

State of the City Address

January 31, 2019

I would like to begin by thanking the Berea Chamber of Commerce for their efforts to plan and organize the State of the City presentation. Shortly after the November election, representatives of the Chamber contacted me and invited me to deliver the State of the City Address in January, and I gladly accepted the invitation. I also want to recognize Mary Ann and Bill West, the owners of Churchills. They have restored this treasured and historic Berea landmark into a beautiful event center. You have done a remarkable job and your efforts should never go unnoticed.

Municipal government exists to provide services to the citizens. In our city, the Mayor, City Council and City Administrator provide management, vision, leadership and establish policy for those services, but the employees of each of our city departments are the people who deliver the services and deserve the credit for delivering quality service to the citizens of Berea.

It is very important for you to know about the good work that is being done by our city staff. In that light, I asked for input from our city department heads as I was preparing for the State of the City Address by asking for their feedback on accomplishments and challenges faced by each department. I will begin by sharing some of their feedback, along with my views, of accomplishments and challenges for each department.

Codes and Planning Department

The Codes office has had a busy year, issuing 176 building permits: 70 permits were for new houses, and 22 for commercial projects. Additionally, 96 mechanical permits and 201 electrical permits were issued over the past year.

Perhaps the most significant accomplishment for the codes office was issuing the Certificate of Occupancy for the 134,000 square foot new science building at Berea College last August. This was the largest building that our codes staff has been responsible for since inception of the expanded jurisdiction program, which is the contract with the State of Kentucky to perform commercial inspections and plan review at the local level. It was a great educational opportunity for codes staff, as well as an assessment of their technical code knowledge.

One of the challenges for our Codes Department is addressing the significant numbers of complaints of trespassing and illegal occupancy, particularly involving vacant and abandoned properties. Additionally, the codes office deals with several hundred nuisance complaint calls each year, which range from high grass to rubbish removal.

We must ensure that our building code is enforced, while continuing to be as business friendly as possible to entrepreneurs, commercial businesses, and large employers who are interested in making investments in Berea.

Berea Municipal Utilities Department

Our utilities department has successfully mapped and identified all of our water, sewer, and electric infrastructure enabling us to more successfully plan, coordinate, and design projects. We will be able to use this mapping system to replace and repair aging utility infrastructure on an incremental basis.

Upgrades at our two electric substations has allowed us to balance our electric loads. This is a positive development because we are now capable of switching in emergency and outage situations.

Our new water leak detection equipment has allowed us to identify the precise location of leaks. This has resulted in significant decreases in water loss and savings in staff time.

Flow monitoring has been completed for 100% of our wastewater collection system, allowing our staff to identify problem areas and prioritize needed upgrades.

The utilities staff continues to pursue funding through state and federal agencies. We currently have \$2.4 million in grant proceeds for water and wastewater system improvements.

Increasing our water supply by raising the dam at Owsley Fork reservoir is on track. We recently received \$950,000 in federal funds for the design phase of this project and will continue working with the Army Corps of Engineers until the project is complete.

Lastly, we must immediately begin planning for our wholesale electric power needs for 2024 and beyond.

Public Works Department

The Public Works Department had many accomplishments over the past year, including:

- Finalizing the installation of a city fiberoptic network, linking critical city buildings.
- Working with the contractor to complete the Indian Fort Trail project along Short Line Pike.
- Completing the integration of the computer network, phone system, and camera system in the new City Hall building.
- Working with Utilities staff to renovate the Berea Municipal Utilities Building, which improves public access.
- Resurfacing 7,579 feet of city streets.
- Working with the City Council's Public Works Committee to develop a comprehensive list of drainage projects.

There are also several challenges facing the public works staff.

Providing funding for our aging streets must be a priority. Some of our older streets are falling into disrepair due to age and inadequate drainage. For the most part, the city has relied on Municipal Road Aid funding to maintain our streets, but these State funds are being reduced for all cities, while the miles of accepted roadways are increasing. Municipal Road Aid funds are not sufficient to provide proper maintenance of city streets. We

will need to develop a plan of how to address the problem and how to fund ongoing repair of our city streets.

