

State of The City Address
Mayor Jon Costas, City of Valparaiso
January 26, 2010
Before the Greater Valparaiso Chamber of Commerce

Today is one of my favorite days. It's like a holiday to me; I look forward to it all year long. The reason is that this event allows me to brag about our city the way we all brag about our kids; and to cheer for our community the way we cheer for our favorite sports teams. Of course, it's a lot easier to cheer for a winning team. And when it comes to talent, dedication and game-day energy, our city has a powerful lineup, a deep bench, and a winning record.

Before we examine our record, let's take a look at the national playing field. 2009 was a year of change and challenge for our country. We welcomed the first African-American into the oval office and said goodbye much too soon to the King of Pop. We all felt the effects of a wounded economy, the worst in decades, and watched in disbelief when both General Motors and Chrysler declared bankruptcy. Bernie Madoff pleaded guilty to defrauding his investors of \$170 Billion and the war against terrorism continued. Health Care reform is on everyone's mind and America is struggling to find common ground on this important matter. It seems the only thing we can count on is Rex Richards wearing snappy suits and the Cubs falling into the basement every September.

Politics are like the Midwest weather...constantly and rapidly changing. A month ago, all the talk was about the death of the Republican Party; then Scott Brown shocked the nation by winning the most secure Senate seat in the country. The pundits have a million explanations for what happened in Massachusetts last week. Here's my take. First, I sense that voters are deeply troubled by a ballooning deficit caused by runaway spending. Second, there is a rising distrust of lawmakers because voters don't think politicians are listening to them. Finally, we are all growing impatient of the partisan games and political rhetoric that is dividing us as a country and paralyzing Congress.

While Valpo feels the challenges facing our country, we can take a lot of comfort in the fact that our name means "Vale of Paradise". Our name suits us. This year our city was named Community of the Year by the Indiana Chamber of Commerce. On November 10th, Rex and I accepted the award on behalf of the city in a gala event in Indianapolis. In true Valpo fashion, we were joined by over

120 city leaders and citizens at that celebration; and people from around the State were impressed with our strong community spirit.

In my acceptance speech I stated that “while we are deeply humbled by this recognition, may I be audacious enough to say I believe it is well deserved. My defense is this: The remarkable progress in Valparaiso over the last six years is not the product of any one officeholder, but of many individuals, citizens and organizations working toward a common vision and in a spirit of partnership. It was a grassroots movement for change, not necessarily political change, but a change in direction.”

After all, a city is simply a reflection of its people and the values they embrace. I am so often blown away by the talent and character of our citizens; I believe that I am living in the land of heroes: Ordinary people living extraordinary lives. People like Christine Hisick who formed the Banta Feeds effort to provide food to those in need and organized an event called Hands Around the Square to promote civic unity. Or educators like Sue Hoffman who treat their students like their very own children, leading them to academic achievement. Then there is Chad Clifford, lead singer for the Crawpuppies and owner of Front Porch Music, whose instructors have taught hundreds of kids to play guitar and piano. Bruce Berner, a VU law professor has served on so many civic committees that we have to invent new ones just to keep him busy. Businessman Stu McMillan has turned his father’s sketch of a better fire nozzle on the back of a napkin into a global company employing over 180 Valpo citizens

When the consultants told Laura Harding, executive director of the Visiting Nurse Association not to waste her time trying to raise funds for a new Hospice Center, she politely ignored their advice and did it anyway, with an endowment to boot. Tom Horn went beyond the call of duty. This 52-year-old Valparaiso police detective served our country in Iraq this past year with the National Guard. John Wolf and Harley Snyder have lived a combined 166 years serving their communities and have decided that the good life is not retirement to a Florida beach but an active life here in their beloved Valparaiso. Bruce Leetz whose grandfather was mayor of Valparaiso in the 1930s and who then operated a grocery store here called Leetz for Eats, has dramatically expanded his family business, Northcoast Distributing, to quench the thirsts of people all across northern Indiana. And thinking of quenching thirsts, I happen to have found an old pop bottle up here on stage and inside is a very interesting message in the bottle which I’ll share in a bit.

And those are just a few of the inspiring Valpo stories. A Chinese proverb reminds us that one generation plants, and another gets the shade. These hometown heroes, and many others, tell the real story of Valparaiso; and their efforts will benefit our community for generations to come.

But we aren't the kind of people who rest on past accomplishment. Which brings me to a message in a bottle ...a message that every community must learn...a message that vibrant communities like ours already know... no deposit, no return. No success without investment and effort. No deposit. No return.

Let's remember how things used to be when we didn't invest enough in our city. Remember how awful our roads used to be just 7 years ago? Remember when our downtown was on life support? Remember when the Eastgate area was a place you wanted to avoid because of traffic tie-ups and run-down buildings? Remember when our police officers were working in a crowded 127-year-old building? Remember the rusty old car wash on Calumet Avenue? Remember when County Seat Plaza was a blighted strip mall, dragging down property values on the north side of town? It seems like a lifetime ago when our city used to practice no deposit, no return.

