

Mayor Larry J. Morrissey
State of the City Address
March 5, 2009

Aldermen, fellow elected officials, city employees, community leaders, and fellow citizens, welcome to the 2009 State of the City address.

It continues to be my great honor to serve as our City's mayor. And while we face now major economic challenges that may continue for some time, tonight I can assure you that we have within us the capacity to meet these challenges and build a better future. Tonight, as we reflect on our past and plan for our future, let us all commit to do our part to realize the greatness within us. Tonight, let us remember that all we may have is each other, but that is enough, when we work together. *My friends, this is our choice; this is our city.*

There is a truth now that comes from the bursting of the economic bubble. The struggles of today force us to face long-term flaws that might be overlooked in better times. The fact is that our unemployment levels were higher than most communities prior to the recession, which is consistent with the last 30 years' history of poor results in our schools, high property taxes, and a high crime rate.

Whether we're discussing our ability to educate our children, working to make our neighborhoods safe, building better roads or meeting the City's budget needs, each of these issues have additional challenges when the economy suffers. But during these tough times, our path seems all the more clear: to rebuild our great city, we must have strong a strong foundation, a bold vision, and an undying commitment to be the very best we can be. We want to be a city that is both an exciting place for our young people to return and the best place in the world to raise a family and grow a business.

Here tonight, precisely in these types of tough economic times, we must renew our commitment to *Excellence Everywhere for Everyone*. We can and must emerge from these troubled times stronger than we were when they started.

But we must redouble our efforts to battle truancy; expand educational opportunities through charter schools and higher-education partnerships; complete our shift to community, geographic-based policing; and pass a State capital plan to match our local investments in rebuild our core and realize passenger rail service. We must partner, collaborate, invent, and engage.

And, as I have learned over these past four years, to achieve *Excellence Everywhere for Everyone*, "every-body" must be part of the solution. While we've done a lot already to forge new, innovative partnerships with our citizens, we have much more to do to align our vision and goals, eliminate the silos and turf battles, to focus on results.

Our citizens don't really care who invents a solution or how it gets done, they just want it done! After four years at it, I can assure you that we have a strong team that accepts the challenge to get things done. We don't have to expect a failure. The choice to improve is ours to make or ours to pass. Let's make the right choice right here, right now. ***This is our choice; this is our Rockford.***

We have a long road ahead, but we've come quite a ways. Four years ago, our citizens demanded change and that is what we have done. It has not always been easy, and there has been plenty of conflict; but we should be proud of the fact that we have set aside quiet mediocrity and failure. We have not set out to find conflict, but we have been willing to engage it when our children's education and the health and safety of our neighborhoods are at stake.

I have heard it said that the Mayor should not be involved in education, or the courts, or just about anything other than 'fixing the streets.' But wouldn't it be strange if every private citizen had the right to voice such concerns, but it was bad form for an elected official to do the same? My friends, if the mayor and city council that you put in office can't engage in these issues on behalf of our citizens, then who can? Are we going to allow political etiquette to keep us from helping our kids or lowering our crime?

If we are not satisfied with the status quo, it stands to reason that we may have to debate from time-to-time against efforts to protect the status quo. To move beyond "hope" for a better day, we must "push" for a better day.

As your mayor, I can and must advocate for a better school system for our youngest citizens. As your mayor, I must insist that we can do better in our criminal justice system. And as your mayor, I must reach out to businesses near and far to invite them to invest in the City of Rockford. These are the changes and actions which I promised and which we are delivering. ***This is our choice tonight. This is our Rockford.***

EDUCATION

We must continue today leading in education like we started four years ago. There is no issue more important for our future. This is our path to a renewed Rockford economy. That's why I applauded during President Obama's recent address to the joint session of Congress when he said that, "In a global economy where the most valuable skill you can sell is your knowledge, a good education is no longer just a pathway to opportunity – it is a prerequisite." In other words, if we're finding that our economic prospects are down, then our educational aspiration better be up!

If that is the case, then how do we compete right now in a global economy? Here's what I can tell you. Four years ago, the city administration wasn't working on truancy, charter schools, or a 'city university'. We were on the sidelines watching as young families moved out of Rockford to find better public schools at a lower cost. We watched with frustration as many of our young people were truant, did poorly on national test scores, and failed to graduate. We lost potential employers who needed more people with better skills.

The fate of far too many of our young people was a low paying job, unemployment, or even worse, a life of crime. And for some of our young men, the prospects have been even worse. The statistics tell us today that an African-American or Hispanic male has a better chance of getting arrested than graduating from high school. And three of our four high schools have been called "drop-out factories" in a nation-wide study by Johns Hopkin's University.

Failed schools have been a problem for all of us - they touch every aspect of our community: jobs, neighborhoods, and economic development. Over many years, citizens and newspapers pleaded with City Hall to get involved in education. Four years ago, that's exactly what we did.

Truancy

That's why we have had such an urgent commitment to improve our education system, starting with the basics: improving school attendance and combating truancy. And thanks to partnerships with Winnebago County, the School District, and numerous private organizations we've seen since 2005:

- A 39% drop in Rockford's chronic truancy rate. While we have a long way to go, the current rate of 5.8% is the lowest percentage of chronic truants in our District in decades.
- In fact, the overall attendance rate in all of our schools has increased by 1.3% which means more kids in school and more dollars (over \$2 million more annually) for our schools.
- The long-term impact of these improvements is even more compelling. A recent study by Northern Illinois University found that truancy costs us millions every year, with a \$34 million loss in 2006 alone. As we conquer truancy and improve graduation rates, we'll have a positive impact on the lives of our children, our neighborhoods, and our economy for generations to come.

