

2008 State of the City of Rochester Hills

Mayor Bryan K. Barnett

Thank You Senator Bishop! Good Evening. I want to welcome you to the 2008 State of the City Address and thank you for the opportunity to update the community on the status and condition of our fine City. I want to personally thank all of you for attending this event in our newest facility and sincerely thank all of the members of the Department of Public Services who have helped us put this evening together. We have never held the address outside of city hall but I felt it would be a great opportunity to showcase our newest facility to the people who own it, our residents. This required a tremendous amount of effort from a large number of city employees and I sincerely appreciate it. Don't complain though, if you think this is different, next year I want to hold the State of the City-- underwater!

I also want to recognize some very important people in the room tonight. First, the elected officials. These dedicated men and women represent their constituents in some fashion and level of government and deserve our thanks.

Elected officials in attendance

City Council Members

Rochester Hills Youth Government Council Members

I also want to take this opportunity to recognize my family. I am blessed to have nearly every member of my immediate family, grandparents, parents, brothers and sister living in Rochester Hills. It truly is wonderful but believe me, they are usually the first to call if there is a problem. I also want to recognize my wife Corrin and my boys Kenneth and Tristan. They have been so patient and my wife so understanding as I have pursued and poured my heart into my dream job. I love you Corrin and boys—be good and daddy will let you drive a dump truck later.

Martin Luther King Jr. once said, "The ultimate measure of a man is not where he stands in moments of comfort, but where he stands in times of challenge and controversy" and I believe that to be true of cities as well. As most of you know, we are a very blessed city by all accounts, but we too are experiencing the challenge of the regional economy. Tonight, I hope to inspire you with the vision that our administration has held in guiding our city and share with you the many proud successes that have followed, but I also want to paint a realistic picture of some of the challenges and more importantly, what we as a city are doing about them.

Since becoming Mayor 2 years ago, I have held to an overriding vision. The staff has embraced it and tonight you will hear stories of our progress and how well we are doing in reaching our vision. That vision, simply put, is that Rochester Hills would be the preeminent place to live, work and raise your family.

Rochester Hills...the preeminent place to live...

The first segment of the vision—that Rochester Hills be the preeminent place to live, is extremely ambitious. We recognize that one of the most important decisions a family makes is deciding where to live. With 70,000 residents in the city, there are probably close to that many reasons why people chose to live in our community. We consider Rochester Hills to be the jewel of Oakland County and truly unique in what we have to offer. But who cares what we think! This year we decided to enlist the help of some unbiased professionals, and joined forces with our friends at Oakland University to conduct a statistically significant survey of what OUR RESIDENTS thought about living in Rochester Hills. The survey was conducted over the summer and I will share some of the results this evening. However, I invite you to look at the document in its entirety found on our city's web page. Here is what we found regarding the living component of Rochester Hills. Over 93% of residents were very satisfied or satisfied with living in Rochester Hills and indicated their immediate desire to remain in the community. This number was surprisingly high to me because none of my family members were contacted! When asked about the most important reason they decided to live in Rochester Hills, the answers may surprise you. (slide) 1. Geographic location—which this week I assume means we are close to I-75 and therefore it is easier to get to Florida. 2. The environmental characteristics of our city. 3. The school systems.

The fact that the cities environmental amenities outpaced school system, safety and crime issues and affordable housing were perhaps a little surprising, but help us better understand and explain the support our parks and trails have experienced over the last few years.

The recreational opportunities offered here in Rochester Hills are plentiful and our residents supported them in 2007 like never before. Last year our 950 acres of parkland were visited by more than 900,000 residents and guests. These residents enjoyed biking, hiking, basketball, baseball, softball, in-line skating, tennis, walking, bird watching, the batting cages, boating, fishing and even Olympic cycling all within a mile or two of their homes. And as gas prices continue to rise, we feel this increased demand will continue.

