



Mayor Steve Williams
City of Huntington

2014 Mayor's Budget Message

Chairman Bates, Vice Chairman Caserta and duly-elected members of City Council. In accordance with Article 10 Section 10.2 of the City Charter of the City of Huntington, WV, I hereby submit to you our proposed budget for fiscal year 2014-15.

The fiscal condition and state of our city is sound and certainly the strongest it has been in several years. However, due to the neglect and timidity of many who sat in these seats before us, we are left with the task of addressing issues that have been ignored for too long.

Our revenues are steady. Our expenses are under control. In short, we have been able to avoid management by fiscal crisis and have established a clear, concise vision to address an ambitious, yet prudent, direction for our city.

We certainly have not wasted time.

In our partnership as administration and council during the past year, we have fostered a culture of expectation and achievement.

Because of effective legislation passed by this Council and an efficient delivery of service by our city employees, our city is noticeably cleaner and more presentable than in many years.

- This Council provided the administration the funding and flexibility needed to establish a stepped-up code enforcement effort that made our neighborhoods safer and cleaner. As a result, the pride of our residents skyrocketed.
- The paving program funded by the City Council allowed for more than seven miles of roads to be paved during the spring and summer of 2013. After four consecutive years of funding \$1 million in street paving and improvements, the city is now in the business of building avenues, streets and boulevards as opposed to patching potholes.
- For the first time in years, the Department of Public Works is adequately staffed and administered more efficiently. Director of Public Works David Hagley is using his specialized training to address engineering issues, while Jim Insko is providing continuity as the assistant director of public works.
- Our Fire Department is funded at a level that ensures all stations are properly staffed and can remain open. The Fire Department administration, led by Chief Carl Eastham, is organizing itself to provide service beyond the expectation of fighting fires. At 105 sworn firefighters, the Department is at its highest staffing level in more than 10 years.
- The Huntington Police Department continues to be recognized as the premiere law enforcement agency in this region of the nation. Under the leadership of Chief Skip Holbrook, the department sets the standard for other jurisdictions to follow. Time and again, it provides training and consultation to other law enforcement agencies. The Police Department is now funded at 111 sworn officers, the highest staffing level in nearly 30 years.
- Our efforts to improve revenue collections necessitated a multi-pronged strategy. Once again, Council provided us the funding for positions to assure we had the ability to identify businesses

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that were delinquent in their B&O taxes and residents who were not paying their fees. The collection team made up of employees from the Finance Division and the City Attorney's Office generated more than \$1 million in B&O taxes and processed in excess of 2,000 liens.

- We also found it necessary to streamline the process for anyone seeking to do business or open a business in Huntington. Our process was confusing, unfriendly and lacked simplicity. Our business services advocate is leading efforts to reorganize a very complex process. In addition, she is streamlining our application forms and assisting in the redesign of our website to make us more consumer-friendly. All of this is being established as she also ushers our customers through the maze of opening a business.
- Our enterprise budgeting approach has proven steady because each person has been able to demonstrate they are a source of revenue rather than a drain on the budget.
- The Planning Office masterfully completed Plan 2025, the first comprehensive plan completed by the city since 1996. The new plan is constructed in a way that allows for constant updates as we proceed during the next 10 years. We are also set to review our zoning regulations to assure that businesses are encouraged to invest in the city and that neighborhoods are protected.
- The Big Sandy Superstore Arena's economic impact on the region was reaffirmed in 2013 when Marshall University's Center for Business and Economic Research reported that the arena has a financial output of \$17 million annually and sustains the equivalent of 190 full-time jobs. The arena continues to have record attendance at its events, and with the approval of 10-year management contract between the city and SMG, the company will invest in the arena and its marketing efforts.
- We were able to negotiate three separate bargaining agreements -- two with the AFSCME unions and one with the IAFF. Each contract is for two years and provides for wage reopeners.
- The Institute for Labor Studies at West Virginia University partnered with the city to provide labor relations training for city supervisors and union officers. AFSCME also has agreed to assist the city in providing equipment operations and safety training.
- The City of Huntington is also the subject of a doctoral dissertation for a student at Florida State University. It seems there is ample evidence of labor-management partnerships in the private sector. Huntington appears to be a lone outlier where local government and its bargaining units are seeking ways to improve the delivery of services and strengthen job security.
- The Fairfield West redevelopment effort firmly established itself in 2013. The road was recently cleared for the demolition of Northcott Court to commence. Two new 40-unit senior housing complexes and an additional 50 single-family and duplex housing units will be constructed in the Fairfield neighborhood.
 - In turn, Hal Greer Boulevard was rezoned to commercial, setting the stage for major private investment. The Huntington Housing Authority will seek to attract a private



