

2019 STATE OF THE CITY ADDRESS

It certainly is an honor to gather here today to talk about the state of our city! Serving now in my eighth year as your Mayor, it is always a privilege to represent our elected officials and our city employees. Before I begin, I would like to thank the Kosciusko County Chamber of Commerce and the Warsaw Community Development Corporation for their sponsorship of today's address. I would also like to thank our host today, the 2517 event center.

As a prelude to today's State of the City, I would also like to recognize our elected officials. They have diligently worked overtime on their own and in committees to tackle the difficult issues that must be addressed. Their collective leadership and concern for the welfare of the entire community has enabled the City of Warsaw to benefit from the opportunities we are presented with for the improvement of our community, and most important to face the challenges we will discuss today. It is not an easy job. I would ask that their efforts do not go unnoticed! Please stand and be recognized.

All of our city employees, led by a very qualified group of department heads, also deserve special recognition. Their hard work and dedication is often overlooked and is the key to our success!

Today we will discuss financial details, statistics, and other information that, as your Mayor, I consider critical to assessing the state of our city. Those details are benchmarks that we use to measure our own progress and how we stand up and compare to similar other cities.

Focusing on data, while important, is not the whole story, however.

Much more important are the reflections of OUR community from the eyes of our citizens.

Is Warsaw a welcoming and attractive place to live? Do business? Raise a family? Are there job and career path opportunities available for all? Is our community a safe place to live? Do our schools meet the needs of the future? What can be done to get control of the opioid epidemic?

It's the answer to those questions that really matters! Opportunity, happiness, and quality of life for all of our citizens that is how we measure the state of our city.

Facts and figures are details used to measure growth and progress as well as the accomplishments of a community. Let's take a look at where we stand today Tuesday March 12, 2019...the state of our city.

We can start with one very important objective benchmark. Warsaw reaffirmed its very favorable AA- S&P bond rating in October last year. The stability of this rating is based upon the acceptance of our financial practices and policies, budgetary performance,

flexibility, and liquidity. A good rating favorably impacts bond interest rates which can save our taxpayers significantly over the life of the bond.

In 2019, utilizing a comprehensive financial management policy, we will further stabilize our long-term financial health. Later this spring, we will formalize financial policies that will set debt limits, establish minimum reserves levels, and manage investments. The result will allow better forecasting to improve the accuracy of the budgeting process. Citizens of Warsaw enjoy some of the lowest tax rates in the state. For the third year in a row, our municipal tax rate remained relatively flat. We attribute that to continued diligence at the department level to manage spending and increases in revenue as the result of local growth and the expansion of our economy.

Remember, growth and expansion can trigger significant investment in our community which increases the total assessed value. That increase in Assessed Value (or broadening of the tax base) puts downward pressure on the tax rate. On the other side, the growth of our city boundaries from annexation increases the amount and cost of services we must provide. Inflation must also be accounted for to sustain long-term budget health. In summary, the tax savings from our growth can be partially offset by inflation, as well as increased costs to provide services from growth and expansion. If we do not expand our tax base to offset those costs, our tax rate will continue to increase.

Six primary goals of our 2017 City of Warsaw Strategic Plan, as ratified by the City Council, continues to guide our growth strategy. 1. **Growth Management** allows the City to create opportunities for residential, commercial, and industrial growth, including annexation. 2. **Business Retention and Expansion** provides local incentives, promotes development opportunities, and creates accelerator space. 3. **Business Attraction** strategies include growth and expansion in the Tech Park and Airport Industrial Park, supported with state and local incentives. 4. **Neighborhood Revitalization** strategies guide our Market Street and North Buffalo Street Revitalization projects. 5. **Communication and Process Strategies** have resulted in significant fiber and central server upgrades, major upgrades to the city website, expanded social media communication tools, as well as full live streaming and archiving of all city meetings. 6. **Downtown Growth Strategies** that have led to comprehensive parking plan upgrades, the establishment of public art through the Warsaw Public Arts Commission, the establishment of the Artfully Warsaw Fund at the community Foundation, public WIFI, façade improvements, streetscape/alleyway improvements, and the promotion of downtown residential opportunities.