Perhaps the biggest news last year regarding our parks department, was our major improvement of the Clinton River Trail. Using an innovative and creative solution, we were able to use the discarded material from the paving of the Shadow Woods subdivision, to refinish the entire trail surface approximately two years ahead of schedule and over \$300,000 under budget. The by-product from that subdivision in years past would have been disposed of and we would have paid to do it. Today, that material has been reused in multiple projects not only completing the entire trail surface but also, creating an additional road in our cemetery and creating the parking lot in this very facility. I don't know if anyone here from Shadow Woods recognized it as they drove in tonight—but that is your old road in the parking lot!

But that was not all that happened to the trail last year. Thanks to the efforts of the Rochester Rotary, the trail now has a scenic overlook located on a bluff behind city hall and in just a few months, the mastodon experience, including interpretive signage and additional seating areas, will be ready for public view down near the actual site of the mastodon find just off the trail.

We celebrated our Festival of the Hills fireworks show at Borden Park in record fashion with a crowd of 50,000-plus. This event has become a huge tradition and the biggest single event in our community. It is made possible by the generous donations of our business partners and is completely funded by sponsorships. This year's family friendly event on July 2nd, promises more surprises and even more community involvement. If I could ask that any of last year's sponsors here with us today please stand, and join me in thanking them for their generosity.

And speaking of events, we are thrilled to be the host city for a brand new event coming this Fall. We are partnering with Oakland County and the Crim Foundation to bring a regulation ½ marathon to the streets and trails of Rochester Hills. The Brooksie Way, in honor of County Executive Brooks Patterson's late son, will be a wonderful way to showcase our community to the skinniest 3,000- 5,000 people we can find. This event has been wildly successful in other communities as a way to inject an economic stimulus but more importantly, reinforce the importance of good health and exercise in the community. The event is scheduled for Sunday morning October 5 giving me just enough time to put off my strict conditioning for a few more weeks.

Last year was a very productive year for the city's Green Space Advisory Board. These seven, now nine, citizens, appointed by city council, have done a tremendous job in organizing, prioritizing and doing countless hours of fieldwork in preparation for council action. In the past year, we have closed on three properties (one of them donated) permanently preserving over 7 acres of land. These high priority sites mark the first permanent preservation efforts in our city's history and are strategically located along the Clinton River. In 2008, this board plans to dig into phase two of their analysis with more parcels for city council to consider.

While looking forward to preserve our future, it's also important to look back. One of our hidden jewels, the Rochester Hills Museum at Van Hoosen Farm does this every day. The dedicated staff and volunteers tell the story of our community's past to visitors through creative programming and updated displays. In 2007 they continued to garner more support and attention. One unique community program that continues to grow is the Stonewall Pumpkin Festival. This has become the largest event of its kind in Southeast Michigan and has developed into a wonderful local celebration in the fall. We continue to be thankful for the efforts of our museum staff as they kindle the imagination and remind us all of our cities proud history.

Creating a great living environment in Rochester Hills also means doing our best with our limited resources to improve our infrastructure. While we have not identified a long-term strategy for road funding, the city council did allocate funding on a number of

projects including the opening of the new Crooks road from our cities southern border to M-59. Extensive work was also completed on Waterview and Leach roads and the Livernois Boulevard received a much-needed overhaul. There was significant work on our local streets as Shadow woods received a *complete* reconstruction and many additional neighborhoods saw major concrete slab replacement.

Many of the Road Projects I mentioned were done in cooperation with the Road Commission of Oakland County, and/or the Michigan Department of Transportation. We will do our best to leverage our dollars to maximize their impact for our residents and continue to be focused on a long-term funding strategy.

We know that 93% of us love it here and we remain one of the most desired family locations in Michigan, but we were a little caught off guard by the attention we received halfway around the world. You may recall that last year I announced that we would be hosting a foreign delegation from the city of Tuz. This small city near the Albanian/Montenegrin border, had recently been granted their freedom and were embarking on self-governance for the first time. They were given the opportunity to study local government for one week from any city in any country in the world. After a truly enchanting meeting and dinner I had with the President of Albania, plans were set into motion and the visit to Rochester Hills ensued. Working with the leadership of St. Paul's and the Montenegrin government, we hosted the Mayor and his team for one week. What resulted was an intense education, a wonderful sharing of ideas, and most importantly a lasting friendship. We continue to stay in touch with our sister city and follow their progress as they carve out their path in history. Our staff was accommodating and wonderfully gracious with their time and continue to stay engaged, most recently by the donations we used to buy the children of Tuz a multitude of sporting equipment. We remain committed to their efforts as they transition and wish them much success and we continue to grow our relationship.

