



# BUILDING ON OUR SUCCESS

RECOMMENDED EXECUTIVE BUDGET FOR **2016-2017**  
LOUISVILLE METRO GOVERNMENT | MAYOR GREG FISCHER







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## **Mayor Fischer unveils new budget that builds on city's success, commits \$23.5 million for road improvements**

*Includes dollars for Affordable Housing Trust Fund, Northeast Library design, additional LMPD officers, new animal shelter, Waterfront Park expansion*

**LOUISVILLE, KY (May 26, 2016)** – Mayor Greg Fischer today unveiled his proposed city budget for the 2016-2017 fiscal year, which builds upon the city's success and devotes \$23.5 million to paving streets and repairing roads and sidewalks, the largest such investment in a decade.

The \$822 million budget also devotes a significant investment — \$2.5 million — to the Affordable Housing Trust Fund; \$3.4 million to build a new animal shelter to replace the outdated and flood-prone facility on Manslick Road; and funds the design of a new Northeast Regional Library, the last of three major new regional libraries.

The budget also dedicates \$950,000 to plan for Waterfront Park Phase IV and invests \$2.6 million to help with the ongoing revitalization of the Russell neighborhood and in support of the CHOICE neighborhoods initiative.

The largest portion of the budget — 58 percent — is devoted to public safety agencies, including the hiring of 40 firefighters and 122 LMPD officers, and \$12 million to replace police cars, fire trucks, ambulances, snow plows and garbage/recycling vehicles. It also includes \$300,000 to expand the city's camera network by 30 to 50 cameras, more overtime money for officers to patrol neighborhoods experiencing spikes in crime and additional staff resources for the Office of Safe and Healthy Neighborhoods.

"This budget strikes a critical balance by focusing on areas of immediate concern — such as paving bumpy and deteriorating roads — while also making necessary investments to keep our city moving forward," Fischer said in his budget address to the Metro Council. "This budget anticipates our needs, and it builds on our success."

Included in the \$23.5 million investment for road repairs and street improvements is \$3 million for sidewalks and \$500,000 for new bike lanes. That's the largest bike lane investment since Fischer took office and would bring the biking network to 200 miles, from the current 135 miles.

The road and paving commitment follows the city's "fix it first" strategy and comes upon the heels of a Metro Council special committee that examined deferred maintenance and road needs citywide.

"The need here is critical – you know it, I know it and our citizens know it," Fischer told the council. "The truth is that to fully address our deferred maintenance needs would require every single one of the \$583 million of locally generated dollars in this budget – and then some."

And to better showcase the beauty of Louisville beyond its downtown core, the Mayor also proposes funding additional resources to tackle the issues of graffiti and litter.

In dedicating \$2.5 million in general fund dollars to the housing trust fund, Mayor Fischer also noted that the Metro Council could re-enact the gas agreement to create a dedicated, recurring source of revenue for the trust fund. At 1%, it would generate \$2.5 million a year; 2 percent would generate \$5 million.

The budget also included \$5.1 million in grants to local arts groups, non-profits and community ministries. A committee that includes Metro Council members determines which non-profits receive those competitive grants, and the Mayor accepts those recommendations without changes.

Other highlights of the proposed budget include:

- \$6.1 million for new computer systems and software upgrades for city government;
- \$4 million for HVAC and other upgrades at the 16-year-old Slugger Field;
- \$1.7 million for general repairs in Metro Parks citywide;
- \$1 million for repairs at the Louisville Zoo;
- \$1 million to gain control of vacant and abandoned properties and return them to productive use;
- \$600,000 for the SummerWorks program for teens;
- \$500,000 for the Healing Place's capital campaign to help expand services to citizens addicted to drugs and alcohol;
- \$100,000 for a new public art project following the success of last year's Connect/Disconnect art project on the banks of the Ohio River;
- \$100,000 to plan for the re-imagined Broadway, from the Highlands to Shawnee, as part of the MOVE Louisville long-term transportation plan;
- \$100,000 for a cool-roof incentive program to help combat the city's urban heat island. These funds will be used to encourage private businesses to install cool roofs;
- A 2 percent raise for non-union city employees (union employee raises are set by their collective bargaining agreements).