Our growth strategy is working!

We have expanded our tax base 10%, which is \$87M over the past 4 years. Last year alone accounted for growth of over \$38M (roughly 4%). That by itself impacted the tax rate by 4 cents. Growth doesn't just happen. Years of planning, driven by community vision and collaborative leveraging of public and private dollars, are the catalyst! These significant increases of investment into our economy are also reflected in local population growth. 2017 Census Estimates show we have increased the population of the

City by 1,181 new residents since the 2010 census. That is an 8.7% increase. Few rural communities enjoy that positive growth, which is a key indicator of a community's vibrancy.

Increase in population improves our per capita funding. Likewise, it also directly increases school per pupil funding.

Our citizens also continue to benefit from sewage rates below the average for other Hoosier communities. Even after the 2019 rate adjustment for the necessary sewer expansion, our average residential rate of \$41.15 is still right at the adjusted state average. We have neighbors who pay over \$70/ month per dwelling unit.

Again, this did not happen by accident. The City of Warsaw sought out State Revolving Loan opportunities to fund over \$40 million worth of wastewater utility improvement projects, and I will emphasize, these are projects that we had **no choice** but to act on due to failing infrastructure while operating at or over capacity. With careful planning, Indiana Finance Authority estimated that our ratepayers were able to save almost \$8 million on both projects in interest expense over the life of the loans by utilizing federally subsidized SRF Loans compared to traditional bond financing.

Our financial consultants prepared a cost of service study and presented it to our utility rate committee, which then recommended it to the city council where it passed. A cost of service study assigns rates based upon a comprehensive review of the actual costs of providing service now and into the future. Rates had not been reviewed or adjusted since 2008. As a result, certain customer classes that had been underbilled had greater rate adjustments. Wholesale customers, like Winona Lake and Leesburg, that had previously paid for their portion of plant capacity saw less of an increase. As a side note - besides the wholesale rate we charge Winona Lake and Leesburg, they must also charge their customers for their collection systems in their own communities ... the total residential sewer bills of both communities per dwelling unit exceeds that of our local residents. A cost of service study is the industry accepted standard method of establishing utility rates. Period.

Our first rate adjustment in 10 years, will fund the largest and most critical infrastructure project in the city's history. This will insure that there will be no public health concerns or interruption in the growth of our community infrastructure, all the while benefiting from multimillion-dollar savings we would have otherwise forfeited had we taken more time to study it. The project is getting underway as we speak. A time-lapse web cam will document progress of the project and is available at warsaw.in.gov.

Unlike the majority of Hoosier communities, the City of Warsaw residents continue to receive residential curbside waste and recycling service without incurring any separate user fee.

Your elected officials have worked hard to control spending, encourage investment in our community, and manage outdated, at-capacity utilities. We are all proud of our low

property tax rates, low utility fees, and the services without fees we have been able to maintain for all citizens.

Spending taxpayer money wisely to meet the growing needs of the community must be guided by the importance of controlling the tax rate.

The Warsaw-Wayne Township Fire Territory had a significant year of accomplishments. Certainly, the most notable was the establishment of Fire Station #3 on 200 South to serve not only the southern portion of our city but also the significantly expanded service area of Wayne Township. Station 3 was dedicated this past fall and includes a home for the township ambulance service that significantly reduces response times in the service area. Improving service for all residents... for everyone.

Emergency response call volumes continue to increase. While the volume of fire-related calls is under 5%, approximately 70% of those calls are response to medical calls and traffic accidents. To address the increase volumes, the fire territory is in the process of building a part-time program to supplement the need for an additional full-time position. The Department of Public Works continues to meet the needs of our city with responsive snow removal and regular curbside trash, recycling, and yard waste service.

Our emergency flood services management response was on display this past spring. Many community volunteers filled and set sandbags to assist those in flood prone areas. Clark and Colfax streets were rebuilt around Lincoln School as well as almost eight miles of city street resurfacing, micro sealing, crack sealing, and asphalt rejuvenation. The hard work and dedication of our street department workers should not go unnoticed. In addition, significant sidewalk, curb and drainage repair projects occurred this past summer.