Recognized locally, recognized regionally and even recognized internationally as a great place to live. But for Rochester Hills to be the preeminent place to live, we must rise to meet a current challenge. Our city has not been untouched in the wake of our nations foreclosure crisis and the struggling regional economy. A yearly study preformed by United Van lines indicated that Michigan is the number one "departure" state in the country and the long-term effects of such a migration can be devastating. As one might expect, the trickle down from the stagnant economy has reached our neighborhoods as we have also experienced a sharp increase in the number of Sheriff deeds over the past year. Sheriff's deeds are the formal document that indicates a homeowner has six months to redeem their property or risk foreclosure. We experienced 241 in 2007 compared to just 68 in 2005, a 254% increase! Not only are those 241 families affected, but studies show that every home within 1/8 mile of a foreclosure can have its value negatively impacted by up to \$5000! That means when a home forecloses on your street, everyone on that street has a vested interest.

These realities have presented challenges that we have not experienced in many years here in Rochester Hills. The numbers are important but more so is what we as a city are

doing about those numbers. Outside of the intense and focused efforts on enhancing our business climate, we are also addressing the negative effects of the economy's downturn in other ways.

The city council has strengthened the blight ordinance to give our enforcement officers more liberty to correct issues. I proposed, and council supported, the addition on one officer to solely deal with the increase in several crime categories commonly linked to vacant homes. Public safety, as you all know, is intricately linked to home values, and we are putting our money where our mouth is to protect our resident's biggest investments.

Finally, I have commissioned a team of employees to research other proactive methods we can introduce to deal with the issue. As a first step, we will be releasing a 30 second public service announcement recently filmed providing help to those in need, and we look forward to introducing new programs as it relates to the nations foreclosure crisis in the near future.

This is a much larger problem in many other communities, but if you haven't noticed a theme, we want to be proactive in mitigating the impact on our community and do our level best to make sure that the dream of living in Rochester Hills is available to as many families as possible.

Rochester Hills...the preeminent place to work...

The second aspect of the vision relates to the work environment in our city. For me it is important to analyze both the external business climate for our business partners as well as the internal working environment for our employees.

I was in Washington, D.C. for a Mayors Conference last month, and on the floor of the Capital to hear the State of the State Address. In hearing both Governor Granholm as well as other Mayors across our country, there is no doubt that the fragile economy is the prevailing issues of the coming years. It is a local reality we can choose to address or ignore.

In the past year and a half, our administration has chosen to be **proactive** in addressing the issue head on. We have a fundamental belief that the attraction and retention of quality jobs has a tremendous impact on our local economy. When good jobs are created, opportunity follows. Homes are purchased, our neighborhoods are strengthened, and there is reinvestment in our City and our City's future.

We started by taking a look at the very department responsible for planning and economic development in our city. Recognizing that in our city, the years of double-digit growth were behind us and that the key to our success would be with redevelopment, last year I called for the reorganization of the department. With the direction and guidance of Ed Anzek and Dan Casey, and the concurrence of city council, we eliminated a planning position and added a position to assist in our

economic development efforts. This change underscores our forward thinking and our willingness to adapt to the changing needs of our community.

