

State of the City & Budget Address

Mayor Diane E. Whalen

June 10, 2016

Each year, I present my State of the City and Budget Address to provide perspective to our residents on the City's progress and our plans for the future. I presented my first Address in 1999 and have done so every year for 17 years. It is with pleasure that, tonight, I present to you my 18th State of the City and Budget Address.

In this address, like all the ones that preceded it, we try to give you a glimpse, a snapshot of the things that have occurred during the last Fiscal Year, as well as a little bit of insight into why we do what we do and what we hope to accomplish with the upcoming budget. City government works every minute of every day. We have experienced some big city and urban growing pains, and faced things that we never expected in Florence. We will continue to face our challenges head on. We recognize that everything changes as it grows. We are committed to providing a safe and prosperous community where you can enjoy living, working and playing.

Our focus on financial management and economic development has established the city as a center of commerce in the Greater Cincinnati and the Northern Kentucky region. Private investment and job growth continue in the city. Our efforts are paying dividends, and we are experiencing successes from large to small, all of which are very important to our community. These efforts provide an

increased and sustainable source of revenue that allow us to provide the best in public safety personnel and equipment, as well as maintain and improve our city infrastructure through the efforts of the Public Services employees. The fiscal plan and management are in place to make sure that we not only meet those obligations this year, but for many years into the future.

The budget for fiscal year 2016 represents a comprehensive spending plan for all city funds. The budget reflects all known and estimated increases in costs as well as the estimated projections for the various sources of revenues. Our occupational license fees, insurance premium tax, payroll tax receipts, and real estate tax revenues are all dependent on economic conditions and as such, these numbers are subject to continued analysis and review throughout the fiscal year for adjustments. It is important to note that there has been no increase in the real estate tax rate since 2008. In addition, city council is provided with monthly financial reports that show variances between expected revenues and expenditures so they are able to monitor and recognize any needed adjustments.

The general fund budget totals \$33.3 million. This budget figure includes operating and capital expenditures including transfers to other city funds. The operating expenditures are \$21.6 million; an overall 5% increase over those budgeted for fiscal year 2016. The city also has planned expenditures for capital items of \$3.1 million.

Our Finance Department continues to be recognized by the Government Finance Officers Association for excellence in financial reporting, the highest recognition awarded for financial reporting for a municipality. In addition, the city received its second GFOA “Distinguished Budget Presentation” award.

Our staff members in the administrative and finance offices perform responsibly by providing general management and coordination of city operations, support in billing and collections, business licensing, human resources, and risk management. We recently hired Bryan Shirden as our new Occupational License and Finance Supervisor. Bryan comes to us from the private sector and has extensive customer relations experience. Also, as most of you know, Josh Wice accepted a job as the VP of Strategic Resources and Investor Relations at REDI Cincinnati and we wish him well. We are currently searching for the best candidate to continue his efforts in leading us in the economic development arena. We appreciate all the staff members' hard work in assisting businesses in the interim.

The Police Department remained busy this year with approximately 50,477 officer calls with 71,361 units dispatched— everything from traffic enforcement, to accident investigations, to responding to 9-1-1 calls, and assisting residents, businesses, and visitors with their requests for service.

The police departments of Florence, Erlanger, Elsmere and Independence have entered into an inter-local agreement. The purpose of the agreement is to have the greatest impact on illegal activity through cooperation by giving each police department the same powers of arrest and immunities when acting outside their jurisdiction as they would have if the duties were performed in their own jurisdictions. This agreement is only the second of its kind to be implemented in the state of Kentucky.

The newly formed Narcotics Unit is now fully staffed and all of the officers assigned to the Unit have received specialized training for narcotic and vice investigations. The Narcotics Unit has been very successful thus far with 122

felony drug arrests, 143 misdemeanor arrests and 56 warrants served for narcotics trafficking and possession.

The department successfully secured federal and state grants for equipment and special law enforcement programs. A technology-based grant was obtained from the U.S. Department of Justice to purchase twenty two body-worn cameras for patrol officers. In addition, the department was awarded a highway safety grant from the state of Kentucky in the amount of \$41,000 dollars for enhanced traffic enforcement.

In the coming year, the department will apply for grants to purchase additional body worn cameras. The grant will also be used to purchase redaction software. With increased requests from the media for access to police videos, redaction software will allow us to protect the identities of innocent persons who happen to be in the view of the cameras.

In order to remain competitive in the recruitment of experienced officers to the City of Florence, the Police Department and the Fire Department both instituted a lateral transfer program to increase the pool of qualified candidates. The policy gives experienced officers salary and benefits commensurate with their experience in law enforcement or Fire/EMS service.

The Community Resource Unit continues to be active with events throughout the city. This year the unit graduated 625 DARE students, hosted a Citizen's Academy in the spring, attended ten career and job fairs, nine school assembly programs and three bike rodeos. They also assisted in all city parades and the city's celebrations for Easter, Halloween, Fourth of July, Martin Luther King Day, Veterans Day and Christmas. Our Community Resource officers also provided drug and crime prevention training to local businesses as well as special

training and assistance to many other community and public service agencies and youth groups throughout Northern Kentucky.