While past results are promising, we still have a great deal of work to do. That's why in 2008 we worked with the County, the School District and our local legislators to change the State's Truancy Law. The new law will take effect in June of this year and it will help the process even more by:

- Shortening the time between a truancy incident and intervention from thirty days to seven.
- Increasing the age from 9 to 12 years for which parents can be held directly accountable for their child's unexcused absence.
- And, perhaps most importantly, directly allowing the School District to communicate attendance records to the City for the purpose of enforcing the City's truancy ordinance.

Our education partnerships made this landmark legislative change possible. And let me pause for a moment to recognize the support that we shared in this endeavor with Winnebago County and I'd like to recognize the late Mary Ann Aiello for her support. I remember a presentation our partners gave to the County Board. Mary Ann and I disagreed on a lot; but that made her support all the more powerful because when it came to our schools and our children, we were on the same page.

There is nothing that we do more important than this noble cause. It benefits not only our community, but our entire state and nation. As our President stated last week, "dropping out of high school is no longer an option. It's not just quitting on yourself, it's quitting on your country – and this country needs and values the talents of every American." We need the talents of everyone right here in Rockford. ***This is our choice. This is our Rockford.***

Charter Schools

We're doing more than just enforcing truancy laws to improve our schools. We're working on expanding educational offerings and challenging the status quo that suggests that children coming from challenged home environments cannot excel at a public school.

Over the past two years, our administration has worked with community and business leaders to bring quality charter schools to our city. We toured charters in Chicago, supported the establishment of the Rockford Charter School Initiative, launched a grassroots education DVD, and began a campaign to educate all of Rockford about the successes posted by charter schools in Illinois.

Why push for charters? Charter schools in our state have higher academic performance than most traditional public schools, especially for at-risk children. In fact, they serve on average 83% low income students and 91% minority students. Charters have higher attendance rates; lower truancy rates, and higher graduation and college attendance rates. They don't do this with magic. They do it with longer school days, longer school years, rigorous discipline, and high expectations. In short, they bring accountability, flexibility, and results to the public school system.

Parents, pastors, business leaders, teachers, union members, civic leaders, grandparents and Realtors joined this effort. I thank all of the charter operators for submitting proposals to serve Rockford and its children through visionary leadership and a willingness to break new ground. And thank you especially to the Rockford Board of Education which has unanimously approved the first two proposals from Legacy Academy of Excellence Charter School and Chicago International Charter School-Rockford and we are just getting started.

The Board will vote in just a few weeks on Galapagos-Rockford Charter School and I am looking forward to reading proposals from the other operators that are waiting in the wings. I am amazed at how far we have come on this front, from a meeting in Chicago two years ago, to recruiting the state's top charter schools to consider submitting a proposal to our school district. My friends, this **is our choice. This is our Rockford.**

Governance/Superintendent

Last year, the Rockford Area Economic Development Council's Leadership Council approved a proposal from County Board Chairman Christiansen and me to research different models of governing school districts. Specifically,

we are looking for models that eliminate the divide between municipal leaders and the schools within their cities. We need greater alignment of goals, increased accountability, and improved results.

During the past year we studied and discoursed with top researchers, authors, and reformers to identify best practices in urban school reform and governance. And while several common alternatives are appearing across the country, and I am just as committed as ever to exploring the reform of our current governance model, a decision in this area deserves significant community discussion. Thus, I support pushing back this effort until the new school board and new school superintendent have a chance to be engaged fully in the effort.

For now, I am proud to see that this community's commitment to reform, innovation and excellence in education, resulted in outstanding candidates in the District 205 Superintendent search and I wish to congratulate the Board's selection of Dr. LaVonne Sheffield. Dr. Sheffield is known for reform, partnership, and innovation in urban school systems. Her experience in both local government and education should enable us to continue to break down the silos that have long existed between our city and our schools. I look forward to partnering with Dr. Sheffield's office in improving our school system. I want to thank everyone involved in the process for creating an attractive climate for a respected urban educator like Dr. LaVonne Sheffield. Welcome to Rockford Dr. Sheffield.

MYAC/nFactor/nCenter

Our youth today are challenged both in and out of school. That's why we launched the Mayor's Youth Advisory Council. MYAC has held annual Youth Summits as well as launching the nFACTOR Movement, with PSA's, membership, and positive events that serve as alternatives to negative activities. In 2008, we expanded this effort in launching the nCenter.

Police statistics tell us that the majority of all crimes committed by or against teens occur after-school and keeps teens engaged in positive activities after-school, on weekends, and summers are less likely to make negative choices. So in the fall of last year, we met with leaders from The Salvation Army about their Millennium Center on South. Madison Street to explore a partnership solution.

The result of these efforts is the state's first one-stop-shop for positive teen enrichment, education, and recreation. The facility includes a pool, computer lab, cafe, gymnasium, and outdoor athletic pavilion. We're

attracting teens using the already successful nFactor brand as we provide free programming after-school, during holidays, and summers. In fact, since June 27, 2008, we have enrolled over 730 members with most of them living in our city's most poverty and crime challenged neighborhoods. But nCenter is NOT a hang-out. Teens are held accountable as they must participate in educational or enrichment programming to earn the points to have recreational fun.

I applaud the teens, The Salvation Army, all of our donors and champion for launching this facility in just over three months. The resulting success means that every day hundreds of teens have positive options for tutoring, leadership classes, career counseling, art and music classes, and much more. The nCenter is a Rockford Investment that reaps great rewards for the youth of our community.

City University

Last year, I discussed the opportunity for a new concept for higher education, a 'city university' if you will. As we work to graduate more students from our high schools, we must make sure that our people are getting education beyond high school: Based on our current analysis, if we can bring just a 1% increase in the percentage of college degreed people in our area that will mean over \$240 million of new revenue to our community.

