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# Mayor Hamilton's State of the City Address

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*State of the City, Feb 16, 2016, 7pm, Buskirk Chumley Theater*

## Intro

Thank you all for being here. I want to thank the members of the City Council, partners in leading government for our city. I want to thank my fellow city employees, from Deputy Mayor Mick Renneisen and his kind introduction, to Communications Director Mary Catherine Carmichael who organized this evening, to all our department heads, and to all 650 of my fellow city employees. Thanks to all elected and public officials here. (specific thanks to: Family, past mayor Tomi Allison, IU Provost Lauren Robel, Ivy Tech Chancellor Jennie Vaughan, those watching on CATS. And thanks to all of you, to each of you, for being here and for all you do for our city.

We've enjoyed some hot jazz and cool poetry. (Please join me in thanking once again two outstanding representatives of Creative Bloomington, the North High School advanced jazz ensemble, and IU professor Adrian Matejka.) My goodness, such talent, what a treat! We should be relaxed and also energized, our minds expanded and our imaginations activated - that's what the arts can do right? OK so now we are rolling up our sleeves and getting to work on our city. Sit back and let's talk about Bloomington, where we are, and where we want to go....

James Fallows, one of our country's finer journalists and chroniclers, recently hopped 50,000 miles across America in a small propeller plane, visiting scores of cities over a 3-year period. He was trying to understand what was working in cities across America. One specific, striking comment he made was: "Many people are discouraged by what they hear and read about America, but the closer they are to the action at home, the better they like what they see."

I believe if you ask my dear wife Dawn, she will tell you that I am an optimistic person. I believe things are getting better, and will continue to do so, as we all pull together. And Fallows' quote rings true to me: most of us, while we may indeed often be 'discouraged' by what we read and hear about our national events and politics, most of us are more encouraged by our experiences with our neighbors, our school teachers, our store clerks, our fellow worshipers, our little league coaches, our local nonprofits addressing poverty or hunger or housing or safety or promoting arts, our librarian, our nurse, our local business owners, and on and on. We see progress. We recognize the vast number of people of good will. But sometimes we're discouraged by national images and stories.

In a recent survey, among people who reported that their lives were stressful, they were asked what daily events added to their general stress. First choice was juggling schedules of family members, not a surprise perhaps. But second and third highest daily stressors? hearing about what the government or politicians are doing, and watching, reading, or listening to the news!

No wonder some people say they just turn off the news or don't pay attention to national affairs. Of course I do not advise that we succumb to that temptation. Nor do I suggest that there are not serious challenges ahead of us at the national and global levels - of course there are. There is lots of talk of late about building walls, HUGE walls, figuratively and literally, to keep away the problems of the world. I promise I won't say the name of any presidential candidate tonight - That is no solution for our country - nor for our city, nor for any of us.

But James Fallows' observation reminds us that what we often hear from that national media is not Reality. Reality is not what paid TV commentators say it is. It is not captured by stories designed to attract eyeballs and sell products. Reality is here in front of us, and it is what we make of it.

Just one example of good news that hasn't hit the top of the news items (but I expect some in this audience know): The unsubsidized cost of electricity generated at scale in the U.S. from wind power fell 61% in the last six years, and for solar the unsubsidized cost fell 82%. These sustainable energy sources are cost-competitive with fossil fuels even with large decreases in the cost of natural gas and oil. (and that's not considering environmental externalities.) Such good news often doesn't travel as fast or far as bad news. That's one reason progressive cities cannot succeed in isolation, but have a need and an obligation to be leaders in the state and nation and even world, at times. We are putting solar panels on our city hall this summer, and by the way, we intend to offer wholesale prices to residents here who want to install panels on their homes or businesses. In this and many other ways we're working to combat climate change, a defining issue of our generation. Cities like ours must act and speak out for the good of our community and our planet, for example against a concerted effort led by ALEC to prevent consumers and generators of solar power to be able to sell excess power to utilities.

## Part One

So I want to talk about that 'action at home,' the stuff that, often, the closer we are to it, the more we appreciate what we see. As Mayor, my job this evening is to talk about the State of our City. Where we are now, and where we ought to be going

next. With a particular focus on city government and our role.

