

## 2017 WARSAW STATE OF THE CITY

A little over six months ago, I stood on this exact spot representing the Warsaw / Winona Lake Community.

The purpose of my presentation that day was simple - to convince a group of state agency representatives of why our community is Stellar? Something we all have known for a long time. Our message was clear: that...

ONE - We are a community blessed with an abundance of opportunity, a skilled workforce, and plentiful natural assets.

TWO - Our history has shown undeniable growth and prosperity - the result of entrepreneurism, strong work ethic, and fiscal responsibility.

And THREE - Our future will continue its trajectory of success, leveraged by broad community vision and collaborative leadership.

We know that what happens in the Warsaw/Winona Lake community doesn't happen like this anywhere else in Indiana...

The enthusiasm of our community and our story of success...

I'm not sure they could believe what we were telling them...

our story seemed too good to be true.

That day, the committee was looking for a community that could move the needle, and what they found out was that we are a community that has been moving the needle... It is what has always made us Stellar and our future even more so! I was very proud of not only the image we portrayed, but the future

we projected side-by-side, a collaborative community with a common purpose...and a shared responsibility!

Good afternoon, it is indeed a privilege to present the 2017 State of the City for you today, sharing with all of you the progress we have all made as a community.

I would like to thank Rob Parker and the Kosciusko Chamber of Commerce for hosting our new format .... our first State of the City Luncheon.

My friends, as I move into the second year of my second term as your mayor, it has been a high honor to serve you. I have enjoyed the challenges of being your mayor, leading this community forward as we navigate the reality of growth and change. As we will discuss today, our accomplishments are noteworthy. But we must remember that those

accomplishments are the result of challenges we encounter and the solutions we develop as a community in response to those challenges. There are no shortcuts: we must plan responsibly, set realistic goals, collaborate, and work hard!

On behalf of our community, it is with pride that we discuss the accomplishments of 2016 that have shaped the State of the City as we look to 2017 and beyond.

While time prevents me from listing all of our community partners and collaborators individually... I would like to acknowledge our elected officials, council members Jeff Grose, Diane Quance, Mike Klondaris, Cindy Dobbins, Jerry Frush, Ron Shoemaker and Jack Wilhite, listed in order of their years of service. I have been privileged to work with this council as they represent our City. Collectively they have put the best interests

of our entire community first. Also, Clerk Treasurer Lynne Christiansen and her staff have demonstrated the importance of experience in the ever-changing realm of municipal finance.

In addition, I wish to acknowledge our Department Heads and Staff, listed in no particular order: Jeff Beeler, Nick King, Hal Heagy, Scott Whitaker, Michael Wilson, Jeremy Skinner, Jennifer Whitaker, Brian Davison, James Emans, and Mike Valentine, and all the employees of the City of Warsaw. These employees consistently meet the needs of our citizens and are the reason that community vision becomes reality.

I would also like to thank the elected officials of Kosciusko County who continue to work towards a common purpose of improving the quality of life in our community.

What was it like to live in Warsaw 50 years ago? Lemon Custard Ice Cream at the Flagpole. Double Feature at the Lake Theater. How about a cannonball off the top of the tower and into Center lake ? Now, while some of us remember those days, obviously things have changed. History and nostalgia remain a very important part of our story. Our foundation and heritage is where we came from and who we are. We cherish that but it is the reality of growth and change that adds to our GREAT story, our history.

Do you realize that the 1960 Census listed Warsaw's Population at a little over 7200 residents? And, the most recent estimate from July of 2015 revealed a population just over 14,400!!! In less than a lifetime, our population has doubled! Growth and Change is a consistent part of our story. And it will continue.

Our challenge is to grow and change responsibly

Let's look back on some of the changes we have seen in this past year and how they will impact 2017.

Obviously the most noticeable examples of growth are "above ground" changes - things that we see every day...

From the private side, Banner Medical, Winona PVD expansion, Owl Manor Medical, Wishbone Medical, Network Packaging Partners, Jace Medical, and Nextremity are very notable examples of industrial growth this past year. In addition, the city and county has given full support to Accelinx, a medical device accelerator being developed by Orthoworx. Accelinx is anticipated to stimulate new product development and growth in our community, and with the availability of shovel ready lots,

an expandable shell building, and expansion of the Tech Park, will stimulate new growth and expansion in 2017 and beyond.

