

State of the City by Mayor George Gaulrapp

2011

I'm proud to serve as the Mayor of Freeport. I've lived here my entire life. My wife, Karrie, and I have raised our children here. Much of my family still lives in and around Freeport. This is a special place for us because it is home. And I know many of you share that same sentiment.

This is my sixth State of the City address and each year as we review the past twelve months I am still amazed at the services that the City employees provide our tax payers and the service organizations such as Kiwanis, Rotary, Ramp, Salvation Army, FACC and many others that supplement our community.

Freeport is a community full of good, honest, hard-working people. I've had the opportunity to meet and get to know so many people throughout the years – through school, church, sports, volunteer activities, and of course through my work as Mayor. When I first took my place as Mayor in 2005, the national economy looked pretty good. In turn, things were looking good for communities like Freeport.

But fast forward six years, and we have a recession, the likes of which we haven't seen since the Great Depression. All across the country, we have foreclosures, high levels of unemployment and poverty. As local governments, we see rising costs for things like infrastructure and legacy costs like pensions coupled with stagnating state and local revenues.

Yes, a lot has changed in the national environment over the six years I've been Mayor. And here in Freeport, we've been working hard to respond to those national conditions that threaten our local prosperity and sustainability. And it's been difficult, don't get me wrong. But we have risen to the challenge. And tonight I want to highlight some of the ways that we have responded to these challenges to help our community stay strong and prepare for our future growth and prosperity.

I want to talk about how we are meeting the challenges of today and preparing for the opportunities of the future.

The single largest portion of the City's budget is personnel costs. They account for 84% of the City's budget. And it's not just salaries, but also the legacy costs – health care, pensions – that continue to rise, even as our revenue does not. So we've taken a good hard look at the way we do business, and we've been able to reorganize in some departments for greater efficiency. Just to name a few, we eliminated the Deputy Fire Chief position and moved to a Battalion Chief model. When an employee retired in the finance department, we looked at the workload and decided some work could be reallocated to other positions rather than hiring a full time replacement. And in Community Development, two inspector positions

were combined into one when we were able to hire an individual qualified to hold both positions.

Over the past two years, when revenues from the State of Illinois were consistently late and often questionable, we trimmed \$800,000 in expenditures from 2009 to 2011. Last spring, the City's cash position was so threatened by delayed revenues from the state that we had to borrow \$400,000 just to continue to make payroll. But we rolled up our sleeves and went about the business of shaving expenses. And as a result of that hard work, we ended our fiscal year with a \$1.2 million surplus.

We continuously review the role of consultants in the City's business. We began this six years ago, recognizing that there may be some opportunities to gain efficiencies. As a result of those reviews, we have brought the operation of water and sewer back into the City, which yields annual savings of \$150,000. Last year, we brought an engineer on staff with the City, and that has resulted in our ability to handle some engineering functions in-house rather than pay for consultants, which has gained efficiencies and cut expenses.

We're becoming more efficient to meet the challenges of today and prepare for the opportunities of the future.

We are embarking on a \$20 million upgrade to the City's water and sewer infrastructure. These necessary improvements will enhance our water delivery system, improve our storm sewers, and modernize outdated technology. In an economic climate that makes it difficult to access capital for such a large project, we were able to secure financing through the Environmental Protection Agency at just 1.25% interest with 25% of the principal forgiven when the project is completed on schedule.

We are upgrading our infrastructure to meet the challenges of today and prepare for the opportunities of the future.

Partnerships are important to the success of any organization, and the City is no exception. We rely on the cooperation and expertise of many other organizations to serve the needs of the citizens. Recently, a building collapsed in downtown Freeport. Our Fire Department was able to call on the resources of the MABAS Technical Rescue Team to be on-site following the collapse. In rural areas like northwest Illinois, it is crucial to be able to combine resources for the benefit of all, and public safety agencies like MABAS are a great example.

One of the City's partnerships that has been the topic of much discussion lately is that with NIDA. It's a tough time in the field of economic development. Business capital is hard to come by, economic uncertainty can hamper the ability or desire

of companies to take the risks inherent with expansion or relocation. But now is not the time to reduce our economic development efforts. Now is the time to step it up even further. Which is why we're working to strengthen and grow our partnership with NIDA and the community.