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developer to redevelop the Northcott property. Residents in that area have requested a grocery store, and it is our hope that we can deliver.

- More than \$60 million of investment is projected to occur in the Fairfield neighborhood as a result of these efforts.
- In the West End, the River to Rail initiative is taking shape. The initiative is a multi-pronged approach relying on law enforcement, code enforcement, economic development and community partnerships to revitalize the West End.
 - On 14th Street West, the Central City Market has been leased to the Wild Ramp to link the commercial development of this beloved antique district with agricultural development. State Agriculture Commissioner Walt Helmick is partnering with the city in promoting the Wild Ramp and encouraging the further development of the Farmer's Market.

Our vision last year was to ensure that necessary resources would be placed in the hands of all our divisions. In turn, we would expect a level of excellence and innovation that would make Huntington an example of how to conduct business.

Fortunately, we have a group of employees who are of a world-class caliber. Because of this, the city was repeatedly recognized as an example of how to provide innovative solutions to difficult challenges.

Examples of excellence recognized by outside groups were:

Huntington in Bloom

Anyone who visited Huntington last year saw a significant change in how the city presented itself. Huntington in Bloom had hundreds of volunteers throughout the city. Employees volunteered their own time and used donations from Hatcher's Nursery to landscape the gardens out front of City Hall.

Huntington's YouTube video produced by Trifecta Productions won first place at the America in Bloom conference in Orlando. The city also received an overall rating of four out of five blooms, the best rating ever awarded to a first-year city in the national competition.

Community Progress Leadership Institute

The efforts of Huntington in recent years to implement innovative solutions to vacant and dilapidated housing caught the attention of the Center for Community Progress. Huntington is only one of nine cities across the country that was invited to the Center's Leadership Institute at Harvard University.

The First Mayor's Conference on Entrepreneurship – sponsored by Ewing Marion Kauffman Foundation.

I was one of only 14 mayors from cities around the country who were invited to discuss strategies to encourage a culture of entrepreneurship.

As we embark on the second year of our journey, it is necessary to remind ourselves of what enabled us to successfully navigate through unexpected storms and sometimes treacherous waters.

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We settled upon a common vision. A common purpose. A common value.

We recognized first and foremost that we had to be frugal in how we spent the investment of our taxpayers. We insisted on efficiency and innovation. We insisted on making sure that we collected what was due. In exchange, the necessary resources were made available so that needed services could be effectively provided.

This council was asked to embrace a new way, an uncommon approach in government -- provide the freedom to unfurl a banner of entrepreneurship within our departments and release the shackles by rewarding the tenacity of fresh ideas.

The result of that covenant is a community standing with us in uncommon unity. Our constituents have demonstrated their support by assisting us in identifying a new path to resolve old problems. We recognize that we can't place new wine into old wineskins. We are here to show a new way.

A new way to resolve old problems.

In 2013, we focused on establishing a new culture, a new manner of doing business.

In 2014, we must utilize our newly-minted system to address familiar problems that are corrosive to our community psyche.

The question that is set before us as we proceed into this venture is, "To what are we willing to commit?" Are we going to settle for mediocrity or are we going to insist on excellence?

Mediocrity or excellence?