Of course, the other extreme isn't in our plan, either. Excessive spending is bad government and just plain irresponsible. But wise investment actually brings in more businesses and more people, resulting in lower taxes...the deposits we've made in our city are returning tax dollars to our citizens. Our residential property taxes are, on average, 10-15% lower than they were three years ago. Today I am proud to declare that the old Valpo of no deposit, no return, does not represent what we have become...the envy of our State, Community of the Year. Those days of no deposit, no return...of taking the cynical view that all government spending is bad...are now just a reminder to make sure we never, ever return to our old ways. We've learned the important lesson of no deposit, no return. We've become the city that says "yes" to wise investment.

That's why the city leadership team updated our strategic plan this year. Why is that important? Wise investment requires careful planning. That's how we keep the cost of living in Valparaiso affordable for all. Make no mistake: Good government with the right game plan will attract private growth. That strategy will make us a low-tax city, with a high quality of life.

The process of strategic planning has created a cohesive team that is laser-focused on getting it done. We've done all the drills, we're united, and we're ready.

Would the City of Valparaiso Leadership Team please stand at this time; let's give it up for the most talented leadership team anywhere.

Our City's ability to leapfrog other communities is made possible with the support of our seven Council members. They have brought energy, leadership and a strong sense of partnership to city government. Please show your appreciation to our Council members with us here.

When our City was recognized as Community of the Year, I revealed that one of the secrets to our success was our five core values. Your Clerk Treasurer and I team up to carry out one of those core values...to be "Creatively Frugal". She's frugal and I'm creative. She's practical and I'm adventurous. The way I do my job probably makes her nervous; the way she does her job makes me sleep well at night. Please extend your thanks to our fantastic clerk treasurer of 26 years, Sharon Swihart.

Finally, I want to thank my dear wife Sharon for her many years of patience and support. She married a stock boy in a grocery store; and without her encouragement and excellent counsel for the past 30 years this June, I might still be calling for a cleanup in aisle four.

2009 saw many infrastructure improvements to our city including the Calumet Avenue Streetscape improvements, the downtown U Project, revamping the Lincolnway and Morgan intersection (formerly the ugliest intersection in town), completion (finally!) of the Valparaiso Street Project, new four-story student housing at Eastgate, construction of the first phase of the new pathway on Ransom road, and so much more.

Now you may hear our critics say that we're just running around in circles, but they've just got a slight and temporary case of "roundaphobia.". We built a second roundabout in 2009 on Cumberland drive, and we'll build two more in the next two years at the intersection of Silhavy and Vale Park this year, and at Five Points Intersection in front of Wiseway next year. Why do we build roundabouts? It's simple: roundabouts move traffic faster, reduce collisions and injuries, look better and use less energy.

We've improved our V-Line service to help students, disabled citizens and those who rely on public transportation to get to their jobs and appointments. Last year, we added our first permanent bus shelters and we'll add a third this year. We obtained a federal grant of approximately \$1.8M to purchase four coach buses for

our ChicaGo dash express service from downtown Valpo to the Chicago loop. The additional buses have doubled ridership in the last 6 months. They're lowering the cost of commuting to jobs in Chicago and reducing the number of cars on our roads. We must help our citizens take full advantage of the economic and cultural opportunities that flow from a world-class city.

Our downtown is the envy of many cities around the state. And we'll continue to invest in our downtown as we transform it into one of Northwest Indiana's most popular destination spots. Last year, we updated our five-year Downtown Action Plan, which will serve as a road map for success. This year we will construct Central Park Plaza, creating an oasis of beauty and tranquility in the heart of downtown. Using a "pay as you go" approach to building the park plaza, we have secured over \$540,000 in grants for its construction with another \$400,000 in our sights.

Also in the near future, we hope to add a music venue and a local arts and cultural center. We envision a bustling area where people can shop, eat and enjoy our local culture...all within walking distance. Our citizens are taking great pride in what's happening in our downtown area and comment often about the improvements. Be sure to pencil in on your calendar a community concert at Central Park Plaza this fall.

Our road recovery program continued full speed ahead last year with over 9 miles paved and we extended the useful life of many more roads through a new road-sealing process. We began our aggressive sidewalk improvement program, which will go into full swing this year. We replaced most of the old recycling trucks with new ones that can be operated by just one person. We completed our tree inventory of the entire city. Did you know there are 9,728 trees on city-owned property? Also, our Department of Public Works will modernize their operations by using the Cartigraph software program to improve service delivery and to reduce costs of operation.

With a focus on making our community's infrastructure unified and easier to understand, our planning department completed and adopted a new Unified Development Ordinance and zoning map to replace our old patchwork of ordinances. We also finalized a city-wide GIS mapping system and began a comprehensive downtown parking management study. This year, we will compile an Airport Zone Development Plan to help companies wanting to expand or relocate near our growing airport. We will also begin a Rt. 30 corridor design plan and will revisit our annexation priorities.