Over the past year, we have worked with local higher-education partners to lay the framework for program partnerships. I want to thank Rock Valley College President, Dr. Jack Becherer, for his leadership on this effort. Dr. Becherer helped facilitate discussions with partners at Rock Valley College, NIU, the University Of Illinois College Of Medicine and the Rockford Area Economic Development Council.

The City University concept's progress includes expanding accelerated degree completion programs and launching the Rockford Area Career Clearinghouse to assist matching college graduates with employers in our community. We are excited as well this year to see the University Of Illinois College Of Medicine continue its campus expansion and introduction of its Pharmacy Degree program to Rockford. We continue also to work with Rockford College and its new President, Dr. Robert Head, as they develop opportunities to partner with them on their vision and plan for their campus.

Over the coming year, we will refine our vision and determine how best to manage this effort as an ongoing partnership. We know that we must also partner with the multitude of other colleges and training programs in our area. President Obama challenged the nation to achieve more education beyond high

school whether it's a four-year degree, specialty certification, or trade school. We can be a city of life-long learners and I am proud of the many partners we have right here that are committed to making that a reality. ***This is our choice. This is our Rockford.***

PUBLIC SAFETY

Police

Community Policing remains at the heart of our efforts to improve neighborhood safety. We continue to push this approach with our alternative drug enforcement strategy and our weed and seed efforts. We're enforcing quality of life concerns as well as cracking down on major crimes. Our efforts have paid off as we have seen crime come down over the past four years according to the FBI's NIBRS statistics. We're working to make sure that every neighborhood feels safe and is safe.

To continue our progress, we're developing plans to more effectively staff our patrol division as we prepare to move fully to a geographic deployment strategy. Geographic-based management is part of our overall community policing strategy. Since every neighborhood has different challenges and different opportunities, it makes sense to empower front-line officers with the flexibility, authority, and accountability to develop unique solutions to unique neighborhood situations. We're giving our officers the ability to build relationships and create teams across departments and across the community. Our future law enforcement success lies in something you may have heard in national discussions as "smart power": a combination of traditional law enforcement tools along with tools for relationship building and creative problem solving.

Community and Problem Oriented Policing also means responding to root causes of crime. That's why we took pride in the demolition of the old Jane Addams development that had become both obsolete and a symbol of a criminal culture of gangs, guns, and drugs. But this is just the first of many. I have asked the RHA to pursue as quickly as possible the demolition and relocation of Concord Commons and Fairgrounds Housing Developments. We must pursue all available opportunities to demolish these failed projects and build better places.

Meanwhile, we're pursuing even-greater cooperation between the RHA and the City of Rockford to support self-sufficiency for public housing residents. We share the goal of helping anyone in need while eliminating cultures of crime

and misconduct. We're exercising a "tough love" approach in which the City and RHA pool our resources to offer residents job training and education, while holding residents accountable for following the rules and gaining core life-skills to support their families.

Pursuing this strategy, our Rockford Police recently found that about 10 % of Section 8 tenants were "ineligible" to live in subsidized housing due to criminal convictions and arrests! Based on this information, we were advised recently that RHA will be moving forward with 58 tenant evictions. Simply put, we should not be paying someone's rent if that person will not live by this community's rules.

And we must go further. As we continue to improve our data sharing abilities we will push for more detailed screening and rules enforcement. We must practice tough love, for example, in pushing tenants living in taxpayer-subsidized apartments to get their young children to school. You can't blame a 7, 8, or 9-year-old child for not getting to school. Again, President Obama made that clear last week saying, "not just as a President, but as a father . . . that responsibility for our children's education must begin at home." It is proper and correct, then, that we hold parents accountable for getting their young children to school. Actions, both good and bad, should have appropriate consequences. When our parents fail to do their part, they must be held accountable. Last year, we had some 10,000 kids miss 5 or more days of school. If we have truant kids living in subsidized housing, then parents must be held to task.

And finally, we need to end the past practice where public housing residents are incentivized to stay poor and stay unmarried since increases in family income mean rents go up and they could be ineligible. The unintended consequence has been a culture of continued poverty in public housing complexes around the United States.

Fortunately, many cities have been granted permission from the Department of Housing and Urban Development to change practices. Unless they're dealing with elderly or disabled tenants, they're setting lifetime limits on housing. We'd also like more flexibility so that we not penalize tenants who get a job and we do not discourage tenants from getting married. And we need to create more "safe havens" for young, single teenage moms like Mother House. In 2009, we will support the RHA's request for these opportunities.

Fire Department

Not to be outdone by our Police Department, our Firefighters have pushed hard for improvements in technology, response times, fire-prevention, and life support training. Let me also recognize tonight our new Fire Chief, Derek Bergsten. Chief Bergsten brings energy, innovation, and passion to his position. He is helping lead us through many challenges and we are honored to have him as our new chief.

Our Fire Department has also been working to put laptop technology in fire trucks and ambulances as we have done in our police cars. We are in the process of installing and testing new laptops that will allow our firefighters to have more information when they and where they need it. These tools will allow them to have instant access to maps, building plans, and histories, all of which will allow them to better prepare for the emergency at hand.

Our fire departments commitment to teamwork, collaboration, and excellence was demonstrated fully on January 15 of this year. At 9:45 AM the Rockford fire Department was dispatched to a fire in the Columbia Hotel at 304 E. State Street. Upon arrival, firefighters were confronted with heavy smoke and flames blowing out windows on the front of the building. It was reported that as many as 24 tenants lived in the hotel and many had not evacuated yet. The firefighters immediately commenced with an aggressive fire attack and search and rescue endeavor and got everyone out of the building, including an unconscious victim of smoke inhalation. This was a very successful effort put forth by the firefighters especially when dealing with -10 degree temperatures, wind chills, frozen equipment, and ice.