Retail growth continues to provide our citizens with expanded shopping and restaurant experiences. (And no, amidst all of the speculation, even the mayor doesn't know who has been investigating a specific site off of anchorage road for a new restaurant...)

One of the more noticeable public improvements of 2016 was the reconstruction of the Main Street roadway, curbs, gutters and sidewalks. Our city engineer, Street, Stormwater, Wastewater, and Building and Plan Departments all collaborated on the project. Despite delays that occurred as failing sewer and storm water pipes were discovered during the



construction, I was most appreciative of our team's response to those setbacks. Also, the patience of the Main Street residents who were inconvenienced by the delays is to be commended.

But the comments we heard from them indicated it was worth it!

Engineering continued last year as Husky Trail, North Buffalo Street, 300 North, and Phase 2 of Market Street were prepared to go to construction in 2017, and 2018 in the case of Market Street. The city expects delays as construction season begins this summer. We will do everything we can to keep the public informed of closings and alternate routes. I would ask for your patience in anticipation of necessary summer construction delays!

With over 200 lane miles of road in the city, maintaining aging, failing roadways is a constant and worsening challenge! In 2016, inventories of local roads across the State of Indiana indicated that just under one third of all local roads and streets were graded poor. That same report by Purdue University estimated that to improve all roads and bridges in the state, currently rated poor, would cost 1.6 billion dollars a year for the next 10 years. We are confident that the state legislature understands the critical nature of the statewide road deterioration. This year our legislature has pledged to find a sustainable solution to the problem, as locals all across the state play catch-up with deteriorating roads and bridges.

Our street department completed a local inventory of our roads in 2016... and as a result, earned an increase in road maintenance funds. We will utilize those funds on a

combination of maintenance techniques: crack sealing (which extends the service life of a road by two years), micro surface treatments and slurry seal (which extends the service life of the treated road by six years), and resurfacing (or mill and fill) (10 years). Some road reconstruction will be necessary to replace those sections of road that are beyond maintenance improvements.

Our plan is to incorporate a comprehensive Maintenance Plan with the goal of extending the service life of all roads to prevent the need for reconstruction.

In addition to local road projects, the City of Warsaw continues to be involved in several larger regional transportation projects. Otherwise known as Planes, Trains, and Automobiles For The Future, these projects will address future safety, connectivity,

and logistics issues that could significantly impact our community and industry.

Automobile and Truck traffic along US 30 is projected to increase substantially in the next 15 years. Transforming US 30 into a limited access freeway from the Ohio State line to Valparaiso has been given priority by Governor Holcomb and his predecessor Governor Pence to improve safety concerns and logistics. These improvements would be very similar to the changes that have occurred on US 31. It is critical that our community study what is the best solution for Kosciusko County. Using traffic data, the city and county are working together to evaluate several local options to present to the community in 2017.

The proposed high-speed rail project from Columbus, Ohio, to Chicago gained a little more traction with Federal Rail Administration approval of an Environmental Assessment along the rail corridor. While this is one important step closer, federal and multi-state funding for engineering and construction of the project is the next major hurdle... Stay tuned.

The FAA continues to look at options for the proposed east-west runway expansion. A longer runway would improve air transportation access for our industrial partners. Expect progress in 2017 to finalize construction and funding options with the FAA. Our goal is to minimize any disruption of traffic flow to our community along 100 East.

“Underground” changes, the things we can’t see, are often more important than those above ground. This became very

apparent as we resurfaced Main Street last year. Aging sanitary sewer lines, exposed during the project, had failed and were in need of repair. Similar occurrences at multiple locations....have given a cause for concern to a network of original, pre 1899 sewer pipes... most of which still serve a significant portion of our community... out of sight, but not out of mind, and at the top of our list of concerns...

49,000 feet of significantly at-risk pipe needs to be relined as soon as possible to head off potential washout and road compromise. These “out of sight” underground repairs are considered high priority. We have no choice.

In 2016 we also realized that our relatively “new” wastewater treatment plant, that went online in November 2003, is running out of capacity. In 2013, all flow was redirected to the new

plant from the old Center street plant. Projected to last 20 years with a capacity of 3.9 million gallons a day, our “new” plant has only been online 13 years and we are almost at 90% of our capacity. This all as the result of residential, industrial, and commercial growth, and infiltration of storm water into the treatment system, which is another result of aged, failing utility pipes.