The budget includes \$67 million in new debt – and also sets aside \$67 million in the rainy day fund, the largest amount since Fischer took office.

"For the last five years, our improving economy and strong fiscal stewardship have allowed us to pay down our debt. That's why we can afford to invest more in our future. In this budget, you'll see \$67 million in new debt, which we believe is responsible and will allow us to continue investing in future fiscal years.

Metro Council will spend June conducting budget hearings; a final vote on the budget is expected June 23.

"We are fortunate to have tremendous momentum in our city," Mayor Fischer said. "Let's keep working together to pass a city budget that builds on the success of the past, addresses the needs of today, and prepares us for the opportunities of tomorrow."

The full budget, videos and graphics are available at [louisvilleky.gov](http://louisvilleky.gov)



## **2016-2017 Mayor's proposed budget – key points**

### **Key points**

- \$822 million budget that “builds on our success”
- \$583 million of general fund (locally generated dollars that fund most of city government)
- The largest portion of the budget – 58 percent — is devoted to public safety agencies, including the hiring of 40 firefighters and 122 LMPD officers, and \$12 million to replace police cars, fire trucks, ambulances, snow plows and garbage/recycling vehicles.

### **Key investments**

- \$23.5 million for street improvements and paving – fix it first strategy. That figure includes \$3 million of sidewalks and \$500,000 of bike lanes, bringing total bike lanes in the city to 200 miles.
- \$6.1 million for new computers and software systems for city government;
- \$4 million for HVAC and other upgrades at the 16-year-old Slugger Field;
- \$2.5 million to the Affordable Housing Trust Fund;
- \$1.7 million for general repairs in Metro Parks citywide;
- \$1 million for repairs at the Louisville Zoo;
- \$1 million to gain control of vacant and abandoned properties; return them to productive use;
- \$950,000 for Waterfront Phase IV
- \$650,000 to design new Northeast Regional Library
- \$500,000 for the Healing Place's capital campaign to help expand services to citizens addicted to drugs and alcohol;
- \$100,000 for a new public art project following the success of last year's Connect/Disconnect art project on the banks of the Ohio River;
- \$100,000 to plan for the re-imagined Broadway, from the Highlands to Shawnee, as part of the MOVE Louisville long-term transportation plan;
- \$100,000 for a cool-roof incentive program to help combat the city's urban heat island. These funds will be used to encourage private businesses to install cool roofs;
- A 2 percent raise for non-union city employees (union employee raises are set by their collective bargaining agreements).

### **Key new investments for public safety**

- We will be hiring 122 recruits -- the most recruits ever hired in a single fiscal year.
- We have reallocated \$640,000 to overtime to help fund crime fighting strategies in neighborhoods that are experiencing the most violence.
- Budget includes \$300,000 to expand the Metro Watch Camera system. This funding will be used to install cameras in all eight police division in areas where we have experienced significant crime problems.
- Also includes more staff resources for the Office of Safe and Healthy Neighborhoods.

- \$400,000 for community center improvements
- Keeping those community centers open longer hours during summer, as we did last year.



## Mayor Greg Fischer's budget address to Metro Council

May 26, 2016

Thank you. It's an honor to be here. Thanks to the Metro Council. I'm proud to serve alongside you.

Whether you're Democrat or Republican, new to Metro Government, or a longtime public servant, each of us raised our right hand and took the same oath when we first came into office.

I first did that on a really cold morning in January 2011. Like each of you, I swore I'd never fought any duels with deadly weapons – which is still true.

And I promised to be “faithful and true to the Commonwealth of Kentucky” and to “faithfully execute, to the best of my ability,” the office of mayor.

I made a fundamental commitment – a promise – to protect our citizens' safety, invest their tax money wisely and do everything I can to make this city a place where every citizen in every neighborhood has the opportunity to reach their full human potential.

The budget I'm proposing, which helps fulfill that promise and was put together in consultation with members of the Metro Council Budget Committee, strikes a critical balance by focusing on areas of immediate concern – such as paving bumpy and deteriorating roads – while also making necessary investments to keep our city moving forward. This budget anticipates our needs, and it builds on our success.