2019 will see over \$1.4 million of improvements and maintenance. In addition to the Market street reconstruction, resurfacing projects will include West Center Street, East Fort Wayne Street in the downtown, Provident Drive, and North Pointe.

The Warsaw Police Department welcomed five new patrol officers including the first female hired in 33 years.

A major step forward for the department was the planning for the resumption of the centralized/unified city-county drug task force. This critical strategy to combat the distribution and sale of heroin, other opioids, and methamphetamine must be resumed with little delay. Locally, heroin cases increased 15% in 2018. The proliferation of illicit crystal meth remains a major problem as well. One bright spot is the significant reduction of meth labs in Kosciusko County.

The reunification and resumption of the Unified Drug Task force in 2019 remains the most significant goal in local law enforcement this year and a credit to the renewed cooperation of all law enforcement in Kosciusko County.

The Building and Planning Department continues to oversee code and zoning issues as well as a broad variety of current and future public works projects.

Code enforcement, permitting, and inspection continue to be the focus of the department. The code violation and inspection processes have been significantly improved with the addition of a new hearing officer. Along with our team of inspectors, consistency and efficiency in the code violation process continues to improve!

2018-19 Planning Department led projects include:

Planning for significant train and traffic signal coordination that will continue this year. The construction of new safety railroad crossing improvements are scheduled to be completed this year.

The phase two infrastructure expansion of the Warsaw Tech Park was completed in 2018. In addition, Patrick Industries occupied and doubled the size of the first shell building. That occupancy has triggered the construction of a second shell building this year. This new building is designed to allow more flexibility to meet a broader variety of square footage requests.

The second phase of the reconstruction of 300 North will also improve vehicular and pedestrian access to Madison School, Ivy Tech, and The Warsaw Tech Park. That project will construct in 2019.

Another road project slated to begin in the spring of this year is phase two of the Market Street rebuild. In fact, construction began yesterday. When completed this Fall, it will be an extension of the 2016 completed phase 1.

Road and infrastructure construction on the North Buffalo Street Regional Cities Project was completed late last year. Groundbreaking for the residential townhouse construction was held last week with 7 units scheduled for construction this year.

The new lakefront park plaza, funded by the Regional Cities grant, will include a large outdoor sculpture, a handicapped accessible water feature, and a boardwalk. Construction will begin later this spring and should be completed in the Fall.

Engineering will continue on both the Anchorage Road reconstruction and the Lincoln School Neighborhood sidewalk projects. These two INDOT- federal road projects were awarded to the city in 2018.

The Warsaw Parks Department Board recently completed a feasibility study to solicit public input for Central Park improvements. Pavilion improvements to accommodate park offices and improve the aesthetics and function of the pavilion were at the top of the prioritized list. Acquisition of the Gas Station at the Detroit Street park entrance was number two. Both projects will be acted upon in 2019. Kelly Park improvements for parking, the sledding hill, and new pickle ball courts are also slated for 2019.

Our Wastewater Utility is struggling with being at 99% capacity for the year. The collection system replacement and relining of over 100,000 feet of line will hopefully ease the capacity concerns by eliminating storm water infiltration. The relining and replacement project should be completed by the middle of the year.

Our capacity issue is being addressed with the expansion of the current wastewater treatment plant. Construction to expand from 4 to 6 million gallons a day on this \$30 million project is underway. We are under a May 2020 deadline to meet new IDEM phosphorus removal limits. We hope to coincide meeting that mandate with the completion of the expansion.

Storm-water improvement projects slated for 2019 include the Kelly Park area, Central Park drainage, and the Johnson and Market Street drainage. Improving drainage and keeping our lakes healthy continues to be the focus of the Storm water Utility.

The Warsaw Airport continues to work with the FAA to lower the power lines and utilize more runway length to improve safety. We are currently awaiting federal and state grant approval for the power line phase of the project in 2019.

