



Mayor Steve Williams
City of Huntington

2017 State of the City Address

Mr. Chairman and members of City Council, this message and the accompanying budget are submitted to you in accordance with Article 10, Section 10.2 of the Charter of the City of Huntington, WV.

We are now in our 46th day of our four-year term. Certainly, in these first days we have been on a roller coaster ride that has tested our collective stamina, patience and commitment.

We are aware of the financial crisis that we have been working to address it. What should be noted is that our original projected deficit of \$6.1 million has been whittled down to a projected \$122,000 deficit. And it has been done without a tax or fee increase.

The plan to address this projected deficit included painful decisions. The projected deficit reveals inherent problems that need attention. How we proceed will determine the future prosperity of our community.

The question that each person here and within the sound of my voice needs to address is “What do you want?”

Our response to this question will be as varied as our personalities. However, the clear motivation behind our answer will determine the future of our community.

Our city is resting on a precipice. How we answer will determine whether we continue our ascent as a national trend maker and innovator or whether we regress.

If your answer is that you want solutions to the challenges we face while continuing to progress our community, you have set a purpose driven path in which you must roll up your sleeves and choose to participate by challenging those with whom you encounter to intentionally seek solutions that are forward thinking.

How we answer the question will determine how we will proceed for the coming four years in our term. How we answer the question will determine how we proceed with our deliberations over the proposed budget for the coming fiscal year.

The way we respond to adversity defines us.

If we aspire to be known as America’s Best Community, we will never be defined only through our victories. Our strength and integrity will be defined by the way we respond in a crisis. Our city has withstood horrible events, and our character has been measured by the dignity of our response. Responding with dignity does not mean there is an absence of anger and outrage. A dignified response establishes room for a constructive result.

A response to a crisis can be reactive -- responding to what is observed in the rear view mirror and becoming transfixed on the past. Or the response can be proactive -- responding to recent



Mayor Steve Williams
City of Huntington

events with an eye to the future. Just because we have been making our way through a storm does not mean that we should cancel our trip.

We learn from experience. And our experience has shown that we have been here before and rebounded to come back even stronger.

As the dust settles from the concerns of the past month, let us not ever lose sight of the major advances we have made.

Huntington is being acknowledged as a cutting-edge innovator in business development, in addressing the opioid epidemic, in addressing dilapidated housing, in advancing the arts, in our efforts to make our community more inclusive, and in rewarding millennial entrepreneurship.

Our downtown is more vibrant than it has been since the 1940s. The festive environment is driven by Huntington in Bloom, a community-wide volunteer effort that is funded through generous private donations. The Huntington Municipal Development Authority has also used profits from property sales in KineticPark to purchase new holiday decorations that make our downtown bright and inviting to holiday shoppers.

Local entrepreneurs are investing in downtown properties, bringing empty buildings back to life. Third Avenue from 7th Street to 11th Street is nearly complete. Retail shops and restaurants fill the street level space, and commercial enterprises are filling the upper floors of the downtown buildings.

For the first time in nearly two decades, investors are reviewing and making plans for the restoration of additional vacant properties on 4th Avenue and 6th Avenue.

The Highlawn and Fairfield neighborhoods are actively involved in planning of commercial, residential, and recreational development that will be transformative for their neighborhoods.

The Highlawn neighborhood and the adjacent 70-plus acres of brownfield industrial property are benefiting from the efforts of the Huntington Municipal Development Authority. HMDA is coordinating the evaluation of market opportunities on the vacant industrial properties and the adjacent residential area that is funded with Environment Protection Agency grants. In turn, the Appalachian Regional Commission has been providing guidance as we plan for the design and construction to make parcels in the brownfield footprint ready for development. The city's partnership with Marshall University, Rubberlite, HMDA, the State of West Virginia, the Appalachian Regional Commission, and the U.S. Economic Development Administration is creating a collaboration that will change the future of the neighborhood, the city and the Tri-State region.

The Fairfield Innovation Corridor is establishing similar partnerships. The Fairfield Alliance is a collection of residential, institutional, corporate, and private individuals who are reviewing and planning development that will take place along Hal Greer Boulevard, 20th Street and in surrounding neighborhoods. Again, partnerships are being established among local residents,

cityofhuntington.com



Mayor Steve Williams
City of Huntington

the Huntington Housing Authority, Cabell Huntington Hospital, Marshall University, the Joan C. Edwards School of Medicine, the Marshall Pharmacy School, local businesses and local property owners. The essence of the Fairfield Alliance is to break down the institutional, corporate and residential silos that stifle communication and ensure that all are working to improve the quality of life in the neighborhood.