Last year, we addressed issues that we initially didn't expect to have a high priority on our agenda. After 20 years of neglect, the marina was in danger of sinking or, worse, breaking apart and floating down river, destroying anything that got in its path. We were forced to address an issue that others found convenient to set aside due to other pressing priorities. The consequence was unacceptably expensive. However, the rusty, leaky barge is now gone and we are set to embark on a new phase of riverfront development.

Earlier this week, you authorized me to set to settle a contentious lawsuit that has threatened the viability of a vibrant neighborhood and created a wedge in business development with a family of entrepreneurs who simply seek to grow their business and see their community prosper. The old path of conflict, derisive communication and entrenched obstinacy produced nothing of value. All that was advanced was the confirmation that the city leaders did not know how to establish an environment where parties can find mutual benefit. We are on the verge of resolving a 20-year-old issue in a fashion that will produce benefits that nobody ever contemplated.

Once again, mediocrity or excellence?

As we have learned this year, we know that the path to excellence is going to require tough, difficult, abstract solutions that have never been contemplated. We cannot turn a blind eye to the issues that have been long ignored.

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Mediocrity or excellence?

I signed up for excellence a year ago knowing we would have to make decisions that are uncommon and often times unexplored.

You may not have signed up for this endeavor with the expectation of addressing financial and regulatory issues that have never been reserved for municipalities, much less communities the size of Huntington. You may not have signed up to be a party to making such decisions. But the state government and federal government have already signed you up without warning.

With all the pronouncements of limited government and reduced spending from Charleston and Washington, the rubber meets the road in Huntington. State government and federal government have the luxury to look at issues from afar. Those outside our community can peer through the looking glass and offer suggestions, telling us how we must do things. The reality is we don't have the luxury to just talk. We have the responsibility to act.

Our 2014-15 general fund budget projects revenues to grow by \$417,953. We anticipate slight growth in Business and Occupation tax receipts, particularly in construction. The sales tax has provided consistent growth. However, we still are uncertain how the West Virginia Department of Revenue will assess the costs of administering the sales tax program for cities.

Our budget is positioned to focus on areas that have been long ignored.

Imagine the condition of our streets, sewers, lights and our buildings such as City Hall if there had been no appropriation for their upkeep for nearly seven years. Our employees, our single greatest resource, have not had a raise since 2008. In many years, it was an easy decision to say we could not afford a pay raise. This is not one of those years. The budget is tight, but we cannot afford to not provide our employees a pay raise. Therefore, I am recommending a 3 percent across-the-board pay raise for all bargaining unit employees and administrative personnel.

The bargaining units have been advised of my recommendation. We know they may choose to have the amount appropriated for their raise allocated in some fashion other than a straight 3 percent. We advised the negotiating committees, however, that whatever manner they choose to have the money distributed, it must be administered by the city without difficulty.

We have observed from afar the water concerns that our colleagues and friends have had to wrestle with in Charleston. As we evaluated the impact that the chemical spill could have on our water supply, we realized there was an array of local, state and federal agencies that have overlapping responsibilities. Communication is key. We have had stellar communication with our local health department, county emergency services and West Virginia American Water. But I found that within our own operations, we had different divisions of service and regulatory responsibility that must be coordinated.

Therefore, I will be taking executive action where I have the authority and requesting City Council to act where it is necessary and pertinent. We will place under one administrative authority all city offices that have anything to do with water quality, regulation or service. The Sanitary Board, the Stormwater Division and Floodwall Division all are responsible for how we manage water that is disposed of, collected or contained in the city.

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We are recommending that the Stormwater and Floodwall divisions be transferred to the Sanitary Board. The Sanitary Board is organized and prepared to take on these entities. Employees will be transferred to the Sanitary Board with all seniority and rights afforded to them under the provisions of their union contract.