There is an awful lot to like about Bloomington. You know that. We have a fantastic community with so many assets and such a bright future. Let me tell you, it's really a privilege and a thrill to be mayor of this great city. (You can ask Dawn, and I think she'll tell how much I look forward to getting to work every day.....) Like most of you, I feel deep gratitude to be able to live here. I think also like most of you, I feel a responsibility to steward it for future generations as well. To make good decisions, do the right things, make smart investments, to assure it continues to be a place where all kinds of people live together creatively, peacefully, positively.

We can highlight a litany of indicators of excellence, such as our Gold level Bicycle Friendly city; our Tree City designation; and our perfect score by the Human Rights Campaign Equality Index (the only city in Indiana, one of 47 in the country) - and this really matters, being a progressive LGBTQ city in a state with leadership that has embarrassed us and put Indiana in a negative national spotlight two years running. And being a city leader on reproductive health and women's rights matters too, with our city and county councils both in the last six months supporting Planned Parenthood at a time of unprecedented state and national assaults. And we can point to our increasing trails and trail miles . . . how we are reducing trash generation . . . to rising high school graduation rates . . . to an ever-growing use of our award-winning bus system, and much more.

I could go on for the rest of my time tonight celebrating what is wonderful about Bloomington. But we need to shift and address some current difficulties, some pending challenges. We need to face facts with clear vision.

First our economy. Our Metropolitan Statistical Area includes Monroe and Owen counties. During the national and state recession of 2008-09 we actually did not have a recession in our MSA, as you can see on the graph, with the green line on top. But we're in one now. And have been for FOUR YEARS, with a shrinking real gross domestic product for our MSA, shown in the green bar on the right. We must talk too about too many of our friends and neighbors who are struggling - needing shelter, or a job, or better health care, or addiction services. There are too many people in our community - including kids - who are not secure about their next meal, their bed, their paycheck, their medicines.

Second our crime rate. We enjoy a relatively safe city. But statistics tell us that our violent crime rate, in blue there, has risen significantly over the last decade. And this is counter to the long national trend downward, in red.

Third, our public assets, our infrastructure. That's an abstract word that describes a critical part of what government provides every day. We haven't kept some of our infrastructure in shape. A few examples: During a 3-month period last year while replacing a storage tank, we had nearly 40 water main breaks in our system. You'll recall that last month I announced deteriorating drinking water quality that demanded quick attention. During the first snow of this year, 20% of our snowplow vehicles were out of action, nonfunctional. Last year we had 20 weekends with zero back-up fire engines available, which is not prudent for public safety. Our physical assets like water treatment plants, pipes, sidewalks and streets, public parks, storm sewers, trails, fire trucks and police cars, cherry pickers, snow plows and mowers; we must be good stewards of these shared assets.

Fourth, some basic city operations need attention. Sanitation services are operating in a system that was modern, in the 1960s. Our sanitation workers labor mightily, but bear the brunt with injuries and rising worker compensation costs .... up over 60% in the last three years, and totaling more than a quarter million dollars for our 22 hard-working employees. You heard also our parking meters weren't working like they were supposed to. - as we learned just recently, basically every one of our 1,500 meters failed during the first two years of operation, and we still find a 5% monthly failure rate - far too high. And as we've also been reminded recently, our fiscal controls and planning have needed closer attention.

Fifth, we're shortchanging training and skills building for our city employees working every day to keep our city humming - plowing streets, delivering clean water, policing our neighborhoods, responding to fires and emergencies - as we've noted often with less than adequate equipment or processes. But for this workforce lately our city has invested less than 0.5% of payroll annually for skills and training - for every \$100 of employee salaries and wages we're spending less than 50 cents on skills and training. Far below industry standards, and not fair to our employees.

Sixth, we must pay close attention to changes going on in public education - while graduation rates are going up and our outstanding teachers make miracles happen every day in our classrooms, state policy is pulling more than \$1 million from our local public schools to private schools this year through unlimited vouchers.

So we've got some challenges.....and I mention these not because I'm alarmist. It's because I want to be transparent. As your mayor I owe it to you to be direct and invite discussion of difficult facts, choices, and realities. We're already taking significant steps about a lot of these too, and I'll very briefly outline some of it:

On the economy - First let me say I've been sitting down with a lot of our employers and local leadership to talk about this issue. There are a lot of good ideas and efforts out there. Crawford Homes helped deal with some of our most disadvantaged residents. I've assembled an outstanding task force of local leaders to make recommendations about wage growth and steps we should take. More about this issue shortly....