Secondly, we must continue working with the state for a solution for improving state maintained, and state-owned roadways within the city. Almost all of the major roadways in the city are state owned, but the state does very little on maintenance, leaving it to the city. This diverts city resources from streets owned by the city.

Third, we must provide funding for drainage projects in many areas of the city.

Fourth, we must invest in the improvement of our city sidewalks, which will improve accessibility and safety.

GIS (Geographic Information System) Department

GIS is managing the Indian Fort Trail project, which allows citizens and tourists to safely walk or bike from the Berea Municipal Utilities (BMU) Building parking lot to the Pinnacles and new Berea College Forestry Outreach Center at Indian Fort. The complete Indian Fort Trail is 3.2 miles long. By comparison, the Artisan Trail is 3.4 miles from the Berea College Farm Store to the end of Mayde Road. The final few details of this project will be wrapped up this Spring.

Plans are also coming along for the 0.6 mile long Scaffold Cane Trail from Prospect Street to Logston Lane. This trail will allow residents to walk safely from Logston Lane to College Square.

GIS is working with Berea College to build a 0.75 mile crushed stone trail that will travel along Brushy Fork Creek from Boone Street to Scaffold

Cane Road. This trail will follow Boone Trace, the route blazed by Daniel Boone and his axe men nearly 250 years ago. The Brushy Fork Trail is already laid out and construction will begin in Spring, 2019.

The GIS Department is also working with our consulting engineers on the Cherry Road storm water project, which that will divert approximately 40% of the stormwater that currently flows through a single culvert under the railroad at the end of Cherry Road. The objective of this project is to mitigate and minimize flooding at the east end of Cherry Road at Holly Hill by relieving the burden of water on that single drain under the CSX railroad.

I will also mention an innovative new project called the Land Information System. The GIS-Survey Department office is set up to begin scanning hundreds of old plats and survey drawings we have stored in our archives. GIS staff will index each drawing by location, owner, and date, allowing any city employee to search and find information on land surveys, property lines, easements, rights of way, and ownership history. Having a Land Information System will be a significant timesaver for Public Works and GIS, making our property research more efficient.

Fire Department

The most significant event with the fire department over the past year was adding the new quint ladder truck to our first line of response. This apparatus allowed department personnel to have a ladder truck on every call, with the capability of pumping at any fire. Most importantly the new ladder truck is equipped with state-of-the-art, battery powered vehicle extrication equipment, which gives our firefighters the ability to quickly

extract patients involved in a motor vehicle accident. Along with the Police Department, Fire Department Personnel completed another very successful First Responders Camp for area youth.

An ongoing challenge for our fire department is recruitment and retention.

Parks and Recreation Department

Accomplishments for the Parks and Recreation Department over the past year include completion of the new Duerson Stadium, and installing a new filtration system at the city swimming pool, a project that was completed in house and under budget. Additionally, the new “Splash Pad” will be complete and ready to open to the public in the summer of 2019. City swimming pool attendance totaled almost 22,000 in 2018.

The Parks and Recreation staff members are working with Vescio Sports Fields to improve drainage at the ballpark and to upgrade our current fields.

Youth League numbers were higher than ever in 2018, and the parks department staff redoubled their efforts to facilitate those numbers.

Lastly, we have a new playground at City Park, which has been chosen as a model site for this region and is also on the cover of the “Little Tikes” international catalogue.

The challenges identified for our park system include accommodating growth, providing adequate programs to fulfill the different needs of our community, teenage community engagement, limited indoor and outdoor space within our current park boundaries and need for multi-use space.

Police Department

The Berea Police Department has been very involved with community engagement. The department continues to support community programs, such as Too Good for Drugs, Christmas with a Cop, First Responder Summer Camp, Madison County Citizens Police Academy, Active Shooter programs, Neighborhood Watches, and use of social media applications to communicate with neighborhood groups.

Staff at the police department are proud of their new work space, which allows them to better serve the citizens in our community. The new space offers greatly improved interview rooms for victims. The new facility also has a secure drop box where citizens can dispose of unused medication.

Along with first responders in our fire department, the city provided a pay increase for staff of the police department in 2018. This makes our department more competitive within the regional job market.