When I first took office in 2011, our city faced a serious structural budget problem – a \$22.5 million deficit, 10 percent unemployment, and tremendous anxiety and uncertainty about the future.

We took on all those challenges **together**.

We smartly cut expenses and created a more lean government through programs like LouieStat. We focused on continuous improvement and innovation – and now we have a structurally balanced budget.

We've received strong ratings from the nation's major credit agencies, telling the world that the home of the Kentucky Derby is a good bet

We were the fourth-fastest city in America to recover from the recession. We've added 47,000 jobs, opened 2,500 new businesses and welcomed billions in new investment. Our economy has great momentum, and this budget contains funding for programs that will help us extend that momentum.

At the same time, as we look at our city's needs, it's clear that while our economy is no longer suffering the effects of the recession, our city's infrastructure is another story.

Our city is almost 240 years old. That history is a strength and an asset, but with that history come potholes in our roadways, bridges whose foundations buckle and become unsafe, cracks in our sidewalks, and buildings badly in need of repair.

You heard about these challenges during Council hearings over the past month. These deferred maintenance challenges demand our attention **now**. You know it, I know it, and our citizens know it.

The truth is, to fully address all of our citywide deferred maintenance needs – roads, bridges, parks, city-owned building and more – would take **every single one** of the 583 million dollars in our budget's general fund – and **then** some.

First, our road conditions – the most frequently cited need for improvement. I'm proposing \$23.5 million in street infrastructure improvements.

That's more than double last year's recommended budget – and it's the largest recommended infusion of dollars for paving **since merger**. These funds will also align with the fix-it-first strategy outlined in our Move Louisville plan.

Twenty-three-point-five million is a strong down payment we must make immediately to get crews rolling on streets all across the city that are most urgently in need of repairs.

We also recognize that we can't just **repair** our roadways; we also need to **prepare** them for a transportation future that will look different from the past.

One example can be seen with our Move Louisville plans to remake Broadway, our primary east-west corridor, into an easier, more efficient route for drivers, cyclists and pedestrians, one of the top recommendations of Move Louisville.

This is similar to what we're doing with Dixie Highway: First we planned for how we'd remake it, and then we secured state and federal funding. And now, the Dixie Do-Over is getting done.

Research and citizen feedback tells us these upgrades are critical because they make it easier for our citizens to walk and bike, and citizens, especially young professionals want more ways to move around town than just driving in their own cars.

That's why, of that \$23.5 million, we're investing \$3 million to repair our sidewalks, and \$500,000 to create new bike lanes and shared lanes.

With this budget, we'll grow our city's on-street bike network from 135 to 200 miles.

It's all part of our effort to provide better, smoother transportation options for citizens, whether they're in cars, on buses, bikes, on foot or in wheelchairs.

We all know that everything in a city is connected.

If we want people to reach their full human potential, basic needs have to be met.

And one of those is housing.

Today we have too many citizens who lack access to affordable housing. More than 60,000 households in Louisville currently meet the federal government's standard as being overly cost-burdened.

That means they spend more than 30 percent of their income on housing, which often compromises citizens in other vital areas – like paying medical expenses, buying shoes for the kids, or saving for college –or an unanticipated emergency.

Last year, we made a \$12 million commitment to affordable housing through Louisville CARES – the biggest commitment to affordable housing in our city's history. That investment is helping to create or preserve 1,500 affordable housing units specifically designed to provide workforce housing for working families.

That was a very good step – and we need to build on that.

There's been a great deal of conversation between citizens and the Metro Council about housing issues recently.



Earlier this month, Councilman Bill Hollander said it best: "With a recovering economy and increasing Metro revenue, it is inexcusable and short-sighted to leave behind our most vulnerable residents who need safe and decent places to live."

It's time for us to do more.

That's why I'm proposing we make a significant investment in the Affordable Housing Trust Fund. My budget commits \$2.5 million to the Affordable Housing Trust Fund. And, should you decide to renew the LG&E franchise agreement, which is currently before you and generates \$5 million a year, the people of Louisville could have a dedicated, recurring source of revenue for affordable housing.