Public safety - Our police department is undergoing national accreditation, I've asked the public safety board to review in detail the 2015 President's Commission on 21<sup>st</sup> Century Policing, to be sure our excellent force is doing all we can to have the most effective, community-oriented public safety efforts possible.

Public assets - I will be asking the city council this month for \$3 million from last year's reversions for immediate replacements and repairs so our vehicles are safe and effective - this should help with our snow plows and fire trucks, for example. And I'm also asking for reverted funds for investment in employee skills and training, up to about 1% of payroll. I met with our fiscal taskforce this week to review and recommend a plan for a capital replacement budget and stronger oversight and planning. As one example, going forward we will not be using 25-year borrowed money to pay for short-term assets or basic maintenance.

As to City Operations - I have ordered immediate improvements in our drinking water system that are already underway. I've ordered a resolution of our parking meter problem as soon as possible, which is also underway. And we're reviewing options for our sanitation system in the near future.

And on education, I will work for and we need to pass a referendum this fall to protect the gains we have achieved together.

So I can report that we are taking steps that are needed. We'll certainly be working together on more in the months and years ahead.

I'll mention two more related areas of concern or opportunity. First is Annexation. Our county population has grown by 21 thousand in the last 12 years, and urbanization is spreading, but our municipal boundary has remained fixed. Looking at our history of annexation beginning in 1970, we've generally followed the urbanizing areas, as you can see, decade by decade. But we haven't expanded an inch during the past dozen years. In 1990 our city included 85% of the county's urbanized area, but today our city includes only 73% of the urbanized area. Perhaps this is the right strategy for our community. Perhaps not. We should talk about that.

Second and related is Regionalism. Bloomington is a city not an island. We interact daily with our county, our region, our state. *Our* people work elsewhere. And people from elsewhere work in Bloomington. Our economy is regional. We just became part of an exciting major regional grant. But last year we terminated the agreement with the county about zoning in the two-mile-fringe, the orange areas intended for annexation. I think that was a mistake. We need more cooperation in that vein rather than less. I'm committed to working very closely with our county and our region, to help make decisions together.

## **Part Two**

We've just outlined where we are at this time. Not exhaustive of course. And not exhausting I hope. Now I want to turn to the longer vision - the things I believe we need to be doing together, to protect and enhance the quality of life - for all - that we want in Bloomington.

I say this very conscious of the fact that as a community we need to settle on these directions together. I will be working with city council and our partner governments in the townships, county, state and nation. And also of course outside government with all the players and people of our community to help us achieve our collective potential and goals.

First and foremost I want to return to Bloomington's economy. Our future depends upon our community being able to generate sufficient jobs and wages and wealth and assets for us to share in the quality of life we seek together. We live in an ever-changing economy, locally and globally. Oil prices have swung from over \$100 to less than \$30 a barrel. The Great Recession devastated tens of millions of families and their savings. At home we see local companies facing competition across the street and around the world.

We must help existing local enterprises to prosper, and we must encourage new-business formation as well. Tracking new business formation is the single most important guide to future employment trends. This reflects a vital economic fact: Over the past decades, all the net new job growth within the U.S. economy has come from firms in their first five years of existence (and mainly from fast-growing firms in their very first year).

Large and existing employers are critically important for our community and we must help support mutual prosperity with them. But nurturing and attracting small new employers also is essential to Bloomington's success in the coming decades.

As I've mentioned, I've created a Wage Growth Task Force for some practical advice. Additional steps are needed.

I believe that Bloomington's digital infrastructure will play a central role in our community's economic prosperity development and our residents' quality of life. Connectivity is essential for modern businesses, the creative arts, education, healthcare and home life. And *world class* connectivity is essential for our community to continue to thrive. I believe this digital connectivity is the 21<sup>st</sup> century equivalent of electricity and water infrastructure in the 20<sup>th</sup> century.

We do not have the digital network we need right now, and we certainly don't have the network we will need in 10 years. Bloomington simply must not lag behind while state and national peers secure gigabit class connectivity for their residents.

There are now over 1,000 Fiber To The Home networks in North America, of various sizes, some cities, some small neighborhoods. Places that have made next-generation connectivity a priority and have achieved it. I believe it is essential that Bloomington be counted among them.

