

## **BUDGET MESSAGE**

Tonight it is my duty to present my budget for fiscal year 2012 to the city council. Under state law, in a mayor – council form of government such as Georgetown, the mayor must develop and submit a balanced budget to the city council, which in turn has the responsibility to enact a balanced budget through an ordinance.

In an effort to give the council members sufficient time to discuss and enact a budget for 2012 I am presenting you this budget 2 months in advance of the deadline for its enactment. By doing this it is my hope that we can work together in the coming weeks to enact a budget which provides funding for the services the citizens of Georgetown need and deserve.

In presenting this budget to you tonight I must be honest and tell you that developing this budget was one of the hardest things I have ever done in my life. It was a team effort led by Betty. She deserves our thanks for her dedication to this project. She is one determined woman. She spent many hours on this project.

About 18 months ago, when I announced my decision to run for mayor again, I told the voters that I could not stand by and watch the safety and quality of life in Georgetown continue to decline.

From the day I announced I was running for office again, until election day, I based my entire campaign on restoring the ability of the city to provide NEEDED levels of public services, and ensuring a quality of life that our citizens deserved.

I was honest with the voters in telling them it costs money to provide services. I held neighborhood meetings throughout the city and at every single meeting I told them the city had to build a police station; being located in two locations was not acceptable. We expect a professional staff. That staff deserves to operate from a professional building.

At every single meeting I told voters it was unacceptable to ignore the need to replace aging, obsolete equipment for our agencies; every single agency in our city has needs—not a wish list—NEEDS.

At every single meeting I told voters it was unacceptable to have to borrow fire fighting equipment from other governments because our equipment was in a state of disrepair;

At every single meeting I told voters the city had to invest in our facilities to promote the health and well-being of our kids, because those kids are our future and they deserve better.

I ran on these issues. At that time I was completely honest and told the voters that while I did not want to raise any kind of tax, I would not stand by and watch our services and quality of life continue to decline. I told them I would do what it took to restore our community.

I ran on these issues, and there is no doubt the voters of Georgetown liked and will support what I thought needed to be corrected. The voters of Georgetown responded by electing me almost 2:1 margin. They spoke...and I am here tonight to fulfill my promises to the voters.

Initially, let me say that the decisions reflected in my proposed budget, were not made without deep, comprehensive thought. I completely understand that any decision made by the city to increase revenues to pay for needed city services falls on our community. Services are not free. **We cannot do more with the same and we cannot do the same for less.**

I understand that additional money provided to the city to pay for a police station, fire equipment, and other personnel and capital needs has to come out of the taxpayers' pockets.

However, if we are going to ensure that the citizens of this community are provided with the services our city needs, then we must make that tough decision. It is not easy or popular to ask for more revenue.

Last week as I was making some of these final decisions, I read an article telling how Lee Todd, the President of UK, had agonized about raising tuition rates at UK. In that article he said "I understand the pain tuition increases cause our students and their families. But we do our students a grave and lasting disservice if we let the quality of their undergraduate experience erode."

I must say I agree with Dr. Todd – we will be doing our citizens a grave and lasting disservice if we let the quality of our city services continue to erode. The eroding must stop!

The City's budget is a public document. It establishes the funding for programs and services in this community. As I describe this budget proposal, I want to explain what I mean by WE. WE includes elected officials, appointed officials, staff and most importantly, the citizens. The first three groups serve our citizens and WE must be responsive to their needs.

Having said this, we are now providing you with a budget that, in my opinion, lays a solid foundation for the renewal of our city services and our quality of life.

While we had hoped a revenue increase might not be necessary in this budget, the reality is our city must have additional revenue. Even without losing \$750,000 in insurance premium tax revenues it would have been extremely difficult to address our needs – but without these revenues it is almost impossible.

Therefore, the budget we are presenting to you tonight is based on increasing the occupational license fee from 1% to 1 ½ %, which would increase total revenues for the city by about \$4 million. However, if you consider that we start next year with \$750,000 less due to the loss of the insurance premiums tax, we are really starting with about \$3.25 million in additional revenues. We have the lowest OLF of any city our size. This will cost our workers - only \$4 a week. (*OLF Cities*)

In proposing this increase I want to specifically note that I am not, I repeat...AM NOT, proposing an increase in the net profits tax. My reasoning for this is at our retreat earlier this year the city council members and department directors identified job creation as their # 1 priority. It is my belief that by leaving the net profits tax at 1% we can maintain our extremely low overall tax rate and we will therefore encourage further job creation. Studies have shown that most new jobs are created by established businesses and not by new businesses. In addition, we hope that businesses outside our community will be encouraged by this low tax to choose to locate their expansion projects in Georgetown as we continue to develop Lane's Run Business Park.