Our citizens are capable of great things, but we have to provide more stable, affordable housing options in order to help more of them succeed.

Like Melissa Bush.

Melissa is a single mom who moved to Louisville from Louisiana in 1998. One goal she had was to get a job – she did that almost right away and has worked ever since. Another goal was to buy her own home. She spent 15 years in Section 8 housing. Moved nine times.

Then she got connected with River City Housing, which receives support from Metro Government. Today, Melissa owns a lovely 3-bedroom brick ranch house in PRP. Melissa's daughter told her, "We're so glad you bought this house, because now we'll always have somewhere to come home to." Melissa's here with us today. Thank you, Melissa. Great job!

That's what we can do by investing in affordable housing – help citizens live better lives, provide stability for generations of our families and strengthen the economy at the same time.

There are many ways we can create pathways to prosperity for our citizens. One way we do this is by promoting lifelong learning, one of our city's core values.

Our libraries are lifelong learning hubs throughout our city. In 2009, Metro Council approved the Louisville Free Public Library's Updated Master Facilities Plan.

And in 2014, we opened the gorgeous new Southwest Regional Library, which has won numerous awards for its design.

Next spring, we'll open the South Central Regional Library in Okolona. And today, to complete the regional library vision of the Library Master Plan, I'm committing funds to planning and designing a new Northeast Regional Library.

We plan to build the Northeast Regional Library in a park-like setting on land we own near the intersection of New La Grange Road and Whipps Mill Road, near the Northeast YMCA. This 40,000-square-foot, state-of-the-art facility will replace the much smaller Westport branch and be a place that inspires learning at all stages of life. One of my goals for next year's budget will be to fund the construction of this library.

This will add another beautiful library to our city. And we have, of course, a beautiful city. But the truth is that some people do not respect that beauty. Graffiti and litter are all-too-common eyesores.

That's why this budget adds resources and organizes a new Clean and Bright team to tackle graffiti and litter and help us truly showcase the beauty of our city.

This cross-functional team, with employees from Public Works, Codes and Regulations, and Brightside, along with some additional funding in this budget, will help send a message on the importance of being clean and bright throughout Louisville.

Successful public spaces showcase pride. Look at Waterfront Park for a great example. Remember how it looked before?

Today, Waterfront Park is Louisville's front yard. That transformation is a point of pride that's been honored as one of the great waterfront developments in the world.

Let's extend that transformation westward. Today, the area along the river from 9<sup>th</sup> to 13<sup>th</sup> Street is filled with vacant lots and overgrown weeds.

Transforming that space into something green and beautiful and family-friendly will help quality of life, boost property values, and increase traffic and commerce in downtown and west Louisville.

Our city was founded on the Ohio River. Then, for years, we turned our back on the River. Today, we recognize that our future and our identity are forever and proudly tied to the River.

That's why we must make Waterfront Park Phase IV a reality. This budget starts that process.

Part of our job is to meet the needs of today as we prepare for tomorrow – and we're good at doing both. Dell computing recently named us one of America's most **future-ready** cities.

And we've put ourselves in position to make a great leap forward into the future with our technology infrastructure. We have the opportunity to bring our citizens ultra-fast gigabit Internet.

So let's make the most of it.

This budget will help us better work with companies offering gigabit Internet services so we can streamline permitting and other processes.

This investment will allow us to hire three inspectors and two engineers, as well as contract workers to help these companies navigate the permitting process as efficiently as possible.

Becoming the next Google Fiber city, for example, will help us attract and retain talent, and reinforce a critical message that we're sending the world about our city: In Louisville, we're not just getting **ready** for the future, we're **making it happen**.

That means building on our successes, to create even greater opportunities.

That's what this budget is designed to do.

We've had some great success with Metro Animal Services. With our live release rate, we've gone from about 40 percent to 83 percent and it's trending upwards.

Now, to take LMAS to the next level, we have to address the situation in our Manslick Road animal shelter.

This facility was built in the **1960s** in what would now be considered a flooding zone. It has been a challenged facility for a long time. It is falling apart and cannot serve the animal control needs of our city - services we are required to offer under the law.



