rewards and challenges, obligations and opportunities.

And we see all of those in this year's budget, which is the eighth budget I've had the privilege of presenting to you.

I'd like to acknowledge and thank for their service those councilmembers who aren't running for re-election: Councilwomen Butler, Denton, Leet, Welch and a special shout-out to the veteran of the group, Councilwoman Mary Woolridge, in her 16th year on the council.

However many times you've been through this process, it's clear that, while this budget has challenges, our city is operating at a different level – a higher level – than we were in years past.

When I presented my first budget, I emphasized that we are a city of great neighborhoods, all diverse, distinct and loved. And we also embrace the truth that we are one city, one community.

That's especially true here, in this chamber, where our citizens have sent us to work together to move our city forward.

We're here to make decisions about where to invest our citizens' tax dollars, based on our city's needs, and guided by our core values of health, lifelong learning and compassion.

So let's talk about what we've done **as a city** in the last seven years:

We've created more than 72,000 new private sector jobs.

We've opened 2,500 new businesses.

We've reduced unemployment from 10.4 percent to 3.9 percent.

And we've seen wages go up.

In the last two years, 11,000 Louisvillians lifted themselves out of poverty, and 8,300 Louisville families joined the middle class.

Since 2014 we've attracted nearly \$13 billion in capital investment.

We have more than 20 hotel projects just opened or in the works – from the new Omni Hotel, to exciting additions to jewels like the Marriott, the Hyatt, the Galt House and the Brown – over a half billion dollars in total.

And we need those hotels because we've developed bourbonism into a year-round tourist industry, helping us attract more than 16 million tourists to our city every year.

And that number is only going to grow when we open the expanded Kentucky International Convention Center in August.

Over the past seven years, we've strengthened our city's budget. In fact, Fitch, S & P, and Moody's have given Metro Government some of their highest ratings.

We doubled the number of miles in the Louisville Loop, and saw the completion of the beautiful Parklands at Floyd's Fork.

We opened up one of the greatest views of our city at the Iroquois Park overlook.

We built gorgeous new regional libraries in Valley Station and Okolona.

We added Google Fiber and their low-cost high-speed internet to the growing list of high tech companies doing business in our city.

We've paved 429 miles of streets and roads.

We untangled Spaghetti Junction and turned decades of talk into reality by completing the Abraham Lincoln and Lewis and Clark Bridges.

While I'm on the subject, I want to thank our citizens for their patience with the traffic impact we've seen as a result of all the construction.

People have been patient and I appreciate it – while quite a few projects are finished, others are getting underway. It is the price of progress in a growing and developing city. It helps that we are a compassionate city 😊

In the last seven years, we've firmly established compassion as a fundamental aspect of our city's identity and global brand.

We worked with JCPS to create the nationally recognized Compassionate Schools Project and created an annual festival of giving and community service – the Give a Day Week of Service, which last week broke our own world record by tallying over 205,000 volunteers and acts of compassion.

Another win for compassion is what we've done to care for our animal friends.

When I took office in 2011, Metro Animal Services' live release rate was around 50 percent. That was unacceptable.

So we made changes to bring that rate up.

We formed partnerships with organizations like the Kentucky Humane Society, the ASPCA and Alley Cat Advocates.

Thanks in part to their help, LMAS has completed one of the most dramatic and impressive turnarounds we've seen anywhere in Metro Government.

I'm happy to say that in 2017, not one dog, not one cat in our care was euthanized to create space or because they'd been there too long. Not one.

Today, Metro Animal Services' live release rate for both dogs and cats is **over 90 percent**.

Congratulations to Ozzy Gibson and his team at LMAS. And a special thank you to Karen Little of Alley Cat Advocates. She's here with us as well. Thanks to all the LMAS partners and volunteers who love animals and who've found one more way to show what a compassionate city is all about.

We achieved these successes while also investing in public safety, funding an increase in police officers that put more LMPD cops on the streets, protecting our citizens.

We created the Office for Safe and Healthy Neighborhoods to help us address the root causes of violence, and work with community partners to provide resources, increase opportunities to put more of our citizens on a safe and healthy path, and help more people have a safe and healthy place to call home.

And we worked to attract unprecedented investment in West Louisville. In a national competition, we secured the \$29M Choice Neighborhood grant for Russell.

An arts and culture renaissance is happening in Portland.

And this budget furthers that progress by investing nearly half a million dollars to advance the construction and development happening at 18th and Broadway.