Along with fortifying our team, last year I felt it was important to seek the wisdom of the business owners already located here in Rochester Hills. If our desire was to attract and retain key companies, we needed to invite them to the table to participate with us and become invested in our efforts. Last year, at the State of the City, I formally introduced our city's first ever Mayor's Business Council. Co chairing the council with L. Brooks Patterson and Oakland University President Dr. Gary Russi, the formation of this august body of 50 Rochester Hills' executives has proven to be one of the most beneficial strategic moves we have made in years. The Council, which meets quarterly, has provided unique expertise and has resulted in the creation of a red carpet committee, a permit and process subcommittee chaired by prominent local businessmen Roy Rewold and Stuart Frankel, and invaluable real world consulting, helping us retain and attract key businesses. Another business council member is Fred Olson, the Chairman of the Board and former CEO of Webasto Roof Systems Inc. here in Rochester Hills. Webasto has 300 employees and is based in 4 buildings in Rochester Hills totaling 235,000. They are one of the leading manufactures of innovative products to the transportation industry making sun and moon roofs, motorcycle windshields and spoiler. Chairman Olsen had this to say about his participation in the Mayor's Business Council.

This committee will be making news this year and will be presenting several new ideas to the planning commission and city council in the near future.

Last June, with the guidance of the Business Council, we introduced our city's first ever long-term economic strategic plan. This plan focuses our attraction and retention efforts on key market segments where we feel we have a competitive advantage over other municipalities. We identified four such segments and aggressively courted companies in those sectors.

So how did we do? The English proverb says, "a smooth sea never made a skilled mariner", and while we were not immune to the economic conditions of our region, I think we did a pretty good job insulating its effects.

There are three main areas we target and benchmark our progress. The first is that of retained jobs. Earlier last year, we identified vulnerable companies in our community. These companies were considering leaving for a variety of reasons. Leasing arrangements, financial distress, in some cases significant growth were all forcing key companies to the decision table. In all, 19 companies made our list and I am pleased to report that all 19 are currently located in Rochester Hills. In fact, of those 19 companies we retained—a significant number of them actually added jobs and increased investment in Rochester Hills. Here are the numbers and they are impressive.

Retained Jobs 1353

(That's the number of jobs that have been retained. We make a special note of jobs retained since these jobs are with Companies that remained here, but had considered moving out for a variety of reasons.)

	<u>New Jobs</u>	<u>Dollars Invested</u>
Retained Companies	114	\$20,000,000

Those 19 retained companies also added jobs—114 to be exact underscoring the need to work proactively in keeping them here in the city. In all, we assisted 116 companies in various ways in 2007.

Not only did we achieve great success in our retention program, we are very proud to release the year-end results of our business attraction program. In all, **20** new companies located here. Bear in mind, that we are not counting retail locations within these numbers making them in my opinion, the type of high quality jobs our community needs to thrive. Of those 20 new companies, **278 new jobs** were created as well as over \$4 million dollars in local investment.

New Companies (20) 278

I am proud to say that even in today's economy, we have added nearly 400 new jobs in the high tech, office, and R&D industries in 2007. All in all, almost 1,750 vulnerable jobs retained and attracted over the past year alone. To me that translates into 1,750 families that remain in some manner, invested in our Community.

Allow me to share with you a quick story about two of our newest business partners. **Bosch Rexroth made a decision to consolidate their operations here in 2007. This project retained 22 jobs currently located in our city and will bring another 98 positions from around the state in early 2008. Bosch Rexroth develops electric drives and controls, pneumatics, hydraulics and linear motion for the automotive and heavy truck industry.**

Another great story is that of Tool-Plas. This Canadian based company opened their first Michigan office in Rochester Hills where it is investing in 12 Bridgeport and CNC machines and creating 40 brand new jobs. Like Bosch Rexroth, they are occupying a previously vacant building as well.

From companies like Sorenson Communications which make recording devices for the hearing impaired, to a company like Simplex who has developed software for DNA analysis, we welcome them all in 2007 and wish them much success and growth in the years to come. As you enjoy your refreshments later this evening, we will show several short videos highlighting our newest R&D business partners.

Our relative success in continuing to attract key businesses recently resulted in a surprising letter from one of our rating agencies. Earlier this month, we received notice from Standard and Poor's indicating that upon review of our city's financial position, they were upgrading one of our bond issuances from AA to AAA. Almost unheard of in this market!

Ladies and gentleman--the bottom-line. At the recent release of the State's Economic Numbers, the City of Rochester Hills boasted the **lowest** unemployment rate in Oakland County, and the **sixth** lowest in the entire State, and the **third** lowest among cities of comparable size.