This facility is too small, too old and too inefficient. Faulty heating and wiring have led to fires. When it rains, the place floods, leading to chaos in the facility.

This budget includes \$3.4 million, along with \$1.8 million set aside last year, to build a new shelter that will be attached to Animal House on Newburg Road – giving us a full-service facility that provides a healthier and safer environment for dogs, cats and other animals, and the people who care for them.

Obviously, there are too many proposed investments to list all of them here, but I'd like to highlight a few more:

- Today is the last day of school for JCPS. While summer can be fun, kids can get bored and restless, and many suffer from summer learning loss. That's why we're again expanding hours and programming at our community centers this summer.
- We're also continuing our commitment to our Cultural Pass program, which gives students free access to cultural institutions that promote learning, like the Frazier History Museum, the Ali Center and the Louisville Zoo.
- Speaking of the Zoo, it's also one of the top tourist attractions in our city. That's why we propose \$1 million for repairs and upkeep to keep this valuable community resource going strong.
- We also have a great parks system that our citizens love. Unfortunately, compared to other cities, our level of investment in our parks system is in the bottom quartile. So I am proposing \$1.7 million in this budget for repairs and maintenance in our Metro Parks, like Jefferson Memorial Forest, which offers 35 miles of hiking trails that tens of thousands of citizens use every year.

- Likewise, Slugger Field has been an award-winning attraction to our downtown for 16 years. The Bats recently welcomed their 10 millionth fan. It's also home to our Louisville FC soccer team. So this budget has \$4 million for basic repairs and maintenance to HVAC, bathrooms, etc. to this city-owned facility.
- In addition, we want to build on the success we've had engaging citizens through our public art projects. Our first temporary public art exhibit – on the banks of the Ohio River near 10<sup>th</sup> Street in West Louisville – was a huge success, attracting thousands of people to a space that few people visit. The project, called Connect/Disconnect, also served as a featured location for ReSurfaced. These works of art sparked people's imagination and conversation – just what public art is supposed to do. The \$100,000 in this budget will allow us to create another major public art project.
- Our SummerWorks program has grown from summer jobs for 200 kids in the first year to more than 2,500 last year and even more this year. This year's budget will allow us to hire an additional 100 kids and provide additional staff support for the participants and employers alike.
- Also, if we want to ensure our economy is working for everyone, we must support entrepreneurs and small businesses. In particular, it's critical we promote minority, women, veteran and disabled-owned small businesses. We recently created a new on-line vendor portal that makes it easier for potential vendors to connect with Metro Government. It also allows our agencies to be more aware of local providers of goods and services.
- The portal is another example of how we're using technology to work with vendors in a way that's more cost-effective. It also allows us to better identify minority, women, veteran and disabled entrepreneurs. We see tremendous potential for economic growth among these businesses. To maximize that potential, we need to know more about who they are. This budget funds a purchasing disparity study, which will tell us more about these enterprises and how we might help them find opportunities to grow their business.

- Since merger, city revenue is up, while our employee headcount is down. City government today is getting more done with fewer people. To maintain that efficiency, we have to invest in our operating needs much like we're investing in our roads. That's why this budget includes \$14.6 million for technology and software upgrades including the replacement of revenue collection software from the last century.
- One challenge some of our neighborhoods face are vacant and abandoned properties. This blight brings down property values and serve as incubators for criminal activity. Since taking office, we've helped enact five changes to state law that make it easier for us to deal with properties that have been abandoned by their legal owners. There's still work to do.
- That's why we are continuing our commitment to our neighborhoods in this budget by replacing other external funding sources that have run their course. I propose devoting \$1 million from the general fund to support demolition, foreclosure and remediation of vacant and abandoned properties.
- We're also committing \$2.6 million to support the ongoing revitalization and re-imagination of the Russell neighborhood. This money will support a variety of goals, like helping more people stay in their homes by making needed home repairs. It will help us build new sidewalks around the Food Port, which will bring jobs to the area. And it's part of our broader strategy to bring more opportunity and jobs to West Louisville.
- We are also focused on the health and resiliency of our citizens. Because of the Urban Heat Island effect, our city's urban core can be as much as 10 degrees hotter than outlying areas - these high temperatures exacerbate many health conditions.
- On this front, we received very good news yesterday that Louisville has been chosen by the Rockefeller Foundation to join the 100 Resilient Cities, which will help us address many of these environmental and health sustainability issues.