Assistance from the U.S. Department of Housing and Urban Development, the Federal Highway Administration, the WV Department of Transportation, the Appalachian Regional Commission, and the Region 2 Intergovernmental Planning Council are providing planning support, grant support and technical assistance.

The Coalfield Development Corporation is receiving national recognition for its innovative social entrepreneurship. More than \$2.5 million dollars has been awarded to Coalfield Development for its West Edge Factory. West Edge is the old Corbin factory building in Westmoreland. Coalfield Development is providing training to out of work coal miners and factory workers so they may create a new career path. Coalfield Development and West Edge Factory received the CommunityWINS Award from Wells Fargo and the U.S. Conference of Mayors last summer. They were awarded a \$150,000 grant for the Solar Holler solar roofing panel installation program. Our efforts with Brandon Dennison and his team at the Coalfield Development Corporation are transforming a long time closed factory and breathing commercial life and vibrancy into Westmoreland.

Huntington is without question a small city to keep an eye on for the coming years.

Huntington is demonstrating its resilience. To be America's Best Community would never indicate that our city is without concern. The strength of our city is in the character we exhibit and steadfastness we display when we are faced with an unexpected event. We can take a hit and still have the tenacity to move forward.

Yes, we can "Make No Little Plans" and not be detracted from our goal when an unexpected distraction erupts. After all, that is simply called responding to life.

This budget proposal is flat. Revenues are not growing. Expenses are tight.

The current fiscal challenges that we face give no indication of immediate relief. As we evaluate every program and every expense in our budget, we must assure maximum efficiency in all operations. We also have to assure that our citizens receive a government they can afford.

Again, we must assure that our citizens are receiving a government they can afford.

I know I constantly proclaim, "Make No Little Plans." These two ideals – "providing a government we can afford" and "Make No Little Plans" are not contradictory aspirations.

We can have big aspirations and should aspire to higher levels, but we must also be cognizant of our ability to pay.



Mayor Steve Williams
City of Huntington

Public Works, Fire and Police provide services that our citizens expect.

Finance is the nameless and faceless department that assures that the resources are available to fulfill the missions in Public Works, Fire and Police. The most efficient – and fair – revenue source is to assure our citizens that we are collecting what is owed.

Revenue specialists and auditors coupled with our City Attorney's office comprise the multi-member collections team. Since 2014, that team has collected \$5,290,778.60, \$1,035,588.87 of which has been collected this fiscal year.

Increased revenues are necessary to combat the demands placed on our city's aging infrastructure and on our Fire and Police departments. We must be aggressive in creating new revenue streams while doing everything we can to avoid raising fees or taxes.

The Public Works Department will continue with capital improvement projects, paving and the new sidewalk repair program. The proposed budget for next fiscal year allows for a fall and spring paving program.

The Fire Department recommended budget for next fiscal year is \$13,422,832, \$1,855,560 more than what was approved this fiscal year.

The Fire Department had a 25 percent increase in overall responses from 2015 to 2016. There was a 57 percent increase in medical calls – attributed principally to the addiction epidemic. In turn, there was a 16 percent increase in fires and an 18 percent increase in false calls.

The Fire Department will be staffed at its revised level of 88 firefighters. While we certainly need to reinstate the seven firefighter positions that were laid off, we can only do it when we have the funding. We have applied for a SAFER Grant in partnership with the firefighters' union and have hopes that this grant will provide us with an opportunity to bring those firefighters back.

The Police Department's recommended budget for next fiscal year is \$13,564,083, \$900,951 more than what was approved this fiscal year.

Our Police Department has been strained as well. In 2016 there were 49,972 calls for service. One call for service was made for nearly each citizen of our city.

The Police Department will be staffed at its revised level of 99 sworn officers. We will be constantly evaluating our ability to bring our displaced officers back to work.

To that point, we are re-evaluating the charges we assess special events in our community such as 5K runs and parades that require the professional services of our Police and Public Works departments.

Thankfully, our city is known for its variety of festivals and as a welcome destination for fitness-related events. Huntington is now affectionately known as "Runnington" to avid runners.



Mayor Steve Williams
City of Huntington

But this success does not come without a price. In 2016, it cost the Police Department \$142,765.56 to staff special events. That is almost enough money to pay the salaries and benefits of three entry-level police officers.