The Police Department had one officer retire this year, Sgt. Pat Taylor. Sgt Taylor retired after 26 ½ years with the City. The Department hired five new officers in 2015: Brady Napier, Kelli Chapman, Joshua Koors, Jack Eagler and Rob Fulton. We also had four officers receive promotions this year, Officers Mike Geis, Tim Crowley, and Eric Daniels who were promoted to the rank of Corporal. Corporal Jason Reed was promoted to Sergeant. And lastly Captain Steve Butts announced his retirement effective July 31 after nearly 27 years of service.

2015 was a very busy year for the Florence Fire/EMS Department. The ambulances of the department responded to 6,805 EMS incidents including 120 Cardiac Arrests and 129 suspected heroin overdoses. The Fire Department responded to 2,439 fire incidents including 206 fires and 374 motor vehicle accidents.

As announced last year, we have taken delivery of a new fire engine serving the west side out of Station 1 on Weaver Rd. This has helped us to better serve the city and fire district population.

The Fire Department also welcomed six new employees: Brad Tanner, Vince Lanning, Jacob Caylor, Robert Honacker, Daniel Verkamp and Matthew Stickley.

We also have some upcoming retirement announcements: Fire Marshall Robert Krebs will retire on July 1 and Battalion Commander Elliott Cross will

retire on August 1. We thank them for their many years of dedication to the City and wish them the best in their retirement.

Unfortunately, we also lost some of the past members of the Fire/EMS team: Betty Briedis who was a former member of the Florence Fire Department Ladies Auxiliary and Tim Cahill, Volunteer Firefighter. We express our deepest condolences to their families and gratitude for their commitment to the City.

The Public Services Department continues to keep our community looking first class by professionally managing and maintaining streets, sidewalks, buildings, grounds, fleet services, water, sanitary sewer, storm water, capital improvements, GIS services, urban forestry, code enforcement, and the citizen inquiry program.

Transportation infrastructure improvements are now complete or nearly complete on 95 streets. Improvements include complete replacements, mill and overlays and crack sealing. Various sidewalk and bike path improvements were also completed throughout the City.

During the past year, the Department coordinated water main replacement along Locust Avenue, New Uri, and St. Jude Circle, in addition to repairing 30 main breaks and 125 service leaks. The Department also relined approximately 4,580 feet of sanitary sewer pipe.

Park improvements completed include the rehabilitation of the South Fork Park pedestrian bridge and the installation of rubber mulch at the World of Golf to enhance landscaping throughout.

In the upcoming year, the budget includes infrastructure improvements on 23 streets through contracted work and 73 streets through in-house work. Proposed water line replacement will take place on Locust Avenue. The installation of a new water line will be installed along Summer Place and within Ockerman's school campus to provide redundancy during an emergency. Sanitary sewer relining will take place in the Sanders sewer sheds. Storm water improvements are slated in the Cayton and Rosetta watersheds. Finally, park improvements include the replacement of the Lincoln Woods tennis courts. By proactively updating and replacing infrastructure now, future costs and emergency replacement of infrastructure will be kept to a minimum.

Thanks to the efforts of the City's Urban Forest Commission and the willingness of this and prior City councils to fund projects. One of the projects undertaken this past year was the removal and replacement of 91 dead and diseased Austrian Pines located at the Florence Government Center along Ewing Boulevard. These trees were replaced with Norway Spruces. The City's commitment to its urban forestry and beautification strategy is a positive addition to our City. This commitment has allowed the City to be designated for the 24th consecutive year as a "Tree City USA".

During the past year, the department organized planned and implemented 18 special events. A few highlights include the record breaking crowd of over 5,000 in attendance for the Independence Day Celebration, 601 residents participated in the Spring and Fall Cleanup, 37 students were trained and certified as Safe Sitters, and the Veteran's Day Program which acknowledged the return of our adopted troop Bravo Company 101st Airborne Division, 2nd Brigade 502nd Infantry Unit also known as "The Renegades"

When talking about our Public Services Department, we of course would be remiss if we did not mention the special contributions they make during the winter months. When snow falls and ice forms, and whenever Mother Nature strikes, whether on a holiday or in the middle of the night, our Public Services employees report for duty to help keep city streets clear. Their efforts ensure businesses can open and residents can get to work. Their hard work also allows our other 24 hour a day employees to respond to calls for service within our community. Thank you for your contribution towards keeping our community safe.

We welcomed several new maintenance workers: Brandon Miller, Dalton Anderson, Sean Dupree and Jacob Bradford. In addition Keith Ruschell and Tim Aubrey were promoted to Supervisor and Derrick Holland and Jordan Sullivan were promoted to Senior Maintenance. And after many years of service to the City of Florence, both Mike Knotts and Chris Knapmeyer retired. Upon Chris' retirement, Adam Duncan was promoted to Operations Superintendent.

In 2015, we began to see the results of our development plan for Florence Heights. We saw the opening of Costco and Planet Fitness. Later this month Dave & Buster's will open, offering their unique combination of dining and entertainment. Menards has delayed their construction plans, not just here, but across the country. According to all of our communications with their representatives, they remain committed to bringing their store to the Florence Heights Development. Also slated for construction in that location are our city's second Chick-Fil-A, and a proposed Outback Steak House. Other recent openings include Aldi's, First Watch, Burlington Coat Factory, Kemba Credit, Gold Star (Mall Rd) and Raising Cane's, to name a few.