According to Fire Chief, Derek Bergsten, this was "one of the most cooperative efforts I have ever experienced". When the dozens of residents were out in the cold, many without coats, the Rockford Wellness & Diagnostic Center opened its doors for the residents. The Public Works Department was on the scene in minutes with salt trucks to handle the icy streets. The American Red Cross Disaster Team was mobilized and on scene. Community Development Divisions of Construction and Development and Existing Building & Property officials were on scene to assess the damage, tenability, and requirements for restoration, shortly after the fire was out.

A decision was made to move the residents to City Hall for processing of temporary housing and personal needs. Maintenance staff provided tables and chairs and a phone in the lobby to accommodate the needs of all parties. The Human Services Department was mobilized and coordinated with the Red

Cross immediate needs of coffee and food for the victims and then addressed the housing needs. Human Services also took charge of getting everyone back to their rooms to gather clothing, medications and any other needs each individual may have needed. Rockford Mass Transit provided a bus, free of charge, for transportation to the temporary housing site.

Amazingly, all of this was accomplished by 4:00 PM, the same day. It was seamless, it was supportive, and it was a clear example of "Excellence Everywhere".

Let's give the men and women of the Rockford Fire Department, Public Works Department, Community Development, and Human Services a round of applause for this outstanding effort.

Accreditation

Neither our Police nor Fire Department would have the ability to improve their practices if it were not for the work that is happening behind the scenes on our accreditation processes. The Rockford Police Department passed the final review and evaluation in December of 2008 and should be officially recognized in a ceremony this spring. Our Fire Department has been working for more than a year on their accreditation and has just completed gathering all of the data and will begin the process of standardizing their format. They hope to go through their review at the end of 2009.

Balancing Public Safety in Tough Economic Times

We know that in a tough economic time, we must look for efficiency and savings in all areas of our city budget. For us to effectively balance our **\$8 million budget deficit** and run the City like a business, we must look at all aspects of our operations. We simply can't ignore our City's two largest operations, Police and Fire, that amount to roughly 70% of our general fund budget. Local home owners and businesses have had to make the same types of tough decisions. The good news is that through our RockStat efforts, we can make needed cuts while continuing to improve public safety through better use of our resources.

For example, our recent police department staffing study can help make us make dramatic cuts in overtime costs while improving service. In 1993, we switched to a 10 hour shift from an 8 hour shift and we applied standards requiring the same manning of patrol officers for every hour of every day regardless of actual calls for service. Consequently, we had more officers than we needed at certain hours, not enough officers at other hours, and our

overtime costs skyrocketed. We are bargaining with the union now to make needed changes in our contract to provide more officers when our citizens need them and at a lower cost.

Through our RockStat efforts, we're also performing this type of rigorous analysis of our fire department. We have to examine questions like: why are we the only community in the region and only community among comparable communities in Illinois to place four people on an engine company? Across the U.S., 70% of all full-time fire departments surveyed through the International City/County Management Association use less than four. The use of a smaller fire fighting crew corresponds with the steady decline in fire calls compared to a sharp increase in ambulance runs across the country. In fact, 80% of Rockford's calls are for ambulance service and not fire.

We can be just as safe with three on an engine by rigorously monitoring our work and sharing responsibility with our citizens. We used three on an engine until the late 1998 and the Insurance Services Office did not rate our risk level differently when we went to four. In fact, we currently use three to a crew on many of our engines when personnel are involved in training, which happens almost every week. At every fire, we have multiple companies respond bringing on scene 18-25 fire fighters.

The Fire Prevention Division of our department has done an excellent job in putting smoke detectors and carbon monoxide monitors in the hands of our residents. These are tools that reduce the risk of fire and fire related injuries and better manage fire risk. In fact, 58% of our fire fighters actually live outside of Rockford in surrounding communities where homes and families are protected by volunteer or part-time departments. Obviously, when balancing the concerns of having a strong fire department, strong schools, and fair taxes, many have found that the balance tips in favor of surrounding communities where the schools rate better and the taxes are lower even though they know we have the best fire service.

In fact, much has been made in recent news about the nearby city of Dubuque, IA landing 1300 IBM jobs. What you might now know is that they put only 2 or 3 on an engine company in Dubuque, obviously less than Rockford, but hey still got those high-paying jobs. They beat us on education attainment not fire service.

In reviewing all aspects of our City operations, we cannot avoid the imperative to balance our budget and logic compels us to correctly match our resources to

our needs. I thank all of our staff and our citizens as we tackle this effort during tough times and I look forward to getting these tough issues decided. ***This is our choice. This is our Rockford.***

INFRASTRUCTURE, ENVIRONMENT, & PLANNING

Rebuilding Rockford

Despite our economic challenges, we are continuing to invest in ourselves. Healthy and wealthy communities have a strong private tax base fortified by great public infrastructure. Since our citizens overwhelmingly passed our Rebuilding Rockford Referendum in 2007, we're making great advances to repair and restore our roadways, invest in long-ignored storm-water projects, and advance transportation alternatives like bike lanes, sidewalks, and improved access and connections for our river.

Roadways

2008 was our first full year collecting the proceeds from our successful 2007 Rebuilding Rockford referendum. After a brutal, pot-hole plagued winter, and thanks to your support, we resurfaced 149 blocks of residential streets; repaired or reconstructed 24 city alleys; completely reconstructed five streets; repaired 12 arterial and collector streets; and re-instituted the Crack and Seal program which provides longer life for our roads. At the top of our list of satisfying our citizens were the repairs to the Alpine/five-points area and the advocacy that lead to the State's resurfacing of Alpine Road from Springcreek to Riverside.