Cemetery improvements for 2018 include access road repaving, improvements to the office, and a new wall at Legion Circle. 2019 projects include the continuation of road improvements and construction of cemetery features.

2018 projects from the Mayor's Office included the June First Friday Vietnam Veteran Celebration at Central Park with the Vietnam Wall replica. // Honoring our local veterans, in particular those serving in Vietnam, was a very inspiring community project. Remembering our local hero's that weekend produced many somber reflections for the entire community. As historically demonstrated at past June First Friday's honoring our veterans, the community participation for honoring the Vietnam Veterans was overwhelming. While too numerous to mention, we thank all who supported and volunteered. It will be remembered as one of our most memorable First Fridays ever.

A new city server will soon be online as a result of the work completed this past year. Significant improvements in data sharing and asset management will result from this major upgrade.

The Warsaw Public Arts Commission continues to work diligently to promote the creation of permanent public art in our downtown. With the guidance of the Kosciusko County Community Foundation, they have established and grown the Artfully Warsaw Fund to support public outdoor art in our downtown. Their projects include support of the Vietnam Wall exhibit, a new City Hall Plaza sculpture, and a lakefront sculpture at the Buffalo Street Plaza.

Finally, the Mayors Youth Advisory Council was awarded a \$5000 grant from Indiana Housing and Community Development Authority to implement a project of their design.

They have been partnering with IHCD and IU School of Public and Environmental Affairs.

The State of the City Address is typically that opportunity for the Mayor and his team of elected officials to discuss their progress for the past year. It is very gratifying to look back on our accomplishments, realizing how much time and energy was expended. We have a lot to be proud of!

But today, as we focus on the work we have done, we realize that progress must continue to help us face the challenges that lie ahead and what we must do to meet those challenges.

As your Mayor, I can tell you: we have work to do. I think former Mayor Jeff Plank paraphrased it somewhat like this: *“If you are not moving your community forward, you are moving backwards.”*

I would modify that a bit to say, *“If we are not moving our community forward, then our progress is not sustainable.”*

We all have work to do!

Our community works hard to offer workforce-training programs that improve job opportunities to enhance and grow our skilled workforce. With those programs, we try to guide job seekers as they explore meaningful career paths! Unfortunately, there seems to be more jobs available than we have skilled workers. We must collaborate to attract and train motivated talent. We must create opportunity for success. We must continue to address the need for talent! Housing, Addiction, and Childcare remain impediments to growing our workforce pipeline locally.

Wages have not kept up with construction-cost inflation, thus affecting the affordability of single-family residential homes. We face a housing shortage for our workforce, and that negatively impacts the labor market. The City must be willing to utilize statutory incentives and consider local incentives to address this critical problem. The City has improved access to utilities through annexation and has worked to improve City processes to reduce upfront development costs. This remains one of our top priorities for 2019.

Drug enforcement has shifted away from the dangerous local one pot lab Methamphetamine production. Now the larger issue is the influx of heroin and crystal meth making its way into our community. We need to wage a unified drug war with law professionals working together from every available police agency. There is too much to lose. It negatively is impacting our families, workforce, and community resources. This also remains a top priority of our 2019 agenda.

Providing childcare for working families and those trying to better themselves is a significant local problem that is the result of a wide array of challenges. Over-regulation

raises the cost to provide care, but shortcuts that imperil the safety of our children must not be ignored. Jointly led by the Kosciusko County Chamber of Commerce and the Kosciusko County Community Foundation, “Launchpad” is a collaborative community initiative that the City is partnering with to develop a sustainable plan to deal with this very difficult issue.

Commerce in our city revolves around US 30. The volume of traffic that travels into our community on US 30 creates a very attractive market for a wide variety of development opportunities. Significant commercial, residential, industrial, and service industry development has occurred along US 30 in Warsaw since the road opened in 1972. While beneficial to our retail needs, recent traffic counts indicate that at certain times of the day, close to 50% of the traffic on US 30 is local. With interstate and regional automobile and truck traffic volumes increasing significantly, conflicts at our intersections are becoming a serious issue. The collective goal of our 7 county US 30 coalition is to secure funding for an engineering study that will initiate this major freeway project. The environmental impact study could take 3-5 years to complete. That would put us in the cue for design and construction funding, a process that could take an additional 5-10 years.