I am convinced these numbers are not realized by accident. They are the results of a concerted effort to approach economic redevelopment differently in our community. Most importantly, as you all know, we have an attractive product--but we also have programs that are working. We have wonderful partners in our friends at Oakland University and Rochester College; and we have economic tools in place with our Smart Zone, our LDFA, and OUInc. We are producing enviable results, and we will not stop our focus and our determination to continue to diversify to keep our local economy strong.

Now the strength of that economy has certainly been visible in the commercial sector of our community. We have seen many projects completed in 2007 that boldly suggest that investors and customers alike have very little worry that this downturn will be short-lived.

In fact, commercial permits in Rochester Hills were up 30% in 2007. That's right 30%! And while that number is certainly not sustainable, we have a full plate of projects scheduled to open in 2008.

Our community not only experienced great progress and growth in our technology parks, but a wide variety of other businesses chose to locate in our city over the past year as well. Whether they are teaching dance or karate, making cookies or cocktails, they are an important part of our city as a whole and we wish them the best of success and welcome them into our family of businesses. Take a look at some of our newest retail partners.

(A video clip of new businesses was shown.)

I wish we could end the speech at this point but surely you are all well aware of what is happening in the housing market. Allow me to share some of the numbers for our city.

Our residential new home permits saw a 55% decrease over 2006 with just 47 being pulled. For reference, we had 381 pulled just four years ago. This represents the fourth year in a row of a marked decrease in new permit activity. As the market tightens up however, we have seen very little change in the amount of permits for additions and

other home improvement activities. This is an indicator that many residents are continuing to invest in their homes and it's a positive sign for our eventual rebound.

We remain however amidst a tough Michigan economy that continues to struggle with a high unemployment rate and a very high mortgage foreclosure rate. Those factors, along with the weakening auto market and the aforementioned housing market will definitely weigh heavily on our ability to recover economically with the rest of the country.

I mentioned earlier that the work environment had to be examined both internally and externally and as such, probably the largest part of my day is spent overseeing the day-to-day operations of our city. As one of the largest cities in Oakland County with nearly 240 full time employees, that is not necessarily always an easy task. Peter Drucker said, "Rank does not confer privilege or give power. It imposes responsibility." I feel very blessed to have the responsibility to lead the team of city employees working for our residents every single day.

I am impressed not only with their ingenuity but with their passion, their knowledge and their generosity. The average employee in Rochester Hills is 46 years old and has worked for the city for over 13 years. Those numbers indicate two things. First, I can beat most of them in a footrace to the vending machines, and second, that they have an incredible amount of institutional knowledge and have developed a sense of ownership and responsibility to the residents and the issues in this community. I receive letters all the time from residents about encounters with our staff, (everyone is a little nervous right now) but many of the stories are wonderful tributes to the caring employees we are fortunate to have. I would like to share two of those with you this evening.

There is a famous boxing saying that "Champions don't become champions in the ring, they are merely recognized there". The more time you spend dealing with our employees the more you understand their dedication. We are fortunate to have so many champions.

Not only do I want to recognize our employees in general but please glance at the screen behind me as I mention other state and national awards bestowed on our employees and our facilities.

1. Government Finance Officers Association Distinguished Budget Presentation Award (Fiscal Dept)
2. Tree City USA (18th year). (Parks Dept)
3. National Award for Excellence in Procurement. (Purchasing Dept)
4. Certificate of Achievement for Excellence in Financial Reporting (18th consecutive year for this award) (Accounting Dept)
5. International Accreditation Service (Building Dept)
 - a. Awaiting response from board—would be first in Michigan and one of ten in the entire United States!
6. President of the Oakland County Building Officials (Scott Cope)
7. MI Association of Code Enforcement Officers Board (Bob White)

8. 2007 Michigan Lifeguard Competition
 - a. 1st place in Men's, Women's and Co-Ed Division
9. Over 35 Oakland County Sheriff Department and Rochester Hills Fire
10. Sunrise Pinnacle Award (Museum)
"Outstanding Non-Profit of the Year"

Please join me in congratulating these departments and individuals on their respective honors.