Conversations I've had now with dozens of experts in the field and local and national service providers have re-emphasized for me that the time is right for Bloomington to act. We have studied other communities that have built their own infrastructure. One thing is clear: no one cookie-cutter approach works everywhere. Some have partnered with brand new providers like Google Fiber; others have partnered with universities and other governments; others have persuaded existing providers to accelerate infrastructure upgrades. For Bloomington, I have outlined what I believe are the vital guiding principles: Bloomington's 21<sup>st</sup> Century Broadband must be community wide, community controlled and revenue positive. These are ambitious goals, but I believe we can achieve them.

I am pleased tonight to announce three important steps. First, we have retained CTC Technology & Energy, a highly experienced, nationally regarded firm in the field to assist us as we move forward with our efforts. Second, in collaboration with Indiana University (and I want to thank IU's Vice President and CIO Brad Wheeler particularly) we will be co-hosting a Digital Bloomington Symposium at 1pm on Tuesday March 1<sup>st</sup>, two weeks from today.....And third, we expect to release a Request for Information within six weeks, seeking potential partners in our creation of Bloomington's 21<sup>st</sup> century digital infrastructure.

Besides digital infrastructure, we also need Financial infrastructure - innovative financial tools for our businesses and organizations to grow and thrive. We should consider establishing a Community Development Financial Institution in our city or region. We need creative collaboration between public and private sectors to meet financing needs all around us.

Our economic progress must be based fundamentally on fairness - our successes must help to lift all up. Our social safety net is part of our quality of life, just as arts and education are. And our progress must be regional. We are the hub of a regional economy including Crane, IU, neighboring counties, and now the reality of I-69.

Second we need to talk about housing. Our city MUST work for people of all walks of life. We cannot gentrify into neighborhoods of haves and have nots. This requires strategies to create and preserve housing that is affordable to the full range of our residents. I know the city council cares a great deal about this issue. I believe we should pursue Inclusionary Zoning and Long-Term Affordability as new tools. We should support Accessory Dwelling Units. Tiny Houses. Cooperative Housing. Permanent Supportive Housing. Senior Housing. And Planned Unit Developments, all to help achieve more affordable housing throughout the city, in both home ownership and rental. We need to protect mixed-income neighborhoods.

Third we need to update our government - HOW we do what we do. I've spent some time with other mayors from around Indiana and around the country. We all try to learn from those around us - the new companies, the new organizations - to see how they operate successfully. 21<sup>st</sup> century organizations relate to their customers and clients differently. They use big data. They share much more information. They realize the importance of speed and transparency. They know how important it is to experiment, and FAIL FAST, LEARN CHEAP. Like them, city government needs to be more nimble, use the power of the crowd, the customer, the client, and keep trying to get better at everything, getting feedback fast, fixing, tweaking, evolving.

This is SO DIFFERENT from how our governments have been designed - mostly in the early 20<sup>th</sup> century - to be bureaucracies that are hard to move, hard to influence, hard to change, and that are loathe to make any errors.

What does this mean? Expect us to try things to see how they work. Examples: utility bills. What information that we share encourages conservation? Participatory budgeting. Does it engage our constituents well? Pedestrian and bicycle options - what approaches draw people in? Policing - what techniques help create safer streets? Green infrastructure. Decentralized utility for water control, electricity generation, and more.

I've launched our Task Force on Government Innovation, including outside volunteers and frontline city workers to challenge and change how we do what we do.

And we've already implemented a 24/7 anonymous tip line. And weekly town hall meetings. And our B-Clear site with more and more public information available to download, analyze, and manipulate, for a more effective government and a more engaged community. All this transparency is important. And it will be paired with explicit goals, where we will say what we'll do; and do what we say. We have to measure what we are doing. And check whether we're going the right direction. One additional announcement I'm making tonight is meant to get data about where our residents think we are and should be. We will commence a periodic survey of residents about how we are all doing, what's working well and where we need more attention on issues and conditions in our city.

And fourth is public education, the bedrock of our community. Have I mentioned we must pass the referendum this fall? I will work closely as well with IU and Ivy Tech to be their partner as they deliver world-class education here. I'll help advocate for public education. And I've been meeting with principals and teachers in MCCSC to find ways we can work together better, whether on parks and grounds, transportation, food, tutoring and volunteers, summer jobs, student engagement, and more.

These Big Four: Jobs, Housing, Innovative Government, and Education - are plenty to keep us busy. And they will be a key focus for our administration going forward, working with all of you.