Yet, our charges to staff these events fall well below what surrounding communities such as Ashland and Charleston charge. We must determine how we can recoup more of the costs to provide our services and still make our community a desirable location for special events.

The opiate epidemic has strained the resources of both the Fire Department and Police Department. Murders are up; overdoses and overdose deaths are up. Each department is experiencing stress on resources and personnel with post-traumatic stress. The 21st Century Cures Act passed in December of 2016 authorizes allocations in excess of \$1 billion to fight the addiction epidemic. Given the breadth of the addiction epidemic in Huntington we are exploring opportunities for funding for law enforcement assistance.

As stated earlier, we must provide a government we can afford.

The fact is, we cannot afford to not find a way to restore the staffing levels in both the Fire and Police departments. However, the ranks of each department cannot be increased at the expense of other operations in the city. All of our departments are part of the same system and one without the other creates irreparable damage to the city.

This administration will not pit one department against another. True leadership assures that the entire organization is functional toward the mission.

We are holding contract negotiations with our three separate labor unions. Central to our negotiations is how we proceed with our health benefits. We made adjustments to our health benefit package last month to take advantage of a reduction in premiums for our senior retirees and still provide quality care. By signing the agreement with our administrator by January 30, the premiums were reduced from nearly \$317 per month to just over \$217 per month.

Make no mistake about it, the roots of the acrimony we are experiencing are in the status of our negotiations and the fact that the city must reduce its health care costs to reflect current market conditions. It has been suggested that we negotiate away all pay raises just to keep the current health care plan. We cannot accept that. It is a simple solution that will not withstand the complex pressures of the present day. Our current challenges cannot be addressed by the costly and ineffective policies of our past. As we have sought to control our operational costs during the past four years, the one area in the budget that we have found most difficult to control is our health benefit system.

My vision has been to lift the staffing in both the fire and police departments to match the challenges we face. Our recruitment is difficult because our starting salaries have been artificially low in comparison to neighboring communities. Throughout West Virginia, it appears the magic number in grasping the attention of recruits is an entry-level wage of \$40,000 for fire and police. The classifications in each department have separated in their



Mayor Steve Williams
City of Huntington

equality and it has been my intention to create classifications that are similar in compensation levels.

In turn, our laborers and skilled workers in the Public Works Department find themselves paid significantly below market wages for their skill level. My goal is to seek a wage for our workers that begins at \$15 per hour.

Naturally, these compensation goals are aspirational. I expect that it will take several years to get to that point.

No raises are included in this budget. The negotiations are not complete and we expect wages to continue to be part of the discussion. Naturally, any agreement with the various unions will be subject to the approval of the specific body and the City Council and will require budget adjustments.

Health care costs and pensions make up 45 percent of our budget. Forty-five cents out of every dollar are used to pay pensions and health care benefits. We must reduce the cost of our health benefits. Our health care costs are being reduced by 20 percent in this proposed budget.

In turn, it must be noted that while we have implemented the basic changes to our health care plan, those changes will not take effect until April 1. If for some reason the adjustment in health benefits is delayed or an order of the courts prevents implementation of these changes, this budget will have to find an additional \$1.6 million in budget cuts to replace the lost savings that would have otherwise been realized by the new health care plan.

In establishing this budget, our underlying responsibility is singular -- make Huntington attractive for investment and growth. Safe, clean streets are attractive for families and profitable for businesses. But that is not enough. Safe, clean streets lose their attraction if the city loses its warmth and comfort.

Our city has experienced challenges before. The addiction epidemic has challenged our resources and challenged our sensibilities. Nothing has ever hit our city where young and old, affluent and poor of all races and nationalities felt there was no escape.

Yet amid that despair, I saw our city unite to hold one another up. On one Sunday in September 2014, people came together to stand or kneel together in prayer asking for delivery from the ravages of addiction.

Now is the time that we must unite again. I understand the anger and frustration. Twenty-four families have been directly affected by our financial challenges.

But anger and frustration can be expressed without maligning one another. The city and state that I call home is a city and state of honor, respect and compassion.

Members of City Council, we have an obligation to lead our city through the obstacles that have been placed before us. We will not always agree, nor should we. But we must find ways to develop partnerships as we seek to move our community forward.

cityofhuntington.com



Mayor Steve Williams
City of Huntington

Our city is a magnificent city. We have citizens who are spectacularly inspirational, and I have seen the best of our community when we lift one another up and find ways to support our mutual ambitions.

Let us act with dignity and let us set an example that a community of honor, respect and compassion is also a community of prosperity and possesses those traits that are known for America's Best Community.