Having hit 90% capacity, IDEM requires that we now develop an expansion plan. Our current plant was fortunately designed on a footprint to accommodate anticipated future expansion. Our current 3.9 MGD could be expanded anywhere from 6MGD up to 12MGD on the current site. An anaerobic process is also being considered that is more efficient and effective for treatment facilities with larger capacities. Cost and engineering details are currently being analyzed to narrow our options.

In addition, mandated environmental requirements will also necessitate requisite improvements.

In summary, this major Sanitary Sewer project will involve unavoidable and/or mandated:

1. plant expansion,
2. relining of 49000 feet of underground pipes,
3. operational plant improvements

Revenue to support the project will come primarily from sewage revenue bonds supported by sewage utility fees. Utility rates will be affected. Our current \$32.00 a month residential sewage rate is well below the statewide average of \$45.00.

We are exploring every revenue source available to minimize the impact on those rates. This includes the use of the State Revolving Fund, with its more favorable interest rates. We will



also evaluate available invested utility reserves that have been accumulated for this type of project, and other revenue sources, all as a means to keep the utility rate increase to a minimum for our residential and industrial users.

As engineering refines the details of the project, we will continue to make information available through council meetings, on the city website and Facebook page, and through local media.

Two not-so-glamorous projects dominated the calendar in 2016 and will positively impact operations well into the future.

First, long overdue improvements in the management of our curbside waste pickup were implemented this past year that resulted in safer, more cost-effective service - the result of newly automated curbside equipment ... These improvements

also changed how and where we pickup. Our residents have done a remarkable job adapting to those changes... and like communities all across the nation, we are reaping the benefits of automation which include a significant reduction of man-hours, improved safety for our employees resulting in reduced workman's comp rates and claims, and significant recycling contract savings. Thank you to all of our residential users! The transition to the new service insures continued municipal residential trash and recycling service - without user fees! We couldn't be happier with the improvements. ... As we fine tune our system this year, it may become necessary to alter the routes. If so, we will only ask you to change your route one time.

To effectively serve our southern neighborhoods and the 40 square miles of Wayne Township that was added to our fire

territory service area, planning began over six years ago towards the establishment of a third fire station on the south edge of Warsaw.

“Station #3” will serve as a satellite station to provide improved fire and emergency medical response times. It will be built as a two-bay station. Emergency medical and fire response in one bay and the Wayne Township ambulance service in the second.

Construction will begin sometime this summer. Cost per square foot are estimated to stay well within industry standards all the while maintaining the desired quality of construction.

The council was near unanimous in their approval of the project, meeting the safety needs of the taxpaying community, while collaborating with Wayne Twp. in a fiscally responsible manner.

Our downtown continues to change and grow, as well.

Storefront vacancies are at a very low level. Parking improvements, while never perfect for everyone in a downtown setting, continue to serve customers first.

Several new restaurants, a medical device company, a half a dozen retail shops, a new realtor, and an art gallery have added to the downtown experience this past year.

Emerging housing trends will also impact our downtown in the years to come. The North Buffalo Street Project will add over 70 units of urban style townhomes when the project is completed. Little Crow Lofts will rehab the old manufacturing plant and create 42 affordable loft living style apartments.

Construction will begin on both projects in 2017.

The fiscal health of the City of Warsaw is good and remains stable. A recent bond rating, completed in December, 2016, resulted in the City of Warsaw retaining its impressive AA minus bond rating. Not only is it a strong indicator of fiscal health, but it also results in more favorable interest rates for the city.

As expenses continue to rise, department heads have been diligent to contain costs by trimming expenses, constantly looking for cost efficiencies, and interdepartmental collaboration and sharing of resources for repairs and projects.

For 2017, our tax levy was established with a small increase for inflation, well below the growth factor allowed by the State Department of Local Government and Finance. Kudos to our

department heads for reducing costs and controlling spending as they focused on their goals for 2016.

The Warsaw Police Department continues to work tirelessly to control the continuing menace of drugs in our community.

While the number of drug related cases rose in 2016, meth labs and heroin arrests were significantly down.

The Warsaw-Wayne Township Fire Territory focused on the development of the third fire station, improved first response training and coordination with our township emergency medical services, and the expansion of the tornado siren network in our community.