Following the annexation of 177 acres of airport property, we continue to work with CVG on the expansion of Bosch-ZF and other proposed developments. We welcomed the opportunity to annex and provide our excellent city services to this area.

While the Florence Heights development is the most visible new development in the City of Florence, we continue to be excited about the 2,500 businesses that have chosen to locate and do business in Florence. The significant number of businesses in our community continue to help support those who live in Florence or those from around the region who work or participate in commerce in Florence, and all lend themselves to a diversified, strong economic climate helping to make Florence the dynamic place that it is.

The construction of an access road along the southwest side of Mall Road that would have connected two commercial centers with the rest of Connector Dr. was derailed by our inability to reach an easement agreement with one property owner. The money allocated by the state of Kentucky for that project is being used to repair the slip and culvert between Phantom Fireworks and the Antique Mall as well as to make improvements to Connector Drive between the Cayton Road Connector and the intersection of Connector and Steinberg Drive. We also have seen construction begin for an access ramp from Mall Road to southbound I-75. It is scheduled for completion in August 2016.

Our commercial real estate market remains strong, with leasing and purchasing activity in the retail, industrial, and office sectors continuing to be very active. On the retail side, our vacancy rate in the city is 3.7%, which is one of the

best performers in the region, where the regional retail vacancy is 8.4%. The industrial vacancy rate is at 2%, while the overall vacancy rate in the region is 7.19%. And, the professional office vacancy rate in Florence is 9.4%. Overall, we fair better than most communities in the region.

All of these factors are very strong and positive indicators of Florence's overall economy. It is truly the perfect time to do business in the City of Florence. The city will continue with its strategic investments and partnerships to keep our economy growing.

Each year as we work through our budgeting process, many opportunities present themselves as possibilities for funding. One such opportunity came up when the city received a donation of property located at the corner of Mall Road and Connector Drive. The donation had several stipulations regarding how the City could use the property. With the donor's approval the city will construct the "Florence Community Plaza" on that site. The Plaza will include areas dedicated to those who serve and protect our city, our Police Department, or Fire/EMS department and our Public Services Department. It will also serve as a gathering spot for city events such as our Annual Christmas Tree Lighting, and other city outings.

We will also begin the Master Planning of two city properties. The first is located on Rosetta Drive and was home to the old water and sewer department maintenance facilities. This property has been grossly underutilized since the decommissioning of the pump station and the merger of Florence Water and Sewer Department into the Public Services Department. The Master Plan will provide us with a blueprint that will allow for transformation of the area into a multi-department training facility as well as providing storage of supplies and equipment

such as road salt, and a more secure and functional police impound lot. The second master plan will take place at the Florence Nature Park. This park has grown into a major attraction. The rental of the Evelyn M Kalb Gathering house is often booked out a year in advance for weddings and other events. The scope of the project is to review site conditions and propose (3) possible solutions. The first option includes replacing the existing gathering house with a new building. The second option is to modify and add on to the existing house. The third option is to remodel the existing house and design a separate new facility for larger gatherings. The City Council and I are excited about how these projects will have long term positive impacts on our community and the way we do business.

The City has also entered into an agreement to sell four acres on the Government Center campus to the Northern Kentucky District Health Department for the construction of their new District Health Offices. The Health department requested proposals for this purchase as they have outgrown their offices located in Edgewood near St. Elizabeth Hospital and are planning to consolidate several of their office operations into a new facility. The City submitted a proposal which was chosen by the board as the best option for their new building. Construction on their facility will likely begin before the end of the calendar year.

As I have said many times, I am grateful to be the Mayor of the city I love. During my lifetime here, I have seen the transformation of our little town into the 8th largest city in the state. Florence was in the right place at the right time. We are all about “Location, location, location”. But it took leaders with a vision to make it happen. It is a busy place – one of the biggest complaints we hear is about traffic. But the traffic, the busy roads, traffic signals, storefronts, restaurants and many

other businesses are a testimony that we must be doing something right. A city, by definition, is people choosing to live together to create a place where people can work, play and educate their children and raise a family. You all have a big role in making that possible for the people in our community. It is our role to help you be successful.

And now the words that everyone waits for... In conclusion, it is the commitment and supportive attitude of past and our current city elected officials, as well as our department heads and staff members that have allowed our community to flourish.

The state of our city is strong. No one person can lay claim to that. We are all a part of an ongoing commitment to the progress of our community. Together we will keep it moving forward.

I offer my sincere thanks to Y'All. It is our residents, our business owners and their employees, and the dedicated public servants who come to work every day that help to keep our city on track. You are the reason for our success. We have worked hard to manage our growth and provide direction. This is the place I have chosen to live and raise my family. We may not have riverfront property and views to promote, but our view from the top of our Florence Y'All water tower is just as impressive because of each and every one of you. Thank you for allowing me to serve – It is indeed a labor of love.