Providing for public safety is perhaps the most important function of any city government. Looking forward, we need to focus on retaining our current police department staff and we have a clear need to put more police officers on the streets. As our population grows, our need for law enforcement also grows.

Additionally, Chief Gregory recently applied for a grant to cover the cost of a Social Worker position: It important for the city to invest in a social worker who will serve as a liaison between the police department and the Kentucky Cabinet for Health and Family Services. We envision that the social worker will assist members of the community in situations of

domestic violence, child abuse and neglect, financial hardship, mental health issues, and other behavioral health issues such as addiction, homelessness, and human trafficking. Having a social worker on staff will allow us to start the “Angel Program” to address the substance abuse disorder epidemic in our community. The Angel Program is having positive results in several Kentucky cities, including Georgetown and Jeffersontown.

Tourism Department

Our Tourism Department received several awards over the past year including:

- 2018 Economic Engine Award from the Kentucky Tourism Industry Association
- 2018 Bronze Traverse Award for the “Discover Berea” Marketing Campaign
- 2018 Silver Traverse Award for Festival of Learnshops Event Material

The “Festival of Learnshops” program continues to grow from its beginning in 2011. In 2018, we had 20 days of programming, 81 instructors, 1,292 tickets sold and \$106,481.00 in revenue.

Additionally, Berea Tourism will be partnering with the Kentucky Artisan Center in 2019. They will host an exhibit of works of the Learnshop instructors from June through October.

Along with attracting visitors to our city, future challenges facing our Tourism department include relocation to the Tolle Building, the future use of the Old L&N Train Depot and replacing retiring artisans.

Moving forward, I envision a multi-dimensional approach to tourism. I believe we can invest tourism funds in projects that the citizens of Berea can use and enjoy, while also attracting visitors to our city: Recent investment of tourism funds in our trail system and the new Splash Pad at our city pool are good examples.

Lastly, we must ensure that our Tourism Department and Business Development Department work together as tourism should be a part of our overall economic development strategy.

Business and Economic Development Department

As most of you know, our former Business Development Director, Danny Isaacs, accepted a position with the Tennessee Valley Authority last August. We hired a new Director, Tess Faye, in September, but she was only on the job a short time until she accepted a new position in South Carolina. Filling this vacant position with the right person will be key in 2019. City Administrator Randy Stone, former GIS Director Paul Schrader and part time staff member Beth Myers have been handling economic development activities and will continue to do so until a new Director is hired.

In 2018, we funded a grocery study for our city. The results of the study clearly indicated that our city can support an additional grocery store. The Economic Development Department and City Council's Economic Development Committee hosted a site visit from a large national grocery chain representative in 2018; however, this prospect does not plan to locate a new store in Berea in the near future. We must continue our

efforts to utilize the data from the grocery study to recruit an additional grocer.

It is imperative for our city to create and maintain an economic development climate which encourages new businesses and entrepreneurship. We must focus on providing low cost or no cost training for small businesses and entrepreneurs, attracting commercial business, and large employers to our city. We must also remain aware of the importance of keeping our current industry and helping all businesses in Berea succeed. Additionally, we must always be as “business friendly” as possible in our approach to economic development.

Expansion of the Madison County Regional Airport will also have a significant impact on our city in terms of attracting business and industry to our city and helping us keep our current industry. We must continue to support and invest in the expansion and modernization of our airport.

Additionally, it is time for us to plan for a second entrance to the Menelaus Industrial Park. I will be requesting funding in the fiscal year 2020 budget to lay out the center line of an access road from US 25 to Farristown Industrial Drive, which will connect US 25 with both Menelaus Road and Mayde Road. We will be working with our elected representatives at the State level and the Kentucky Transportation Cabinet as we plan for this future access road.

Finance Department

The Finance Department took over the utility billing and collections function last April. This alignment has offered tightened internal controls and dedicated oversight of financial transactions related to utility billing. This has proven to be beneficial to utilities customers in that the new location is more centrally located and offers more convenient payment options, such as drive through window and secure drop box.

We also welcomed a new audit firm during 2018. At the request of the City Council Audit and Finance Committee for a “new set of eyes,” a Request for Proposals was issued in early 2018 and a new audit firm was selected. The City received a “clean” audit in 2018. With no audit adjustments and no internal control weaknesses identified, the competence and dedication of the employees within the Finance Department was validated.