In Kosciusko County, we are at a point now that safety of local travel on US 30 is becoming a critical short-term concern! The US 30 coalition has been persistent with INDOT and our legislators to identify funding now, so that we can initiate this project sooner than later.

This summer INDOT will widen intersections at US 30 and Parker Street and Anchorage Road to facilitate improved cross traffic movement and safety. We have been requesting safety improvements at our US 30 intersections for many years. Last month I told a panel of state legislators that we need a long-term solution now to fix our short-term safety problems. Later this Spring our local stakeholders will present three options to the public for their discussion. But we must continue to emphasize that INDOT will utilize environmental studies and cost analysis to make the final decision. Our community needs to present our vision of the future of US 30 to impact that decision!

Road and street funding have increased since our partners at the Indiana Statehouse made a commitment to reverse the trend of the deterioration of Hoosier streets and roadways. Harsh winters and heavy traffic volumes require that we keep current the grading of our streets and road conditions. This is an INDOT requirement to maintain full access to state road funding. It is a constant concern and never-ending task. Our challenge is to maximize the impact of our share of road funding resources and prioritize the roads most in need of repair!

Just like crumbling roadways, every community in this country faces aging water infrastructure issues. Maintaining and improving a utility with a one hundred and twenty-year-old system of collection pipes requires an unwavering level of municipal commitment. In addition to the further strain of residential and industrial growth, stricter requirements on wastewater discharge and storm water regulation demand an efficient, modern system. Our City took the bold step the last two years to improve and upgrade our aging, overworked system. We must continue to commit resources to refurbish or

replace our overwhelming inventory of failing collection systems. That will insure we continue to provide quality sanitary service for the health and safety of our citizens! Our community is blessed by a collection of recreational lakes that other communities covet! Along with that comes the challenges of high water tables, drainage concerns, pollution, and local factors that affect water quality. We must continue to address those stormwater challenges with relevant projects to preserve our natural assets for our children and their families.

As we look back on 2018, we would be remiss to not recognize a few milestones of those that have been a significant part of our community. Shelia Burner passed away in December after serving not only Wayne Township but also helping to create the Warsaw-Wayne Township Fire Territory as well. Recognizing her contribution to this community is important. Mike Valentine served as our City Attorney. His retirement from the City in December was well deserved after a long-respected career, meeting the needs of our community through his private and public service.

WRSW and the Breakfast Optimist Club celebrated 70 and 60 years of service to the community respectively in 2018. Both of their celebrations of longevity in our community this past year were joyful tributes to their impact on the fabric of our city.

A few weeks ago, I had the pleasure of attending a very special evening event right here in our city. The Warsaw Evangelical Presbyterian Church, the YMCA, and very long list of local sponsors partnered with the Tim Tebow Foundation to present “A Night to Shine.” Now for those of you who don’t know, a “Night to Shine” is a prom experience for our special needs community.

No detail was overlooked. Hair styling, prom clothing, limo rides, a red carpet, corsages, a wonderfully prepared meal, formal pictures, and of course a large well decorated dance floor with music for all! It was a fabulous event! The glitz and the glamour made everyone happy! I couldn’t stop smiling! In fact, I don’t remember seeing anyone who wasn’t smiling!

But what struck me most about the evening was the selfless giving, the love on display that night. Literally hundreds of volunteers, converging at a house of worship, to make sure a very special group of citizens from our community were given a night to remember. The event was impeccably organized and couldn’t have better demonstrated the essence of the state of our city!

In my eighth year as your Mayor, moments like this, moments that define our community, are reflective of what is really important and what we do as a community. Positive, I repeat positive, collaborative energy. Working together. Making everyone’s lives better.

That, my fellow citizens, exemplifies the State of our City.... Opportunity, happiness, and our Warsaw quality of life!