It makes sense for the Stormwater Division to be housed within the Sanitary Board. Eighty percent of all sewer lines in the city are combined sanitary and storm sewers. An immediate efficiency of operation will result when a sewer collapse occurs. There will be no need for city and Sanitary Board work crews to assess who has the responsibility. With one sewer division located within the Sanitary Board, the work will be conducted and the appropriate division will be assigned the cost.

The Sanitary Board is also equipped to implement the program that was outlined in the stormwater ordinance and wisely referred to committee by this Council. The Sanitary Board will immediately begin cleaning catch basins and unclogging the storm lines. The Sanitary Board can continue the mapping that was being planned in the stormwater proposal. In short, the Sanitary Board is capable of providing most of the services that were proposed in the stormwater ordinance and the startup fee with its existing resources.

The work group that will assist me in determining the funding of our long-term street and basement flooding issues will ensure that our approach keeps Huntington competitive and avoids unintended consequences.

I am constantly reminded that the City of Huntington is the most efficient organization in this part of the country. Our neighboring communities have difficulty providing the same quality of service at twice the cost. I believe we need to maintain a healthy tension in our operations to ensure we are wringing every drop of water out of the rag.

Our departments need to step up their efforts to provide more with the allocation that is provided to them. The Huntington Police Department is the example that all of our operations need to emulate. While the city has increased funding for the Police Department and the council has provided a dedicated revenue source through the \$3-per-week city service fee, the city has not provided a dollar out of the general fund for HPD vehicles. Yet, 46 vehicles have been purchased since 2009. Service weapons, shotguns, laptop computers, digital radios, bulletproof vests and surveillance cameras were purchased without a dime from the general fund. HPD has supplemented its operation with \$6,493,019 from grant proceeds and other sources of outside funding since 2009.

Chief Holbrook shared with you a threat assessment report indicating that the substance abuse problem in our city affects every aspect of life. Clearly, when faced with the question of mediocrity or excellence, our Police Department defines excellence.

HPD needs to take the next strategic step by implementing a community policing model to assure our neighborhoods are better protected. This budget cannot address that priority.

HPD is but one example. The healthy tension is on the verge of being strained in every department as we attempt to achieve the most efficient operation possible.

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The Fire Department is finally at a staffing level where we don't have to fear closing a station. Yet, I am expecting the Fire Department to not only be prepared to protect properties from fire, but also be proactive and inspect buildings to identify fire code violations and prevent the occurrence of fires.

Two new fire stations need to be constructed – one on 20th Street and 9th Avenue and one in Westmoreland. Each is strategically important. Designs should begin, but the budget cannot address that priority.

The Public Works Department has 189 miles of roads and 200 miles of alleys to maintain in the city. Streets in some subdivisions are crumbling. Sidewalks are impassable in many of our neighborhoods. Streets and basements flood during a slight rain shower. Hillsides are slipping, placing in jeopardy homes and entire streets. Our bridges are crumbling and in need of replacement or substantial repair.

The Public Works Department utilizes their personnel to prevent catastrophes. However, it is seldom able to proactively establish a solution before the problems erupts. Our general revenue budget cannot address the full breadth of our capital needs.

Our capital budget could easily be \$2 million to \$3 million per year.

We have constructed a budget within the limits of our revenues. We will continue to strive for excellence in all that we do. It is necessary for us to determine how we intend to address our long-term capital needs. Just as we have successfully established a paving program by having a dedicated revenue source, we need to determine how to establish a consistent capital improvement program. Our present revenue structure does not allow us to budget for these needs.

If you didn't sign up to be this involved in policy development, it's too late to reconsider. We own the responsibility.

In previous years, many of those who sat in the seats we now hold could not find the will or means to act on these issues. We face issues today that can no longer be ignored. As we move into the new fiscal year, we will address what we can with the resources we have. Our biggest challenge will be to determine how we should respond to that which can no longer be ignored.

Mediocrity or excellence?

It is our responsibility. Gird yourself to act.

Behold, we are here to do a new thing. It's been a long time coming, but I know change is going to come.

May the Lord bless our efforts and continue to lay His blessing on the citizens of our city.