

**MAYOR'S BUDGET MESSAGE**  
**FISCAL YEAR 2019**

**AUGUST 7, 2018**

## 2019 BUDGET MESSAGE

The City of Montgomery's 2018 fiscal year has shown improvement toward some long sought goals; improvements that benefit our citizens, visitors and businesses; and the continuation of our status as the "Capital of Dreams".

When we "close the books" on FY '18, we project our revenues will reach a high of nearly \$243-million. City expenses will come in just below \$242-million and allow us to boost our reserves to over \$26-million, more than 10% of our operating budget.

Ledger numbers are useful for quantifying Montgomery's success; but fall far short of fully illustrating the capital city's diverse, vibrant activities. A brief review shows we are enjoying accomplishments thanks to the hard work of our 2,400 City employees, our department heads and cabinet members, City Council, along with numerous partnerships and joint initiatives.

In December, the Secretary of the Air Force notified our community that the highly sought after F-35 will be bed down at the 187<sup>th</sup> Fighter Wing of the Alabama Air National Guard. We owe a tremendous debt of gratitude to the men and women of the 187<sup>th</sup> whose stellar record and tradition of excellence led to this decision. The F-35 will secure hundreds of jobs at the Fighter Wing for decades to come, generate additional employment opportunities and help to inspire our students to pursue STEM careers.

The City and County remain committed to renovations at Dannelly Field that are needed to accommodate the F-35's arrival. This announcement is the latest example of success from the teamwork of local, state, federal and Chamber officials to ensure our economy continues to thrive.

Another economic gem for our area is tourism and travel. FY '18 lodging taxes will generate nearly \$11-million in revenue, a new record. Montgomery's continued dominance in hotel occupancy rates translates to nearly \$1.5-million in visitor spending each day! Look for that number to grow as developers continue to build new hotels and expand our tourism

capacity, led by our Convention and Visitors Bureau and the sports venues of our Parks and Recreation organization.

Economic development continues to flourish. Labor stats show that more than 166,000 people held jobs in our area. In 2017, the tenacity of the Chamber led to the announcement of growth from 30 new or existing companies; this represents more than 1,050 future jobs and a capital investment exceeding \$200-million dollars. 24 of the announcements came from existing companies whose investments demonstrate confidence in the community. These successes place Montgomery in the top three in the state. Our business-friendly atmosphere will continue to attract new opportunities. Although the project would land outside of our city limits, we offer our full support of Tuskegee's efforts to build the T-100 jet trainer; a development that would nicely complement the F-35 and provide economic benefits across central Alabama.

Any community seeking to attract economic development has to be committed to education. Employers need an educable work force to compete in our global economy. Montgomery is to be commended for favorably responding to the clarion call to confront issues that have challenged our public schools. Nearly two dozen candidates sought election to the Montgomery Board of Education, the highest number in recent history. Voters responded with unprecedented turnout in the primaries and run-off contests. The Board is well on its way to being infused with new leadership.

FY '18 is experiencing continued growth at the Montgomery Internet Exchange (MGMix). More than two dozen companies and organizations are making use of this high-tech resource. Along with Montgomery City and County governments and the State of Alabama, Alabama State University has joined AUM as the second institution of higher learning to reap the benefits of participating at the MGMix. The Montgomery Police Department's recent connection to Montgomery Public School cameras was accomplished using the MGMix.

The FY '19 budget boosts support for our Police and Fire/Rescue departments. During the first half of this calendar year, our brave police officers responded to more than 165,000 calls for service. Thanks to innovation and law enforcement best practices our streets are safer. Violent crime is down 11 percent while overall crime is down almost 3

percent for the same time period. MPD expenditures in FY '19 will increase by \$1.7-million to help cover a new pay plan, ensuring our community remains adequately staffed with up to 515 officers as our target.

Montgomery's Fire/Rescue Department, which just celebrated 120 years of fire protection of the capital city, has been dispatched on more than 17,000 EMS calls and nearly 2,700 fire suppression calls in the first half of 2018. The average response time for both types of service runs is about four and a half minutes. A revision to Fire/Rescue's pay plan will contribute to an increase of the Department's budget by \$1.3-million as we seek our target of 420 firefighters.

Our first responders provide a safety net that protects us all. They deserve our gratitude. We are also thankful for our Emergency Communications call-takers and dispatchers. During the 12 month period from July of 2017 through June of 2018, our professionals received more than 243,000 calls to 9-1-1 (answered on average in about 10 seconds) they also handled in excess of 222,000 administrative calls. The department is introducing new technology to better serve people who use cell phones and texting along with improved connectivity to jurisdictions spread across nearly 30 counties.