That's where we'll soon have the Republic Bank YMCA, across from the new Passport Health Plan corporate headquarters and a key stop on our new bus rapid transit system.

And, pending the completion of a development agreement, we'll begin working with our partners at the Urban League on the \$30 million Heritage West Track and Field facility at 30th and Ali.

Add everything up, and we're seeing close to a billion dollars of investment west of 9th Street. It's long overdue. And we're just getting started.

And just recently, Forbes magazine recognized Louisville as one of the top 10 coolest cities in America.

All these accomplishments represent real progress and national recognition for the work we are doing.

And they're the result of hard work, collaboration and partnership from the people in this chamber, my team at Metro Government, and hundreds of thousands of Louisvillians in every neighborhood in this city.

They're also the result of seven years of smart investments that Metro Government has made in our citizens and in the services that help them reach their full human potential.

That's what government is supposed to do. And that's also how we define our city value of compassion.

Of course, inevitably, along with progress, we also face challenges.

This year, our biggest budget challenge is the impact of decades of Frankfort underfunding of our state's pension system. It's hitting us in this budget, and it's serious. It will have a \$9.4 million impact on our budget this year.

In addition, after years of relatively minor increases, our costs for employee healthcare have increased this year by almost 20 percent.

And we need to absorb this increase because we appreciate our employees, and in a tight labor market, we need to do what we can to recruit and retain talent.

This \$19 million impact is addressed throughout this budget through a combination of cuts and efficiencies spread across Metro agencies.

However, there are no complete eliminations of a specific service, and no layoffs. And we're providing a two percent general increase for non-union employees, and union members will likewise get their negotiated raises.

We do intend to reduce payroll in several areas - all through attrition.

And we've worked to implement cuts and reductions in a way that's fair and minimizes the impact on city services, though let's be clear: there will be an impact.

I am very excited and optimistic about Louisville's future, but absent accelerated revenue growth and with more painful budget cuts, this pension issue will be a drag on our budget for the foreseeable future.

We saw Frankfort take some steps this session on tax reform. However, we need tax reform that goes even further.

Our economic momentum and our readiness for the future require more substantive and comprehensive revenue-producing tax reform at both the state and local level, while also assisting our most vulnerable citizens, many of whom live paycheck to paycheck, through programs like the Earned Income Tax Credit.

And that reform must include more local control, so that our citizens and those of us in this chamber can have more flexibility to craft and implement strategies that work for Louisville.

Because the fact remains that our city generates about \$2.8 billion in tax revenue that we send to Frankfort, and we receive half of that back in benefits - \$1.4 billion.

That means when Louisville grows, the entire Commonwealth benefits.

So it makes common sense and financial sense that we should have a greater say in planning our own future.

I ask all of you to help me spread that message of the need for local control for the cities and counties of our Commonwealth.

All that said, this budget is balanced, as required by law. It includes no tax increases.

Since only nine days have passed since tax day, some of our estimates may change slightly as we continue to tally our receipts.

Also, the impact from some of the cuts by state agencies won't be clear until these agencies announce their plans sometime in the next fiscal year.

Still, this budget allows us to maintain our focus on meeting our first and most critical obligation – the safety of the public, an area where we're seeing significant progress – while continuing to grow our economy and create opportunities for our citizens.

While the pension challenge has forced us to reduce funding across agencies, we can't solve one challenge by neglecting the others.

That's why we have to continue to invest in ourselves, and in key development opportunities.

Like the Russell renaissance. This budget includes funding so we can continue working with the people of Russell to leverage public and private money to bring this historic neighborhood a future as proud as its past.

This budget includes funding to continue development of our new soccer stadium district. This is a partnership with the owners of USL champions Lou City FC to create a vibrant new stadium district just east of downtown.

The district will include hotels, restaurants, offices and other retail properties anchored by a 10,000-seat soccer stadium for Louisville City FC. The last step in this process is working with the state to finalize their participation, which we hope will happen in the next few weeks.

There's funding for the restoration of Colonial Gardens in south Louisville, which should be complete and open for business next year.

Investing in our economy also means investing in our workforce, by continuing to fund and partner with programs like the Kentucky Health Career Center, the Nia Center, Code Louisville and others.

It also means fully funding SummerWorks. We created this program in 2011 to address the lingering problem of youth unemployment.

That year, we helped 200 young people ages 16 to 21 find summer jobs.

Last year, more than 5,200 young people found jobs that gave them the skills and experience they'll need to build satisfying careers.

