

This is the 5th time I've given my annual report to this body, each year prior, in part, having built on the continuing theme that our tax revenue created from new jobs is growing, and that it's steadily improving our city's fortune and future as it grows. This is still very much the case, but 2019 was also the year we truly put our money where our mouth is in making large investments in our infrastructure, including expansive street & sidewalk projects, with more money budgeted for a sewer line repair project that will mark a turning point for us in our efforts to combat aging infrastructure.

But of course projects can't be done without money, and 2019 also saw us further improve our occupational tax revenue by announcing months ago that Lakeshore Learning is expanding their operations in Midway, adding another 100 jobs, and putting Lakeshore's total investment in their Midway centers at nearly 75 million dollars. They will eventually employ at least 362 full time workers in Midway, far and away the largest job provider the city has ever had, and one of the largest in the county.

We also announced the arrival of four more companies bringing a total of more than 125 additional jobs: Kentucky Cannabis Company in downtown Midway will employ 25 at the old Robin's Nest building, and Crown Stair and Cooperin LLC in Midway Station will employ 25 and 10, respectively. 2020 will also be the year that a new day care is to be built in Midway Station with subsidiary businesses which will add a much-needed service and 75 more jobs. All and all, 2019 saw us create over 225 more jobs in Midway.

When our job creation started in 2015 and 2016 it naturally took time for it to filter into our city coffers. But now we see the effect it has on our ability to do business and improve the lives of our citizens. As our recent balance sheet shows, our accounts are in very good shape and we have more than twice the amount of money in rainy days funds than the average American city keeps. Even more encouraging, our budget tracking currently shows we're 29% ahead of our occupational tax revenue for this fiscal year, putting us on track to generate \$838,000 this cycle, rather than the \$650,000 we expected. With the aforementioned new jobs coming in 2020, it won't be long until our annual occupational tax revenue is exceeding 1 million dollars. For reference, back in 2015, we were bringing in a little over \$300,000. That is the effect of bringing in 500 new jobs in 5 years.

We spent a little under \$200,000 this year on a major renovation in the Stephens St & Starks Alley corridor, including brand new storm sewer pipes, curbing to help direct water away from homeowners front doors, and a repaved roadway with newly added center stripes and edge lines which early eyewitness reports indicate are slowing traffic. We also saw the success of our Sidewalk Repair Cost Sharing Program, which achieved the long-needed replacement of some of the most dangerous sidewalks in town and allowed some homeowners the economic boost they needed to make these important repairs. Of every project we've implemented in the last 5 years, none generated the number of compliments we received from citizens than this one. It's my hope that this body will fund this project again in 2020: within a few years we could have every

aging sidewalk replaced and could establish a precedent for how to keep our walkways in good shape for perpetuity.

We also saw more necessary improvements to our wastewater treatment plant; investments which could pay off for decades by delaying the need for a newer one. We established an affordable housing task force which is hard at work studying an extremely enigmatic issue, and they will soon produce a much needed inventory that will map out, for the first time, exactly what housing inventory we have in Midway and what future potential there is to help improve our housing needs within the urban service boundary.

And of course just weeks ago this body took the formal steps to make us a debt-free city; an incredible achievement that's been made possible by the more than \$500,000 in debt payment, most of that early, that we've made in the last few years. While no city can remain debt-free forever, it means we're not throwing away anything on interest when we don't have to.

But we can't rest on our laurels. In order to continue to build what I believe is the model small city in Kentucky, we have to constantly try to one-up ourselves, to keep striving to accomplish that feat that others say you can't do. In reality, much of my inspiration to tackle the issues many said couldn't be solved was the myriad of examples from Midway's past where people refused to accept conventional wisdom.

And there are still many needs and challenges remaining. We as a city government should continue to make constant road, storm sewer, sidewalk, sewer line, water line, and treatment

plant upgrades a customary undertaking, with special projects always a possibility.

More specifically, in addition to the aforementioned major sewer line project and continuing our sidewalk project, we also need to discuss in the upcoming budget season what roads should be paved next - obvious candidates being to finish Stephens by paving its western end, as well as Higgins St, Bruen St, Gratz St, and various portions of other streets around our city. While some roads degrade quicker than others, it is time we create a 5 year road plan for a priority list of which roadways should be resurfaced soon.