We will of course also continue specific efforts to fix what needs fixing, like our water system, and our sanitation services, and our parking meters, and our financial oversight, and probably some things that you and I both don't know about yet.

We will also soon be discussing an updated Growth Policies Plan. What should Bloomington look like in 2040? I know we'll want a richly diverse community, a sustainable city, a beautiful city, a city of trails and parks and arts and local food and energy and innovation and competing ideas and competitive businesses and thriving nonprofits and no doubt some surprises. That will be an important and rich conversation coming up.

I also have to highlight a 'String of Pearls' - 4 development opportunities that line up along the magnificent B-Line Trail. From north to south, we have the Trades District (aka Certified Tech Park), the Convention Center with its great potential to enhance services and reach, the current Hospital Grounds which will create new opportunity, and Switchyard Park anchoring what can be fantastic new neighborhoods and energy south. Look at the 4 areas in red. We have an incredible opportunity to do some good things, over the next several years, to do things that 50 years from now, people will enjoy and appreciate. We'll be working together on this string of pearls in the months and years ahead.

And note that green area - the new IU Health investment coming to the east side of town. Hundreds of millions of dollars committed to a state-of-the-art health campus -- hospital, medical center, education center, with clean, good-paying jobs and top-quality training, assuring Bloomington is a regional health center for generations to come.

That is a lot on our plate. These are SOME of the things we need to do, in my view, to make our community work for people from all walks of life. As I said on January 1<sup>st</sup>, our government doesn't need unloving critics, and we don't need uncritical lovers. We need loving critics, who will roll up sleeves and be the do-ers for our great city.

### **Conclusion:**

Before we leave and have some refreshments in the lobby I want to talk about one more thing. And it's not an easy one..... One way I think about my job as mayor is to realize that really bad things can sometimes happen in wonderful communities like ours. We could face a serious disaster or crisis. Natural. Or human-made. Communities *just like ours* have gone through horrific events. We read about them and shudder. Cry. Pray. You know the stories and names. I have met mayors of some of those places. So I think about, God forbid, if something like that were to happen here, are there things we would have benefitted from having done? Things that we would wish we had done, ahead of time? Of course we have to train and practice and prepare for the specifics, and we do.

But what I am thinking now about is different, deeper and more fundamental to creating a resilient community for all, ahead of these awful possibilities. If such a thing were to happen, I think, *I know*, we would come together as a community and hold each other tight, and remember how much we have in common, and forgive each other a lot of little unimportant things we worry about today. We would comfort the afflicted and affected. We've done that before, here, after challenges.

I also believe we might wish we had been more observant of, attentive to, people on the margins. Perhaps we would wish we had listened more closely to someone who felt excluded or rejected, or marginalized, or dispossessed. Or to voices calling for more imagination.

We might wish we had supported better mental health services, or addiction services. Perhaps also we'd wish we had better communication across groups that don't as regularly talk to each other, more direct conversation about issues or differences that sometimes divide us, of race, ethnicity, religion, politics. You may well have your own sense of this. My challenge is to ask us to try to do at least some of those things now, to feel that shared sense of community, that shared sense of bigger purpose, before, not after. And that shared sense of caring and listening. I hope we can imagine that and take some actions now, not later.

The reason I sought this job, and the reason I relish getting to work every day, is because the future of this community is so exciting. Yes we have challenges. But who doesn't? I wouldn't want to be anywhere else than here. Thanks to those who have made this community what it is. With much work to be done, to improve it and to make sure it keeps working for all, I'll be your head cheerleader about our future. And I'll be working hard every day to do what I can to help us get there.

After his cross-country hopscotching trip, James Fallows distilled hundreds of interviews and conversations to 11 indicators of a successful city, a place where the future is bright, where people are working together for that future, a place one would want to bet on. It's encouraging to look at those eleven factors from our seats.....

You know, we look really good on that list. Check it out....(examples) And by the way the final marker, which Fallows calls 'perhaps the most reliable' to show a successful city on the rise, one that comes with a certain kind of entrepreneurs, and a critical mass of young people, is . . . it will have craft breweries and probably some small distilleries too. Now that's a way to recognize and celebrate a city on the rise! We're on the move with a year of action ahead. I look forward to getting back together around this time next year and talking about what we've accomplished together.

Thank you all for being here, and I'll see you in the lobby now, or at a craft brewery soon.

As Council President Ruff stated, the meeting is adjourned.