Many of those jobs were with Louisville's largest companies, including GE Appliances, Humana and Norton Healthcare, employers that directly pay the salaries of these young people.

The \$600,000 in this budget supports the SummerWorks staff who match youth with hundreds of job opportunities throughout the private and public sectors.

This funding also sponsors job opportunities for those young people who absolutely need this chance the most; young people whose families don't have the money or the connections to help them get ahead.

That's one reason SummerWorks deserves to be fully funded: It ties in with economic and workforce development, lifelong learning, and public safety.

Because people between the ages of 16 and 21 are at a stage of life where they're looking at what options they have to provide for themselves and sometimes their families as well.

The streets provide options.

And some young people, out of fear or desperation, will choose the streets.

We have to provide other options. So Louisville's young people know they have better choices. So they know their city believes in them.

That's what SummerWorks does. Last year, a majority of the youth directly placed in SummerWorks-sponsored jobs lived in West and Southwest Louisville, in neighborhoods including Shively, Shawnee, Chickasaw, California and Park Hill.

This program has earned national recognition. And research supports its value as a path to education and career. SummerWorks helps us address the fundamental fact that while we are one city, not everyone in our city is experiencing our prosperity to the same degree.

That disparity has deep roots and a long history in our community and our country.

That's why we have to keep investing in programs that support our city value of **lifelong** learning. Programs like the new Word Gap Project.

Research shows the correlation between hearing words and brain development.

According to one study, by the age of three, children who were born into low-income families have heard roughly 30 million fewer words than children from more affluent families.

And that deficit often turns into a lifelong hindrance. That's why we're partnering with the National Center for Families Learning, Metro United Way, Lift A Life Foundation, CE&S Foundation and others on Word Gap, to educate parents and caregivers on the importance of talking to babies and toddlers.

Again, leveraging partnerships to produce a greater return for our taxpayers.

We're investing \$150,000 in the BLOCS program, which works with JCPS and other partners to provide families with better options for out-of-school-time activities.

BLOCS aligns perfectly with another lifelong learning investment: Cradle to Career.

We launched this program in 2014 with the idea that to help our city and our economy continue to grow and develop, we need to recognize that learning is happening all the time, whether our children are in the classroom or not, and even long after they leave the classroom.

This year, we're making a Cradle to Career investment that will help us align and streamline efforts happening across the city, strengthening the wraparound social, emotional and learning services available to students and parents, and working to make higher education more affordable for Louisville families.

These investments are critical for our community.

I spend time visiting people incarcerated in our jails, or involved in our justice system, or who are struggling to find employment because they have a criminal history or substance use disorder.

And I imagine who they were when they were three, four years old. Or ten. Or sixteen.

There were probably moments when someone could have intervened -- redirected them.

Maybe if they'd had that from the start, or someone looking out for them at a crisis point, they could have found and followed an entirely different path, one that would lead to a better, safer and more prosperous life for them, their families and the hometown we share.

Reaching people at those intervention points is key to changing lives. That's part of the work we're doing through our Office for Safe and Healthy Neighborhoods.

That's why we're proposing \$2 million for youth violence prevention programs like Restorative Justice and Cure Violence.

Cure Violence has been successful in a variety of cities by taking a scientific approach to stopping the spread of violence. Cure Violence uses strategies and methods associated with disease control: detecting and interrupting conflicts, identifying and treating the highest risk individuals, and changing social norms and expectations.

Some Cure Violence communities have seen dramatic reductions in violence.

Since we created the Office for Safe and Healthy Neighborhoods in 2012, it's brought in millions in grants, including a \$1.2million grant last year from the William R. Kenan, Jr. Charitable Trust.

We're using it to create a leadership development and civic engagement program to help rehabilitate young men who've been involved in the justice system, but want to turn their lives around.

We're also working with our young people through our ReImage program, which is a partnership among Safe and Healthy Neighborhoods, KentuckianaWorks, local employers and volunteer mentors.

ReImage works with young people who've been involved with the justice system and who are trying to turn their lives around. ReImage connects them with opportunities for employment and education.

Among the 400-plus participants in ReImage over two years, the recidivism rate is less than five percent.

And right now, I'd like to welcome to City Hall, Cameron Montgomery.

Cameron discovered the ReImage program when he was 20. He credits ReImage with helping him find his way.

With the support of ReImage, Cameron has become an entrepreneur. He's started his own cleaning business - the Montgomery Integrated Networking Company.

And at 22 years old, he now has about a dozen employees.

And he wants to pay it forward, and help other young people.