Proposed changes at our Sanitation Department will lead to significant savings and reduced wear and tear on our resources. At the same time, our staffing will have improved stability and we will be better able to respond to unplanned events like the recent windstorm that toppled trees and littered our streets and yards with fallen limbs and debris.

FY '19 will also see a return to recycling. Upon resolving legal issues with our former operator, we received interest from potential partners from around the world. After careful review, the City selected an industry leader that will make sizable investments to our recycling facility. Once again, homes need only place their recyclables in their green containers with their other refuse; thus guaranteeing 100% participation. Recycling should resume in the fourth quarter of this calendar year.

The Montgomery Clean City Commission continues to do great work. Its litter initiative has removed more than 51 tons from our most heavily-traveled roads since September of 2017. It engages in special clean-up

projects in all nine of our council districts and provides educational and site improvement projects to our public schools.

The FY '19 budget sets out \$450,000 to continue the assault on dilapidated properties; \$50,000 above current spending levels. This key investment in our community resulted in the demolition of 120 structures this year. In 2016, nearly 500 unsafe homes were identified; by the end of FY '19 only a few dozen will remain.

Addressing our streets and roads remains a key priority. 90 street segments spread across all of council districts were repaved in FY'18 at a cost of \$1.5-million. Major projects such as corridor connectors Carter Hill, Wares Ferry and Vaughn Roads were either completed or initiated with the leveraging of Federal funds for an additional \$5.7-million investment in our roadway infrastructure.

FY '19 will see \$4-million in local and Federal monies targeting the Court Street corridor and an increase in council district paving to \$2-million as well.

Infrastructure investments will also take place at nearly a dozen signalized intersections rated to be most in need of new signal heads, wiring, detection systems and striping. These enhancements to boost pedestrian and motorist safety will cost \$275,000.

Saving lives and preventing accidents will also be accomplished by channeling approximately \$125,000 to provide much needed pavement markings along 17 miles of our most heavily traveled roadways spread across the City.

Devising a roadmap for our future will help ensure we move efficiently toward the decades ahead. The Envision 2040 program is part of our City's first comprehensive plan in more than a half-century. We encourage all citizens to take part in this initiative, especially millennials who can share with us the community traits that will compel more of our youngest citizens to remain here to pursue their future versus transplanting to other cities.

While the Envision 2040 findings will be invaluable, Montgomery continues to aggressively strive to be a "place that we can all be proud to call home". Expanded facilities at the Montgomery Regional Airport and new flights

added this year to Washington DC and Orlando (through Mobile) are boosting our air travel connectivity. BikeShare that allows for convenient and inexpensive bicycle rentals throughout the city will provide opportunities for exercise and recreation. It will be operational this autumn.

Reducing congestion and diverting truck traffic from the interstates in our center city and Taylor Road are the goals of extending the Outer Loop. Preliminary engineering work has started to bring the roadway from Vaughn Road to Highway 231. Here too local, state and our congressional leaders are partnering together for this key objective costing \$30+million.

In mere weeks, the Montgomery Museum of Fine Arts will debut its new sculpture garden. We tip our hats to private philanthropy that is underwriting the bulk of the expense and also offer thanks to the City departments that are contributing resources and labor to keep costs as low as possible.

The much anticipated re-opening of the Juliette Hampton Morgan Library Branch exceeded community expectations. Here too, generous private giving complemented support from the City and County to provide the "Library of the Future" today. The technology-laden branch tripled its quantity of computers, upgraded its furniture and infrastructure, as well as introduced new features for child patrons and teens.

Our embrace of technology is also evident in the Open Data portal on our city website. Nearly five dozen datasets are giving the public an increasingly transparent look at how our government functions. 350,000 page views since October one demonstrate the intense interest shared by web-surfers. The addition of more data will be a continuous process. Other technology initiatives are also moving us swiftly to becoming a smart city.

In FY '19, Montgomery will continue to see challenges that face nearly every community to manage increases in the costs of health care and providing retirement benefits. A referendum overwhelmingly passed by our employees is already providing a bright spot in this area with the transfer of our pension program to the Retirement Systems of Alabama.

Meeting all of our challenges while also moving forward requires the commitment and professionalism from our employees, department heads and elected leadership. A recent change in the distribution of internet sales

tax receipts will help our revenues and the strong increases in businesses coming to Montgomery will allow the City to provide annual merit increases for deserving employees. A modest increase in our gasoline tax, the first in decades, will also prove valuable.

The FY '19 general fund budget features revenue projections of \$250-million, the first time the City has reached this milestone. This proposed budget project includes a \$1-million increase to our reserves, to better protect us in the event of unforeseen emergencies while providing our citizens, businesses and visitors with the levels of service they deserve and expect in the Capital of Dreams.

-Todd Strange  
Mayor