- Additionally, this budget includes a \$100,000 incentive program to help commercial buildings install white or green roofs through our Cool502 initiative.
- Trees are also part of the solution, cleaning our air, providing shade, cooling our temperatures, and helping with storm water run-off. We need massive private sector assistance for more trees.
- For the public response, this budget will allow us to plant trees throughout our city. We'll also place trees in public rights-of-way, particularly in areas of town that need more trees, like west Louisville.
- This investment will enable us to provide better care for the trees we already have, and fund a greenhouse gas emissions study so we can make our air cleaner and our citizens healthier.
- Of course, some health needs are urgent, tragic and require an immediate response. I'm talking about alcohol and drug addiction. Addiction affects families in every ZIP code and cannot be ignored. That's why I propose we invest \$500,000 for capital improvements at the Healing Place, which will allow it to expand its work helping people recovering from addiction.
- Every day, our public safety professionals are on the job fighting the scourge of addiction, as well as other challenges that impact safety. Louisville Metro Police Officers, Firefighters, Corrections Officers, emergency service professionals and everyone who devotes themselves to the protection of our citizens.

Public safety is our first responsibility and, as such, it's also our largest investment.



Fifty-eight percent of our general fund appropriation goes to public safety. This year our public safety professionals cited a critical need for new vehicles to replace an aging fleet.

So we're proposing \$12 million next year to pay for new police cars, fire trucks and ambulances, as well as snow plows and garbage trucks.

We also need 40 new firefighters, and four more classes of recruits at LMPD to replace officers who are retiring or leaving the force. Overall, we're hiring 122 LMPD recruits.

That's the most police officers we have ever hired in a single fiscal year. That includes 22 officers who are being hired through federal grants. That's an example of the many ways we're leveraging our citizens' tax investment for the greatest possible benefit.

That's particularly critical in public safety, as we're seeing a rise in homicides and violent crime that sadly mirrors what is happening in many cities nationwide.

We're reallocating \$640,000 to pay for more overtime for our officers. That will help us fund crime fighting strategies in our highest-crime neighborhoods. We're also devoting \$300,000 to expand the Metro Watch Camera system and install more cameras in all eight police divisions throughout the city in known high crime areas.

Crime is a complex challenge we have to find a way to deal with. We know we can't arrest our way to a solution and will continue to marshal all of our city resources to find other ways.

That's why we created our Office for Safe and Healthy Neighborhoods, which has leveraged more than \$10 million in grants to keep more of our young people off the streets and on the right path. They've done that in just three years and earned national recognition along the way.

That's a good investment, which is why there's funding in our budget to expand their staff so we can more effectively implement and track the progress of promising initiatives like Right Turn, Pivot to Peace, My Brother's Keeper and the Campaign for Black Male Achievement.

Each of these efforts involves partnerships with other organizations because, like so many efforts, this is a challenge for our entire community and requires a solution we will only find together.

Altogether, this budget includes \$583 million of general fund dollars, and, with state, federal and capital funding sources, is a total budget of \$822 million. That includes the largest rainy day fund since I took office: \$67 million, which we worked together to make happen.

Also, for the last five years, our improving economy and strong fiscal stewardship have allowed us to pay down our debt. That's why we can afford to invest more in our future. In this budget, you'll see \$67 million in new debt, which we believe is responsible and will allow us to continue investing in future fiscal years.

As we finalize this budget, I look forward to working with you to fulfill our commitments to bolster our city's infrastructure, create more affordable housing, and further improve public safety, among other critical work.

It's an honor to be part of this conversation about the future of our city.

We get to have this conversation because we each made a promise to our citizens that we will serve them faithfully and to the best of our ability. They believed in us enough to vote us into office.

We are fortunate to have tremendous momentum in our city.

Let's keep working together and pass a city budget that builds on the successes of the past, addresses the needs of today, and prepares us for the opportunities of tomorrow.

That's how we'll keep the promise we made to our citizens.

Thank you.