This year, we will begin a ten-year \$15M storm water management plan consisting of approximately 12 separate projects designed to significantly reduce, if not virtually eliminate, residential flooding in most heavy rains. We went through a painstaking process and collected a mountain of information during the 13-inch rainfall caused by Hurricane Katrina in 2008. These improvements will also reduce our combined sewer overflows, which have been steadily decreasing since the late 1990s as result of our mitigation plan.

A safe city is a healthy and growing city. We have made great strides over the last 6 years to make sure that our fine police officers have the best equipment, facilities, training and support available to keep our city safe. In fact, major offenses were down in 2009 from the previous year by almost ten percent. While we are generally holding the line on hiring across the city, we did add a new police officer and he even agreed to work without pay or benefits. His name is Cairo and he is our third canine officer on the force. This year we will be installing a new video system in our investigations division, closing in on our department certification and adding a full time resource officer at Valpo High School.

It's just as important to invest in people as it is in roads, pipes, buildings and equipment. Community leaders must identify problems as well as opportunities to strengthen their communities. In the last several years we have created a Human Relations Council and a Disabilities Council to assist us in making sure that our city is one that welcomes and accommodates. Also, we recently announced a city-wide substance abuse effort to help stem the tide of this problem. We committed \$100,000 from our budget this year to fund important new initiatives. We have worked closely with Valparaiso Community Schools, Porter Starke Services, and our faith, business and non-profit organizations to compile a common sense plan to reduce drug and alcohol abuse among our young people.

From an economic development standpoint the city is blessed with a diverse economy and successful employers which has lessened somewhat the impact of the broader national recession. From the very beginning of my administration we have been focused on job retention and the expansion of our existing employers. Looking back, Urschel labs announced a significant expansion in 2009 and we saw the grand opening of the new Task Force Tips plant last summer. Those investments and the jobs that were created and retained helped us greatly during tough economic times.

The city and VEDC continue to invest and support our job incubator, the Entech Innovation Center to support and foster the entrepreneurial spirit so critical to our future. Later this spring IV Diagnostics will begin operating in Entech and in August, Entech will be the recipient of a \$250,000 federal grant secured by Congressman Visclosky.

Good government not only means stretching tax dollars, but also finding ways to save money for our citizens. For example, our Fire and Utility Departments worked for three years to reduce our insurance rating from 6 to 3, and that is saving money for both residents and businesses by lowering their insurance premiums. Also last February, we opened our third fire station, paid for it in cash, with reserves provided by Center Township Trustee Chuck Conover. This fire station has dramatically reduced our response times to residents in the west side of Center Township and is saving lives. Last fall, we quickly scrambled to win a FEMA grant of \$461,000 to expand and remodel our oldest fire station in the downtown, and that will be completed this year.

Earlier I talked about how Sharon Swihart and I tag-team our City's core value to be Creatively Frugal. Of our five core values, "Creatively Frugal" is the one that is most important to avoid the past mistakes of no deposit, no return. It has helped us find the balance between dreaming and reality, risk and responsibility, today's resources and tomorrow's goals. "Frugal" means we take an honest inventory of our current situation and we hold fast to principles of sound fiscal responsibility. But "creatively" means we don't lay our hopes and dreams on the altar of scarcity. Through ingenuity, imagination and dogged perseverance we reach goals that seem impossible at the start.

Sure, it is bad government to over-tax and over-spend. But it is just as bad if government fails to invest in its roads, sewers, parks, equipment and public safety, forcing a heavy burden on our children and grandchildren. Good government finds that delicate balance between fiscal restraint and effective investment. That is being creatively frugal. And that drives the work of our administration.

Consider this. While making all of the improvements to our city over the last six years, we also created a rainy day fund; and to-date, we have saved up \$2.7M. Additional reserves of \$800K in our health insurance account, and another \$1M in two unrestricted funds, means that our total city reserve exceeds \$4.5M. At a time when other governments have completely run out of their savings, we're adding to our -- another \$100,000 to our rainy day fund this year. We have minimal debt for a city our size; and we've become very good at finding every available state and

federal grant to contribute to our needs...over \$32M during the last six years. We have been true to our frugality while we changed the face and future of this city.

Private investment responds to careful spending by local government. In that same six-year period, we estimate that the private sector has invested over \$600M in new buildings, structures and infrastructure. This is providing the growing tax base that keeps taxes low, a key part of our strategic plan.

So we have the right game plan. We have all the talent in the world. There's a true spirit of collaboration. And we've got a great record. But the most important principal is lived by people like Christine, Sue, Chad, Laura Bruce, Stu, Tom, John, Harley, and Bruce...and so many other citizens who invest their time, their talent, and their treasure in our community, producing great returns. The old Valpo of no deposit, no return is most certainly dead. The new Valpo has embraced creative frugality, and in the process, we are on target to be a truly great city, now and long into the future. Thank you.