You've all heard of "Prospering Together", I'm sure. In case some of you haven't, it's an effort being undertaken by dozens of people representing many organizations – business, health care, education, government, housing, faith, human services and more – all working through a very open and participatory process to come up with a common vision and goals for Stephenson County. This really is an unprecedented task here in our community, and I hope everyone will take the time to be involved and have their voice heard. You can learn more about the process and how to get involved at www.prosperingtogether.org.

Not just with NIDA, but with all our partnerships, we are strengthening our relationships to meet the challenges of today and prepare for the opportunities of tomorrow.

For the first time in 15 years all our active boards and commission are filled.

As for challenges, we certainly have had our share over the past year, haven't we? Last July we had an incredible flood, and a year later, we experienced another. The damage was not quite as extensive as last year, but we still have many in our community suffering as a result of flooding, and our hearts go out to them. Today at City Hall, we invited residents to come in and report their flood damage. We also invited agencies like Red Cross and Salvation and to meet with people here at City Hall to see what assistance they can provide to families in need of relief from the flood. In the case of both floods, our public works, water and sewer, and public safety employees worked hard to ensure public health and safety and continued city services during the emergency.

Last winter, we had a snowstorm that brought most activity in the community to a halt. However, the City's public works department employees were out all hours of the day and night to clear snow quickly and efficiently so peoples' routines could resume as quickly as possible. And our police department worked in a challenging environment in which it was difficult to even maneuver a squad car on city streets for a while.

In addition to the floods and snow storms, we had extensive sewer collapses last summer, a building collapse in downtown Freeport earlier this summer, and many other challenges throughout the year. That's the nature of the business of a City. You have to be able to meet today's challenges while preparing for the opportunities of tomorrow.

I am confident in Freeport's future. I guess I couldn't be Mayor if I wasn't. Even though things may be tough now – I know there are many in Freeport looking for work, or looking for a better job or another opportunity, or struggling to make ends meet – and that's really one of the toughest things about being the Mayor, knowing that you just can't instantly make everything better for everyone. But I do have hope for the future. Which is why, amid all the challenges of the day-to-day operations of the City, we remain focused on the opportunities of the future.

While we fill pot holes, we plan and build infrastructure that will support the businesses of tomorrow.

While we deal with blighted, abandoned commercial buildings, we continually work on attracting the next company that can fill that space and make it come alive again.

While we assess and clean up the environmental sins of the past, we work to build bicycle trails and a boat launch on previously contaminated land that will now serve a better use for the community.

While we struggle to deal with the loss in jobs from employer like Sensata we celebrate the future of Freeport companies who are growing – like Sauer Danfoss, Vitners Tri-Star Metals, and Titan Tires and we work to encourage small business owners to build their dreams in Freeport, where we have a long tradition of entrepreneurship and success.

Last year we worked with the private sector to raise \$4 million dollars in three days in hopes of attracting Dokka Corporation to Freeport While Freeport finished 2 out of 17 cities,... Freeport did shine.

One day – hopefully soon – the financial challenges of this recession, with the associated home foreclosures and unemployment, will be over. And when that day comes, Freeport will be ready. Because throughout the past few years, even as the challenges have seemed overwhelming, we have never lost our focus on what we need to do to prepare for the opportunities of the future.

You know, as I've been attending the Prospering Together listening sessions, I've been challenging people to take a few minutes and write a positive letter to the editor about our community and to speak well about Freeport when they're out and about. I think it's important for all of us to be positive ambassadors for our community. But I'm going to break that rule for just a minute to talk about something that I just really find discouraging.

Certainly in Freeport we have people in need who deserve our help. But unfortunately, we also have people who take advantage of the help from government, social services, churches and other charitable organizations. And

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every bit of help that goes to someone who doesn't really need it takes away help from someone who does. In addition, some of these folks are the same people who are causing problems in our streets and neighborhoods and making the job of educating children more difficult for our schools. That means your local government, your school system, and others spend more time, money and resources dealing with these folks rather than advancing our community and educating our children. And it just isn't right.

I would challenge all of us who provide services to work on ways to ensure that our help goes to those who truly need it, rather than those who would take advantage of our community's kindness and generosity. And I would challenge our landlords to manage their properties in ways that do not allow them to house criminal activity in our community.

And I would like to formally invite those who are taking advantage of the good, generous nature of our community – and you know who you are – to work to become productive members of our community.