Building and Plan Department had a very busy year with the preparation and oversight of multiple road and redevelopment projects. In addition, they handled a 25% increase in building

permits and did over 1200 inspections. 2017 will be busier, with multiple projects going to construction and several ordinance updates.

City Utilities are in the midst of the previously mentioned treatment plant update, system repairs, and upgrades. The storm water utility initiated Southside drainage study should be completed this year, along with projects in Central Park and Market and Johnson Streets.

Parks and Recreation Department will continue to implement infrastructure improvements prescribed by the updated five-year master plan. Complimentary park projects are also being looked at with the addition of the Buffalo Street Plaza at Center Lake. There is also a focus on improving summer and winter recreational opportunities at the lakefront and in Central Park.

The Warsaw Municipal Airport continues to service our corporate clients. Runway expansion remains priority one, and an upcoming meeting with FAA officials is anticipated to further refine local options. The Warsaw Municipal Airport remains the highest rated non-commercial airport in Indiana base upon its impact on the local economy.

The Clerk-Treasurers office has switched payroll systems resulting in a significant savings to the taxpayers as well as implementing a mandated Internal Controls Policy.

Oakwood Cemetery continues to meet the needs of our community and has collaborated with the Street Department on several maintenance projects to trim costs.

The Warsaw Street Department had a busy year...

implementing the very successful trash program. I applaud the



patience and courtesy that our street employees displayed during our curbside waste transition.

They also created an asset management plan for all 200 road miles of city roads. That plan qualified the city for an INDOT Community Crossings Grant that leveraged \$720,000 of local road funds into 1.44 M. Those dollars will fund the earlier mentioned annual street maintenance program, designed to stretch our road dollars by prioritizing repairs and maintenance based upon periodic pavement and road assessment and evaluation.

The street department also worked hard with residents on sidewalk and driveway approaches on our Main Street reconstruction project. They have also collaborated with other city departments to cost share internal maintenance projects.

Human Resources has been very busy with Title 6 compliance, safety manual updates, wage study committee, and wellness program development.

2016 also saw some critical technology upgrades that will move us towards a faster, more secure, means of utilizing technology, both in the office and out in the field. The city connected all departments with fiber which will allow us to create a central city server. The Go Warsaw Mobile app helps our citizens to report concerns and has proven very effective.

[www.Warsaw.in.gov](http://www.Warsaw.in.gov) continues to be a most comprehensive source of municipal information and is now complimented by our new City of Warsaw Facebook Page, which is rapidly growing as the official source of municipal information for the citizens of our community. Stay tuned for future live streaming!

Friends.... The City of Warsaw is on a trajectory of sustained growth. Our entire community works hard to create opportunities to succeed. We have created fiber connected shovel ready sites as well as an expandable shell building in our tech park, ready to meet the needs of local industry and attract new opportunities to the community. 2017 will see further development of phase 2 of the Tech Park to accommodate future growth.

Local construction hit record numbers in 2016. Housing construction of 10.3 Million and commercial development of 56 million combined for a record 67 million dollars of total construction in the city in 2016.

We don't see that slowing down as we head into 2017.

Being involved in both the 11 county Northeast Indiana Regional Partnership and the North Central Regional Planning Organization (MACOG) has allowed us to continue to build important relationships and share benefits in both regions. We know that a significant portion of our workforce is regional. We know that regional industries provide critical support and supply functions for our local medical device industry, providing greater stability for them. We know that regional transportation planning and assistance is critical to meet our local needs when competing for shrinking pools of available federal funds.

This past year we learned how important our alignment with the Town of Winona Lake is. The project report we collaborated on together as a Stellar Finalist demonstrated how aligned we are in our vision and goals. The synergy was

apparent and the trajectory of success we enjoy will continue as our partnership strengthens.

As I conclude today, it is important you all realize how critical community partnerships are as we grow and change

That our strength and success as a community is defined by the collaborations we work hard to build.

Look at what we have done!

- Our schools provide quality education and career path opportunities for both undergraduate and technical degrees.
- Grace College students stay in our community after they graduate.
- Our Philanthropic Foundations work hard to meet the needs of our entire community.

- Our social service agencies provide critical community support.

Look where we are going!

Growth and Change will not stop. As your Mayor, and on behalf of the Clerk Treasurer and your City Council, we have a duty to nurture responsible growth.

We're in as good of a position as we have ever been.... And we will continue to move the needle, move our city forward...

Move together...as a community.

Thank you and good afternoon.