I am pleased to report that our city is in strong financial position. A city’s net position often serves as an indicator of a government’s financial condition. Simply stated, the net position is the amount of assets that exceed liabilities. At fiscal year end, the city had a net position of \$61,785,000. However, even more importantly than the total net position at any given time is that the net position continues to increase year after year. Between fiscal years 2017 and 2018, net position rose by over \$2.3 million. This is an indicator that the city is investing in assets while paying down debt.

During fiscal year 2018, the city’s assets grew by nearly \$11 million, almost \$3 million of which consisted of cash, investments and other short-term assets. Much of this is a direct result of the city’s dedication to providing

ample reserves to fund future projects and protect against unanticipated financial downturns.

The city's long-term liabilities grew by \$8.3 million. Two primary factors contributed to this increase. First, the city received funding from a 40-year bond for construction of the police, fire and city hall facilities. Second, the city's portion of the net pension liability related to the County Employees Retirement System increased significantly. While the city is not directly responsible for paying down this net pension liability, we are still required to include this in our financial statements and it is still considered part of the debt of the city.

The city's overall financial strength was accentuated when Moody's increased the city's credit rating to an Aa3 in 2018. Moody's noted in their rating opinion that "Berea's financial position will likely remain healthy and stable due to conservative budgetary practices and history of maintaining a strong fund balance position."

Revenue from occupational license fees continues to fund the majority of governmental functions. Revenue from utility service offsets the cost of providing those utilities. Federal and state grants help offset the cost of both governmental and utility construction projects. City-wide, non-grant related revenue grew by nearly \$2 million during fiscal year 2018.

We are currently more than half way through fiscal year 2019, and forecasts indicate we will once again finish strong.

Moving beyond reports for our specific city departments, I would like to share with you five additional priorities I have as Mayor.

First, I was very pleased to hear that the new Superintendent of Madison County Public Schools, David Gilliam, has announced plans to build two new vocational-technical schools in Madison County, with one being in Berea, next to Farristown Middle School. The city must provide support for this project by completing a “Needs Analysis of Current Industry.” The data collected from the needs analysis will help Superintendent Gilliam justify the need for expanded programs, which will ultimately help local industry. I have spoken with Mr. Gilliam on several occasions and have assured him that the City of Berea is fully supportive of this initiative.

Secondly, I am pleased to report that we started the Strategic Planning Process on Monday, January 28th. The Kentucky League of Cities is facilitating this process, which involves the Mayor, City Council, City Administration, Department Heads, and the public. We are planning to request feedback from citizens at a public meeting in early March. It is critical that we have a shared vision of the issues we need to address over the near term and long term, as we make decisions that will affect the future of our city.

Third, I plan to establish a strong presence in Frankfort. I made several visits to Frankfort over the past two years and plan to be in Frankfort regularly again this year. It is imperative that we have a strong working relationship with our elected state representatives and cabinet level staff and to keep them informed of the needs of our citizens and city. Our greatest need for state funding is for phase two of the Berea Bypass, which will extend the bypass from US 25 to Kentucky Highway 21. This project is scheduled for Fiscal Year 2020, and recent contact with Senator Jared

Carpenter and State Transportation District Seven staff gives us cause for optimism.

Fourth, I plan to strengthen our city's working relationship with Mayor Robert Blythe and County Judge Executive Reagan Taylor. We have agreed to meet regularly to share ideas and discuss common issues affecting all three governments.

Lastly, one of my highest priorities as mayor is to bring people together. I ask for your help in promoting unity in our city. If we are divided, we will accomplish less. We will accomplish more if we are unified.

In conclusion, The State of the City is Excellent. We are in a strong financial position and are delivering service to the Citizens of Berea in an exemplary manner; however, we are not without challenges as we move toward a new decade in Fiscal Year 2020. We will be able to meet these challenges with effective management, proper planning, and fiscal responsibility. The most important part of Berea's continued success is coming together to build the city that we want in the coming decade.

Together, we can continue to move Berea forward for the betterment of all citizens.

I am truly grateful for the opportunity to serve the citizens of Berea, Kentucky. Thank you.