Storm Water Management

In 2008, we also invested over \$2 million to improve storm water management throughout the City. We repaired, cleaned, and restored drainage ditches, culverts, concrete ditches, and bridges. We also invested in major engineering and planning work for Alpine Dam, Keith Creek, Madigan Creek and our storm-water master plan. These studies also enable us to pursue grants from the Federal and State governments. In fact, thanks to the aggressive efforts of our Council and staff to address long-overdue investments, we expect a formal announcement this month for a multi-million dollar grant for our Keith Creek flood prevention program.

Water System

Three years ago, we began our \$85 million Water System Modernization plan because our citizens needed safe, clean, water, of a consistent quality, taste, and pressure. Our system overhaul continues this year as we celebrate significant milestones.

- In 2008, we were successful in obtaining three low-interest loans for a total of \$23.1 million from the Illinois Environmental Protection Agency which will save us approximately \$5.8 million in financing costs when compared with traditional municipal bonds.
- The Stanley Street Pumping Station was placed in to operation in October 2008. Water from this station serves Rockford's Central Business District and replaces infrastructure that was over 100 years old.
- We will bring additional well houses on line this year as we move to system-wide completion in 2010.

Pathways and Transit

We also know that a modern, successful Rockford needs alternatives for transportation and a healthy lifestyle. That's why in 2008 we began our pilot program marking almost 9 miles of bike lanes; and we supported RMTD's efforts to add bike racks to the front of several buses allowing our citizens to walk, bike, or bus to their destinations!

In 2009, we'll also begin our long-anticipated Riverwalk extensions connecting our Museum Campus to downtown. And in just a few short weeks, we're scheduled to begin the removal once and for all of the last remnants of the failed 1970's experiment called the Downtown Mall. As my friends at JR Kortman's like to say, we're making 'main street main street again!'

Federal Stimulus

As for the Federal Stimulus package, I had hoped to be able to comment here about how much we are receiving for road and infrastructure projects. Unfortunately, direct funds promise to be scarce and competitive grant funds uncertain. Nevertheless, we will push for our fair share of these funds in areas like alternative energy, passenger rail, and highway dollars. Our best bet, however, for significant funds for our State highway projects is the passage of a State capital plan.

With past leadership pushing for alternative energy projects like Freedom Field, our community is poised to apply for federal funding for alternative energy pilot projects for bio-fuels, solar energy, wind power, and even hydroelectric power. We hope to conclude this year, for instance, an agreement to take ownership of the old Fordham Dam on the Rock River. We are at the early stages evaluating the costs and benefits of re-commissioning the dam to produce electric power. We're also exploring possibilities for municipality

owned wind turbines. And the agreement we reached with Wanxiang America for the solar assembly plant includes what could become the largest solar farm in the country with the potential of a 200 acre solar co-op. We're investigating these options now and expect many more updates throughout the coming year.

We believe we also have an excellent chance for stimulus funding to help us bring passenger rail service back to Rockford. Our regional strategy to gain leverage and support is to integrate past plans for inter-city and commuter rail service into one consolidated effort. Staff for our Northern Illinois Commuter Transportation Initiative has been working on this effort for a long time and we are working to set up meetings in Washington as soon as possible to execute on this strategy. We also need additional grass-roots advocacy to support our efforts and we will work with our local Chamber of Commerce to organize that effort.

State Plan

While our State recently ended the unfortunate Blagojevich chapter of Illinois Politics, we deal now with the pain of having gone some 10 years without a State capital plan and a State that joins local communities like Rockford with major budget gaps. With new State leadership in place, however, we'll join cities across the State in pushing this year for passage of a responsible plan that will make critical investments in our City. Those funds would invigorate the long-standing plan to rebuild and renew West State/US 20. We'll also push the State to complete South Main Street/Route 2; and we'll push for the funds to rebuild North Main Street too.

This is probably the best chance that we've had in years to pass a State Capital Plan. I look forward to our work with our City Council and our local legislators to advocate in Springfield for a fair and long-awaited capital investment in our City.

Planning, Coordination, and Sustainability

For the past two years at prior State of the City speeches I've discussed our need to do a better job, however, of regional coordination and planning for our capital plans and dreams. Well, we're making progress slowly but surely.

You may recall that the organization formerly known as "RATS" has now become RMAP. Unfortunately, it took a Federal Highway Administration Audit to tell us what many around the region already know: we've done a poor job of planning and investing our resources such that we have a lot of urban sprawl and we're having a hard time financially and environmentally sustaining our region. They also pointed out our past deficiencies in engaging our citizens

and providing real opportunities for public involvement and public display of our plans.

The good news is that RMAP has expanded its staffing and resources thanks to strong local partnerships; they have moved into new offices that will be much more accessible to the public; and they have a realistic plan for building out a Regional Center for Planning and Design that can help our region become a model for civic engagement in our communities planning and development process.

I congratulate tonight Steve Ernst the RMAP Executive Director and Belvidere Mayor Fred Brereton, the RMAP Board Chairman, for their work in making these efforts possible. We're headed in a new direction for better quality of life and a sustainable future. My friends, ***This is our choice. This is our Rockford.***

JOBS AND ECONOMIC DEVELOPMENT

We don't need an economist to tell us that our nation is facing one of the most challenging economic times in recent history. Our people are feeling this and seeing this every day. In fact, we feel it harder than most communities, which is a predictable trend across the country. According to a New York Times article this week, the hardest hit communities in this recession are the ones whose citizens have the least education. Unfortunately, we fit that bill. With poor high-school graduation rates and poor college graduation rates, we are experiencing predictable job losses. But we have both short and long-term strategies to recover and grow.

Go Global

Our partners at the Rockford Airport and the Rockford Area Economic Development Council can tell you that we have outstanding international business opportunities for our local businesses. We continued that effort in trade missions to Sweden and China in 2008 through partnerships with our Sister City Program. Those efforts landed Leading Edge Hydraulics of Rockford a long-term Swedish business partner and they helped us land our recently finalized agreement with Wanxiang to build a solar panel assembly plant.