We also need to take a serious look at the issues on Gayland Drive. Multiple sections of that street have dips in the roadway, and we need to determine exactly what the cause is and fix it. While there are a few theories as to the cause of the issue, we need to end speculation and then determine the best route for repair, as well as who is responsible for the matter.

The upcoming year should also hopefully see us finish the pavilion at the Midway Cemetery, the concrete pad for which is already under construction. Additionally, as rainy day funds currently invested in CD's reach their maturity date in 2020, I agree with recent comments from council members that we should look for alternative ways to invest our cash. And, as we continue to administer a sidewalk cost sharing program, I believe we should look seriously at the cost of constructing new sidewalks where they are needed and where they are possible. Candidates for this include E Stephens Street near the Homeplace at Midway, the US 62 bypass, Leestown Road, and other areas in town where sidewalks abruptly end or are

needed. Obviously, the Leestown and US 62 proposals will require state input and/or participation as they are adjacent to state roads.

I've been very encouraged by the discussion and progress surrounding the proposed Blighted Property & Code Enforcement ordinances and this week I will be sending members of the city council the latest draft we've been working on together with the intention of holding a first reading at our meeting on December 16 and a 2nd reading and vote on January 6. I understand that this may require a final special meeting on the topic if it appears one is necessary to move forward. I firmly believe this is the only way to truly tackle the problem of blight and abandonment, and the current version is a great example of cooperation and compromise.

2019 was a year in which we saw more dedication from local volunteers and civic-minded citizens. Members of the Midway Business Association continue to host great events that attract new visitors and spenders to town and help to boost our local brick and mortar retailers. Volunteers coordinated by Midway Renaissance have been staffing City Hall for these events to greet visitors and provide rest and information, and their dedication to being ambassadors for our city should be widely commended. Midway Renaissance continues to put on a popular summer concert series and in partnership with this government, they have created a wonderful, thematically rotating "pop-up history display" in the window of a previously unused section of the Rau Building. Both of these organizations deserve immense praise for their passion and their effectiveness in improving and showcasing our city.

The Midway Parks Board is another group of dedicated individuals that have accomplished wonders, and we should continue to encourage their efforts and fund the necessities of a great public space. After all, great cities have great parks.

And in that same vein, we should always continue to encourage the dreams each of us has for our city. Whether that be more energy sustainability, modernizing efficiency & policy, or physical structures like public stages or workout facilities, or whether it be something not yet conceived of, anything is possible for us.

And finally, as we move forward, we should always dedicate focus to the prospect of signing on with a new water wholesaler in the year 2025 when our current contract with Kentucky American Water expires. Frankfort Plant Board is an obvious & strong candidate for our business, as they can sell us equally clean water at a rate over 40% cheaper than our current ones. But, as other players come to the table, we should hear them out as well. This includes wholesalers within our own county, who have expressed a new interest in selling us water. And of course, as always, Kentucky American is welcome to make an offer as well, but as of yet I see no indication that they have any desire to do so.

Regardless, it appears now more than ever before that we will have an opportunity to completely change the narrative surrounding the water bill in Midway. We've already lowered sewer rates by 25%; the average home is now paying between 10\$ and 20\$ less a month on their bill. But imagine what our city could do when we're paying as much as 45% less for the same water. We could use some of those savings to invest in

our water infrastructure, but we could also significantly lower the cost of the most necessary of resources, ending a decades-long grievance about Midway.

As I conclude tonight, I want to mention that 2019 was another year when our city employees shone; their day in and day out dedication, efficiency, & pride in their work and in our city is reflective in every facet of our town: they are the unsung heroes of Midway. I would also be remiss not to remind us of the effect a city like Midway can have, not just on the people who live in it, but on those who live beyond our city limits as well. 2019 saw another year of countless Midway citizens doing what is right, standing up for what they believe in, and helping their neighbors in their gravest hours of need.

Furthermore, I look at recent events around the county, and can't help but think back to a day in June 2015 when Midway became the 8th city in Kentucky to adopt a Fairness Ordinance, assuring that all people, regardless of who they are, have equal protection under the law. As of September, this is also now law in neighboring Georgetown; in October it became law in Versailles and it appears with increasing likelihood that it will become law in the unincorporated parts of Woodford County as well. Don't ever let anyone tell you that because a city is small that it somehow matters less.

I thank you all for listening, for the care you put into our city, and I look forward to continuing to work together with you to maintain Midway's status as a city that defies all expectations.

Grayson Vandegrift, Mayor
City of Midway