Cameron's goal is to hire at least one young person to work for him this year through SummerWorks.

Cameron's story reminds us that the decisions and investments we make in this chamber have a profound impact on the lives of people in our community.

Cameron, thank you. Great job! And good luck.

This year's investments also maintain our commitment to public safety by devoting 55 percent of general funds to those agencies— LMPD, the Office for Safe and Healthy Neighborhoods, the Louisville Fire Department, Corrections, Emergency Services, the Criminal Justice Commission and Youth Detention Services.

And this budget follows up on investments we've made that have helped our LMPD officers and others save lives: The Real Time Crime Center, the 9th Mobile Division, Body Cameras, Shot Spotter and more.

And we will continue to invest in resources and training for our officers, for their benefit and the public's. The officer-involved shootings we've seen recently make the value of these investments clear.

We believe in transparency. And while each of these incidents had unique circumstances, having an unusual number take place in short succession naturally prompts questions and concerns. That's why LMPD releases body camera videos quickly.

That's also why this budget supports continued officer training in de-escalation and unconscious bias.

And this budget, like previous budgets, prioritizes both violence prevention and investing in our young people as parts of our public safety strategy.

Because we've seen our investments, and our strategy, return tangible public safety results for our citizens.

In 2017, we saw our numbers on crime overall, and violent crime in particular, start to decline.

And while there's lots of work ahead, I'm glad to say that this positive trend is continuing in 2018. Compare the data from January 1 through this week to last year. Among other things, here's what you find:

Shootings – down 20 percent.

Homicides – down 19 percent.

We will keep working our plan – and always seek new ideas – to improve all of these results.

So please join me in thanking the brave men and women of LMPD, including Chief Steve Conrad and his command staff, for the difficult, dangerous and absolutely essential work they do.

This year, we also provide funding to address the challenge of the LMPD headquarters.

We have a plan to move the Crime Scene Unit and the Crime Information Center out of 7th and Jefferson, and we're working with LMPD to finalize plans to move out the third and final unit – the Chief and administrative staff – and determine next steps for the property itself.

Next week, we hope to present to you a consultant's report that examines Louisville Metro Government's facility needs, including recommendations on options, and scenarios for consideration, for where to relocate staff from LMPD headquarters and the Fiscal Court buildings, as well as funding proposals.

This budget also provides initial funding for the relocation of the vehicle impound lot, which has reached capacity and needs a new and better home.

We are currently studying our options and will continue to work on both a new home for the lot and other possible solutions as well.

We'll also keep providing every first responder with Naloxone to help prevent overdose deaths.

It's part of our ongoing efforts to fight the opioid epidemic that has devastated families in every ZIP code in our city and across our country.

And we're seeing progress there as well. So far this year, LMPD is reporting a nearly 40 percent drop in drug overdose deaths.

Just like with crime, one is too many, and we're continuing to fight the opioid epidemic through our *Coming Together for Hope, Healing and Recovery* report and action plan from our Metro Department of Public Health and Wellness.

In accordance with that plan, we're also increasing funding to the Living Room Project to \$650,000, in partnership with Centerstone, which helps people struggling with opioids or other substance use issues get treatment and mental health support instead of going to jail or the emergency room. We can adjust the funding as results merit.

We also have to continue supporting efforts to make sure citizens can meet basic needs, like housing.

In the last three years, we've invested nearly \$30 million in local funds in the Louisville Cares program and the Affordable Housing Trust Fund.

We're continuing that commitment with a \$12 million investment in affordable housing in this budget - \$10 million to the Affordable Housing Trust Fund and \$2 million to Louisville Cares.

When we talk about meeting the basic needs of our citizens, we have to recognize that that list is changing. Especially when it comes to helping citizens develop the skills they need.

To develop skills in the 21st century, people need access to a high-speed internet connection, and far too many still don't have that. Even today, 82,000 Louisville families don't have computers in their homes.

This is in an era when 90 percent of careers require digital skills, a number that's only going to increase.

We must close this digital divide. That's why we're also working with partners to provide adequate and affordable hardware, assistive technology and technical support.

This is why we have invested in LFIT - Louisville Fiber Information Technology.

This is our municipal fiber optic network. We anticipate increasing our network by 500 percent this year, including 6.6 miles of fiber optic cable in West Louisville.

This will lay the foundation for future improvements to transportation mobility, public safety, public Wi-Fi and more.

We must make digital resources accessible to everyone, at every income level and in every part of our city.