Green Jobs, Green Industrial Future!

It was a cooperative effort between the City of Rockford, Winnebago County, and the Greater Rockford Airport Authority that allowed us to land the Wanxiang America's first US solar panel assembly plant!

In 2008, Rockford officially signed the US Conference of Mayor's Climate Protection Resolution as well as the "Cool Cities" campaign. We have a great chance to land lots of jobs in the alternative energy field for many years to come like we did with our Wanxiang solar plant.

The first phase of the project will include the construction of a new 40,000 square foot industrial building on a ten-acre parcel of land in Logistics Park. Over time, this will mean up to 60 full-time jobs on three shifts. As the US market demand for solar panels grow, Wanxiang plans to construct three additional 40,000 square foot phases for a total project of 160,000 square feet and 240 jobs.

This deal took planning, strategy, and networking. The creation of Logistics Park in southwest Rockford over many years and the relationships built with China through our sister city visits all played a major role in bringing this from a proposal to a defined project. We also planned ahead in creating the Rockford Global Park TIF district which allowed us to help support the project. The site was also part of the River Edge Redevelopment Zone Incentive which allowed us to use Investment Tax Credits, Job Tax Credits, and a Building Materials Sales Tax Exemption.

One of the most exciting aspects of this project is the cooperative agreement between the City, the County, and the Greater Rockford Airport Authority in developing the Rockford Global Green Cooperative Initiative which would be a Green Purchasing Cooperative for approximately 60 major companies that are located within the Rockford Global Trade Park footprint. In conjunction with the co-op, the airport will set aside 100 acres for the development of a photovoltaic solar farm that will allow for development of one of the largest solar farms in the Midwest!

7th Street: the new "Green" Street!

One of the most exciting things for me to see as mayor, however, is that the "green" industry and housing revolution is not only being pushed by a large corporation like Wanxiang, there is real energy and innovation coming from smaller local companies and projects.

You'll find, for instance, that 7th Street is quickly becoming one of Rockford's "greenest" streets. There you'll see atop the Fair Trade Store Rockford's first approved rooftop wind turbine.

A little further down the street at the Lantow Lofts, you'll see Rockford's largest multi-family geothermal project in the City along with solar-powered water heaters, renewable building materials. With geothermal systems the earth's natural heating and cooling power is activated through closed loop wells and an efficient heat exchange. The bottom line is dramatically lower heating and air conditioning costs.

But don't take my word for how this effort is helping us become a "cool city", head down to 7th Street to check out Katie's Cup at the Lantow Building or the Fair Trade Store.

Year of Innovation

Future jobs will be found in innovative communities that successfully collaborate to shape their own destinies. For the past four years we've had consultants come to speak at annual economic development meetings who have preached many of the same things: we need to be educated, innovative, green, fun, family friendly, with a vibrant and diverse downtown, arts, and cultural scene.

We've had numerous outstanding efforts that are pursuing and highlighting these themes. Our "Year of Innovation" celebration this year will highlight a diverse range of programs and events focused on entrepreneurship, the environment, and engagement. We're celebrating Rockford's legacy of innovation and industriousness. More than 30 programs and events involving more than 100 partner companies, organizations and municipalities fall under the Year of Innovation umbrella. Some include the Rockford Art Museums "5 by 5" program providing the opportunity for preschool and head start children to experience five cultural events by the age of five, and the "No Idle Zone" which encourages drivers to turn off their engines when their vehicles are parked.

Downtown

We're also continuing our march toward the vibrant downtown central business district that those consultants keep telling us we need to be competitive.

In 2008, our City Council created a public-private partnership called the "Mayor's Arts, Housing, & Lifestyle Marketing Network." We're helping to recruit and support artists and arts enthusiasts and working with a network of our community's artists, musicians, realtors, developers, and downtown advocates. They've taken real ownership of this effort renaming it the "Element" while they work to market and develop housing, gallery space, and other related businesses and attractions. In short, they're building an artistic culture that will help us create a vibrant downtown.

We've also continued to see outstanding improvements to our MetroCentre. Despite our tough economy, they've had recent sell-out crowds and our Chicago Blackhawks affiliated Rockford Ice Hogs continue to compete at the highest levels of AHL Hockey.

Our new Federal Courthouse construction will also continue throughout the year. This federal investment will bring over \$100 million of construction related jobs and investment into our community. Thanks again to Senator Durbin and Congressman Manzullo for helping this to happen.

In just a few weeks from now as the ground thaws and the temperatures rise, we should be starting on the long-anticipated restoration of our traditional Main Street as we remove the old mall area and replace it with an old-school, commercial district with modern "green" techniques for landscaping, storm-water management, and even wind-turbines incorporated into electric street lights.

We'll also begin our Riverwalk investment in conjunction with the museum campus expansion and construction and we're making significant technology upgrades to our parking decks that will make more parking available to the general public so you don't have to buy a monthly pass just to park one of our decks during the day.

And we also hope to complete the long environmental work on the Commonwealth Edison property at the Fordham Dam needed to explore our Whitewater Park Concept.

While we have some new projects and opportunities downtown, as a City, we invest every year in projects and organizations that try to help downtown like: the Convention and Visitor's Bureau, On the Waterfront, the Coronado Theater, and Davis Park. But while each of these downtown investments has merit on their own, we must do a better job to create a whole that is greater than just a lot of parts. With the millions that we're putting into these efforts through our Redevelopment Fund or our Hotel/Motel Tax, or other general fund dollars, we should expect that result.