In the upcoming weeks we will be spending a lot of time discussing our proposals for use of this additional revenue – BUT, we think it is extremely important to take some time tonight to identify how we plan to use these funds to benefit our community.

We believe our citizens will support our efforts as long as they are sure additional revenues are used for services they need. Our goal is to make sure that everyone in this community understands how we will be using these funds. We have 2 alternatives to present to you tonight. The “bone marrow” approach and my Mayor’s Proposed Budget, which I firmly believe will move Georgetown forward.

Before I talk about the specific issues in this budget, I want to highlight one very important contribution. Our city employees will still sacrifice any pay increases over the next budget year. BUT THEY WILL STILL HAVE JOBS! The least we can do is provide them with the equipment they need to service our community. Our citizens and our employees deserve to have equipment that works when you call on us. We don’t want a situation in which we say if only we had approved that ½ percent, we could have saved a life or prevented a crime. This is the type of situation we now find ourselves in. We must do what is right for our community.

Betty told me a story about grocery shopping for her mother and grandmother. They gave her a list and the cash to pay for the items they needed. She had to learn to add up the costs as she shopped make sure she had enough to pay for the groceries.

The City’s budget is really no different—we have \$16 million to spend on governmental services without a payroll tax increase or we have \$20 million with that new revenue, that’s \$4million dollars for our community for \$4 a week.

Let me explain what the \$16 million Budget does:

- Revenues are not going to meet the budget estimates for 2011 and we expect that this year will be short by just over \$450,000, decreasing our reserve to \$5.8 million.
- Pension contributions, hazard and non- hazard will cost \$285,000 more than last year
- Medical insurance will cost \$140,000 more than last year

- We are the only governmental entity in Scott County that does not recognize Martin Luther King day, so we need to allow employees 7 holidays instead of 6.
- We cut operating costs by 5% in addition to the \$200,000 that was cut in the last two years.
- We still have 32 unfunded staff positions, 15% of our workforce.
- We eliminated all capital costs, except the road improvements that are paid with Municipal Road Aid dollars.
- We cut travel and training by another 50%
- We reduced community services, like Parks, Planning & Zoning, Ambulance service, and others by 10%.
- With all these cuts, we are spending \$2 million less than we spent in 2008.
- We still came up short by \$844,000, so we would further decrease our reserves to \$5.0 million.

That's all folks!

For an additional \$4.00 a week WE can provide for our community better.

- ✓ We can build a Police building that will provide professional, high quality facilities for our officers and improve our services to the public.
- ✓ We can increase our Police department with four new officers and get closer to meeting the minimum standards for our growing community.
- ✓ We can allow some modest increases in operating costs to keep up with rising insurance, fuel, and utilities costs.
- ✓ We can meet the needs of our community service agencies so they can continue services to our increasing population.
- ✓ Most importantly, we can start catching up on neglected equipment and building maintenance
  - \$125,000 for updated information technology
  - \$1.2 million to replace a 16-year old ladder truck
  - \$515,000 for replacing 17 old police cruisers
  - \$219,000 to repair neglected park facilities
  - \$75,000 for a new ambulance
  - \$440,000 for a facility to consolidate building and electrical inspection services

- \$90,000 to our award-winning Airport

We are asking our families to invest \$4 a week in their community and WE promise you that we will deliver critical services in return for that investment.

When times get tough, families focus on five basic essentials—housing, groceries, insurance, utilities, and fuel. Even with the additional revenue, this budget focuses on those same type of essentials—equipment and facilities for our public services, manpower to deliver those services, insurance, utilities, and fuel. In 2007, our total budget was \$25 million. The proposal I have offered tonight is \$20 million, 20% less than we had just 4 years ago. I could not, in good conscious, ask our citizens to take a 33% cut in the services we provide for public safety, parks, roads, and other governmental programs.

In March, I challenged our community to “Think Bold”. It was not just a catchy phrase. We need these investments in our community to keep Georgetown the beautiful, safe, thriving place we call home. I hope you will agree with our proposal to move forward, not backward.

WE are charged as elected officials of this City to provide for the health, safety, and general welfare of our citizens. I quote, “The Council shall by ordinance provide for sufficient revenue to operate city government and shall appropriate the funds of the city in a budget which shall provide for the orderly management of city resources.”

As the Mayor of this great city, I have fulfilled my duty by presenting you with a balanced budget.

Now it’s your turn to make that final decision.

My hope is you listen and consider OUR community’s needs rather than to the criticism. At the end of the day, you will have to make a final decision. This will be what you think is the very best for the citizens of our wonderful city.