And that service is just one more reason our public libraries are so valuable – and so loved by our citizens.

Our public libraries have been an outstanding resource for the people of Louisville for over 100 years, providing information and access to employment and education opportunities, as well as serving as lifelong learning hubs and community gathering spaces.

That's why this budget includes the funding necessary to complete the Northeast Regional library, which will open in 2019.

I just took a tour of the construction site off New LaGrange Road.

It's going to be spectacular: 40,000 square feet of space and a sustainable, eco-friendly and cost-efficient design.

And I'm proud to say that when this library campus opens, we will have fulfilled our commitment under the Library Master Plan to provide a full-service library within five miles of 90 percent of Louisville residents.

We're building Northeast at the same time that we're renovating and expanding the St. Matthews library in partnership with St. Matthews city government – another partnership that helps us give our citizens a greater return on their tax dollars.

And let me take a minute to thank and acknowledge our outstanding Louisville Free Public Library staff in all 18 libraries, for the incredible work they do serving citizens every day, adapting to new technologies and the changing needs of the public they serve.

Jim Blanton, the head of LPFL is here. Jim, thank you very much.

Other investments include paving.

We will pave more than 180 lane miles this year, comparable to what we funded in FY 18.

And we're making street and sidewalk improvements, in conjunction with our Move Louisville plan and fix-it first strategy. Some examples of those projects:

- The East Market streetscape
- River Road West Extension
- Sidewalks on Cannons Lane, and
- South Pointe Commons.

We'll also be investing in the continued upgrading of Dixie Highway, where we're combining Metro Government resources with state and federal grants to create a safer, modern roadway that will feature, as I mentioned, the region's first bus rapid transit system.

This budget also includes continued funding for Imagine Greater Louisville 2020, which lays out equitable and innovative ways to use **the arts** to further enhance our quality of life, grow our economy and address our city's greatest challenges and opportunities.

We're investing \$200,000 in Imagine Greater Louisville 2020, half of which will support a program to create a series of one-of-a-kind murals throughout our city, and all of which – the entire \$200,000 - will be matched with a donation from the Jennifer Lawrence Foundation.

This budget also includes funding to hire someone to ensure our population is accurately counted in the upcoming 2020 Census.

An accurate tally is essential because many state and federal dollars are given to cities based on this count.

And we're also going to build on the great work of our Metro Animal Services team by completing construction of a new animal shelter next to Animal House on Newburg Road.

We're also funding critical technology upgrades for our systems.

Cyber attacks are on the rise worldwide, and cities like Atlanta have recently faced crippling hacks to their systems that caused disruptions for weeks.

We need to invest in both our IT networks and systems to be prepared for and prevent these kinds of attacks.

And while we're investing in a variety of enhanced technology resources, we also have to maintain our city's vital natural resources.

That's why this budget devotes \$2.2 million to Metro Parks for upgrades and maintenance needs and repairs, including a \$500,000 match for the Olmsted Parks Conservancy.

We're also investing in our tree canopy.

This is critical because our tree canopy makes our city not only more beautiful, and but improves air quality and health.

Trees are the foundation of growing, healthy neighborhoods.

People want to live on streets with trees. And, research indicates that in a single year, Louisville's tree canopy provided approximately \$329 million dollars in benefits.

In one year. That includes the value from stormwater runoff reduction, energy savings, increased property values, help with pollution control and more.

So I want to thank you for recognizing the value of our tree canopy and adopting the tree protection ordinance last December.

Thanks, in particular to Councilman Hollander and Councilwoman Hamilton for your leadership on this issue. In accordance with that ordinance, in this budget, we're investing \$600,000 to **plant more trees.**

My wife's family is from Greece, and there's a Greek proverb that translates roughly as, "A society grows great when old people plant trees whose shade they know they may never sit under."

It would be easy in a challenging budget cycle like this to just focus on the needs of the moment.

And certainly we have to address the concerns and opportunities facing our citizens today.

At the same time, we have to also keep an eye to the future.

That's been our approach from day one, and it's helped us work with our partners in this chamber and across the city to create a growing economy with tremendous potential for our city.

So we have to maintain that focus, that balance between today and tomorrow. We have to do what we can to help prepare the young people of today – and tomorrow – for the challenges they'll face in the future.

Thank all of you for your time and attention.

Thank you for raising your right hand and taking that oath of office – whenever it may have been – and working to live up to it.

We are one city.

With one future.

Let keep working together to build on our tremendous momentum, to keep moving every corner of our city forward.

Thank you.