That's why in 2009, we need to look closely at our opportunities to better coordinate, manage, and invest. If we need an improved festival grounds for On the Waterfront and other festivals, then where does it go and how do we pay for it? If there is an opportunity for a new major tourism product investment like a downtown hotel and conference center, then who would own and manage

it? If we're tired of the confusion of the many one-way streets, then when are we going to change them? Let's get these questions asked and answered this year and incorporated into our Master Plan. **This is our choice. This is our Rockford.**

It will take some time, energy, and investment. But we have a lot of great stakeholders who will help us and many of the studies and work may already be done. We simply need to pull it all together to provide the clarity and direction that all of us as investors can support.

Neighborhood Health and Human Capacity Growth in a Tough Economy

We know many of our citizens are really hurting at this time. While we work on long-term efforts on education and infrastructure to emerge stronger after this recession, we also know that many need immediate aid. In fact, we expect millions in federal stimulus dollars to flow into our community over the next two years to address foreclosures, workforce training, extended unemployment benefits, weatherization funding, and basic food and shelter needs.

We have strong experience in supporting our most needy residents and we're already approved to receive over \$2 million in Neighborhood Stabilization funding. The key is to make sure that we are channeling federal aid dollars in a manner that supports our human service goal of self-sufficiency rather than continuing a cycle of enabling and attracting poverty. Despite the challenges, we must continue our march toward *Excellence Everywhere for Everyone*.

To meet this goal, we must coordinate the efforts of both public and private service providers, which is very tough given the decentralized network of individual government and non-profit agencies. We'll do all we can to partner with agencies such as the United Way and identify where we may have opportunities to eliminate duplication and improve results. We'll encourage participation in our Community Collaboration Inc. partnership to support coordinated case management.

We'll also push collaboration with our school district on efforts like our Neighborhood Stabilization funds so that we might leverage our restoration funds with efforts to improve homes around schools in some of our most challenged neighborhoods. We'll conduct stakeholder interviews with key advocacy and investment partners such as banks, non-profit and for-profit housing developers, and public and private social service providers.

With our historically high crime rate, we also know that we need a coordinated prisoner re-entry program. We must face the fact that we have individuals with

criminal records who need jobs. A job may be the best way to help keep someone from heading back to a culture of unemployment, poverty, and crime.

Redevelopment Tools for Challenged Areas

Our administration will continue to use targeted redevelopment tools like TIF even though our general fund reserves are down; but we must balance the competing interests and ensure that we are responsible stewards of our taxpayer's dollars.

Over the past four years, we've partnered aggressively to create more jobs, investment, and opportunity than we saw in many years.

- On the west side, we successfully landed the Lowe's distribution center, creating 1,000 jobs.
- We secured \$6.6 million in federal funds to invest in reconstructing West State Street.
- We partnered with Winnebago County through financial and infrastructure support on the \$23 million Hope VI project.
- We financed through TIF and HOME funds the Emerson Estates residential subdivision, and Phase 2 of the Lincolnwood residential subdivision.
- And we financed through TIF support the expansion of Liebovich Steel, creating jobs and economic opportunity for a struggling neighborhood.
- We created two additional TIF districts on the west side, West State & Central TIF, and the Preston TIF, to support new economic growth.
- And we extended water and sanitary sewer improvements to the northwest side to continue economic opportunity for this area.

I am proud of the work we have done; but we know we have much more to do.

Support for Minority Businesses

Since *Excellence Everywhere* requires the efforts of *Everybody*, that also creates a mandate that the City do more to include everybody when we create opportunities. That's why I was proud that the City Council joined together two years ago to create our first Minority and Women owned business procurement policy. Through our efforts, led by Ron Moore, our Equal Opportunity Officer in the Legal Department, we have established the policies and procedures to expand opportunities to more Minority and women owned businesses. Our efforts are working.

In 2008 we nearly doubled the amount of business we do with these diverse businesses over our 2007 activity, generating over a million dollars in

additional work for these entities. We will continue to expand opportunity in the coming years, and I want to thank again the Council and Mr. Moore for their efforts. ***This is our choice. This is our Rockford.***

INTERNAL OPERATIONS

RockStat: Accountability and Transparency

RockStat process began two years ago when we brought in national models for improving accountability and efficiency in government operations. RockStat is about getting timely and accurate information, analyzing operations, and developing creative solutions to problems. Today, every department providing external services, Police, Fire, Public Works, Human Services, and Community Development is part of the RockStat program. And we've opened our doors with monthly meetings open to the public and media and reports available on the City's web site.

RockStat breaks down long-standing silos. It focuses on team solutions. We're making more arrests, saving costs on plowing snow, and we're able to assure citizens that even during a time of budget cuts, we can continue to improve service. In conjunction with RockStat we're also providing "Lean" training. This state-of-the-art process improvement training equips our managers with the skills to solve problems and improve efficiencies in areas highlighted during our RockStat meetings.

In the coming months, we are inviting partner agencies, such as the RHA and the RAEDC to partner with us at our RockStat meetings.

Permitting System

In the coming weeks, we will be launching officially the City's new permitting system, which has brought Public Works and Community Development together in a "Permitting Center." The new system will bring on-line tools that will allow for submitting and monitoring permit applications over the Internet. We'll also have a better physical "one-stop-shop" for developers, contractors, and home owners needing to get a construction project done.

We will eliminate the need to travel from department to department to have plans reviewed and permits issued. Eventually, the Permitting Center would result in some physical changes to our first floor at City Hall and would allow for better access to our team. We'll have a way to bring the entire permitting process within our RockStat system so we can continuously monitor and improve our results for our community. This effort has been a result of

collaborative meetings with our customers, hours of time mapping a better process, and feedback from end-users on our changes.

Health Care Costs

When we began our efforts in 2005, we had a \$2.8 million deficit in our health insurance fund. Costs were spiraling out of control and threatening our stability. It wasn't easy, but through some tough negotiations and shared sacrifice, as of the end of 2008 we had a \$58,000 fund surplus. Even the bond rating authority, Moody's, specifically cited this as a reason for our continued good bond rating. Very few businesses have been able to do this. I want to especially recognize the good work of our advisors, our staff, and the men and women of the AFSCME union as well as the non-union employees. They took the first, tough steps.

Strategy Map, Plan, and Scorecard

We should keep in mind, that RockStat is one tool in our work to improve our business processes. This year, for the first time, we're pulling together our strategies into a comprehensive strategy roadmap that will coincide with our budget and will act as the cornerstone for policy, programs and strategies. As part of this effort, we have developed a two-page strategy map which links the vision, mission, goals, and values. And we're building defined benchmarks that will allow us to monitor our progress.

The end result will be a scorecard that will allow our aldermen and citizens a means to engage and understand our efforts and measure our results. It provides a road map for the city's course of action for the next five years and enables us to build a stronger Rockford.

Efficiency and Coordination in Government

And while we can do much to improve our strategies, planning, coordination, and efficiency within City Hall, the truth is that we can't begin to legitimately promise results on many of the community's key goals unless we are developing coordinated strategies and monitoring results with our other local government and non-profit partners. Over the long-run, how can we as a City government expect to achieve goals for improved graduation rates, crime reduction, or job creation if we don't do a better job of strategic planning and monitoring with our partners?

That's why I applaud Chairman Christiansen's suggestion that the City and County establish an effort to explore ways to improve our efficiencies. Especially in a troubled economy with tough budget concerns, we have an imperative to be more efficient.

But I think it will take more than just the City and County to get this effort done. We should invite our schools and other government agencies and non-profit partners that share similar concerns and have similar opportunities to improve. Our local economic development partners, human service providers, planning agencies, and health care councils all are charged with achieving community goals, but in the past we have neither coordinated our efforts under a unified strategic vision, nor have we monitored our results.

There are some areas however where cooperation is more efficient than merging. One such area is the concept of a Metro Police Department. More cooperation can be had but the Rockford Police Department is well trained, and has an unique urban mission. Rockford must have its own police force and I do not at this time support a metro police force for the good of Rockford.

I have asked for ideas and support for this effort from the Northern Illinois University Center for Governmental Studies. In the coming days, Chairman Christiansen and I will meet to go over this concept with Bob Gleeson, Director of the Center, and we'll report back to the community. Together, we must challenge each other to achieve the vision and results that our citizens demand and I look forward to this exciting opportunity to bring positive change to our community.

CONCLUSION: "OUR ROCKFORD"

After all is said and done, in my job as mayor, I try to always retain my primary perspective of being a citizen stakeholder. I am a citizen who happens to have the job right now of being mayor; but first and foremost, I join you as a fellow citizen.

I share an urgency for action when it comes to our schools not only because I am mayor, but also because our daughter Seanna attends a Rockford Public School. I care about public safety, because my family lives in a neighborhood that still has significant challenges where we've had to call the police for shots fired or drug deals going on our block. And I care about fixing our roads and investing in our riverfront, because our family car hits the same potholes and my family shares a community vision of being able to walk to restaurants, retail, and resorts along a beautiful downtown riverfront.

You see, we all need to be active in running our city even if we're not a mayor or alderman. Every citizen has the right and the responsibility to say 'yes' to an aggressive agenda of great schools, safe neighborhoods, and beautiful and well-

built streets and landscapes. But the truth is that government leaders can't do it alone. If we want "*Excellence Everywhere for Everyone*" then "Everybody" needs to be part of the solution.

The biggest threat to that effort, and the biggest challenge I have felt as Mayor, has been the effort to tear down the "silos" that have divided our organization and separated the City from our people that we are charged to serve. In response to this challenge, we have established a set of core values at the City in which our citizens come first and we are open and inviting to our citizens to be part of our team.

That's why we were able to pass our "Rebuilding Rockford" referendum in 2007 and we failed in 2006. When we worked top down, we failed. When we worked bottom up, inviting help from all of our people, we were successful. After all, these are "our" roads.

I'm extremely proud of being able to work with our City Council and with leaders throughout the community. As I have said on many occasions, "owners" fix things. That's why we all need to be "owners" of this effort to transform our community. We need many "owners" of the problems we have so we have many active people helping to fix them. This isn't my city, it's "our" city – "Our Rockford" – and we must all take ownership in our city to move it forward.

And I see it happening every day. We're seeing more and more collaboration with our private citizens, churches, and non-profit organizations. In 2008, Heartland Church organized another outstanding Sharefest bringing thousands of volunteers and financial resources to renew more schools and more dreams of the students and parents who need those schools.

My pledge for the future is to do all that I can to tear down silos that separate the City organization from its citizens and from our other government and community institutions. We must all own the problems and solutions of our community. We must celebrate each other's successes and support each other in our challenges. When we combine high standards with a method of engaging our people to be part of the team, we are well on our way to achieve excellence. ***My friends, tonight, This is our choice. This is our Rockford.***

And as I close this evening, I want to thank all of our partners, all of our citizens, for the work you do to sustain and improve our community. And I want to thank you for supporting my wife and me as we have managed some

tough personal challenges. And I want to also thank you for celebrating with us the recent birth of our baby girl, Sophia Marie Morrissey.

Heartland Church Band

And it is my great pleasure to introduce the Heartland Community Church Choir who will share with us, "God of this City," a song written by *BlueTree*, an Irish worship band based in Dublin, Ireland. When the Heartland worship team heard Chris Tomlin's recording of the song, they knew it powerfully reflected the positive change that working together we can all bring to our city, across the country, and around the world.