Our team also spends a considerable amount of time pursuing grants from the County, State and Federal government. Again, please note this partial list of successful grant applications for our city over the past year.

1. \$5,000 MMRMA (DPS Security System) (DPS Dept)
2. \$32,000 Tree Planting Grant (Parks Dept)
(In all Forestry Division has received over \$172,000 to help remove/replace ash trees over the past few years)
3. \$72,000 Hamlin Road ROW (DPS Dept)
4. \$10,500 TIA Selective Enforcement Grant (OCSO)
5. \$7,630 Homeland Security CERT Equipment (OCSO)
6. \$1,875 DTE Grant for Vintage Fruit Tree Plantings (Museum)

All of these grants were written and applied for by our internal staff. Yet, another example of city employees going above and beyond the call of duty.

Another very important group that contributes to our city's success are the dozens and dozens of resident volunteers on our committees, commissions and boards. From studying neighborhood traffic issues to sign ordinances to planning for our pathways, these volunteers enrich our community and improve our quality of life. Our planning commission, in particular achieved an important distinction this year. We became the first community in Michigan to enroll its entire nine-member body in the Michigan State University Citizen Planner Program. This commitment to continuing education ensures better understanding, better deliberations and ultimately better decisions for our residents and our future.

Many do not realize what it takes to keep a city like ours afloat. Tonight, I also want to mention and thank those men and women in stations and on the street right now keeping our city safe. We often take for granted those in our Fire department and those in the Oakland County Sheriff's Office. They are dedicated to their callings from Chief Crowell and Captain Smith on down to every last person in each department. They care about our community and our residents and represent the city with dignity while providing exceptional service.

Our employees are dedicated to our community and its residents and perhaps nowhere is that more evident than in their generosity. At any time throughout the year you will find employees raising money and helping out with dozens of non-profit causes. This

year, our employees raised over \$2000 in just their casual day contributions alone. This money benefited OPC Meals on Wheels, Holiday Helpers and a college fund for the son of a resident veteran killed in Iraq. They again led all groups in their fundraising for Relay for Life netting just over \$13,500 again this year. Their generous spirit is contagious and it all contributes to our city's status as not only the preeminent place to do business but a great place to work as well.

Rochester Hills...the preeminent place to raise your family...

Finally, we have a desired goal to be a great place to raise your family. This one is very personal to me. Corrin and I have two sons you met earlier and they are our pride and joy. Our purely selfish goal is that they will fall in love with this community, just as I have, and choose to raise their children and my grandchildren here in Rochester Hills.

One of the first things we did was to introduce the Families First! Program. The thought was simple: If we as a city are here to serve the residents, why not have a daily reminder of what our purpose is—the Families First! Program was born. The program recognizes a new outstanding family each month and continues to be the source of some wonderfully inspirational stories and has allowed us to share the passions of some fantastic residents. This program, sponsored entirely by local business dollars, has been a huge success, and I invite you to nominate a worthy family who has made a difference in your life.

This program spawned the Family Tribute program which was created to provide residents a mechanism to memorialize their loved ones here in the city. The project has resulted in numerous new benches around city hall as well as on the Clinton River Trail. These two family focused programs provide a small way to recognize those in the community that make and have made Rochester Hills a great place to raise your family. But what else is important to families and what influence can a city or a Mayor have to affect change? Immediately, I am drawn to our two outstanding school districts.

Our two districts consistently rate at or near the top in MEAP scores and student achievement and as you recall from the survey, are a top reason why residents move to our community. Combine that with excellent athletic and cultural programs and you have the foundation for a viable and livable community. I am happy to report that the city and school districts are now sharing ideas and technology that have proven to save both of our organizations real dollars, and I look forward to increasing our partnerships and friendships into the coming years.

Another important pillar in any community for families is that of a strong hospital presence and we are very fortunate to have just that in Crittenton Hospital Medical Center. We have engaged Crittenton in new ways and are keyed in on a shared vision for our future. Crittenton Hospital Medical Center is expanding in our community in commanding fashion by doubling the size of their medical building on the Crittenton campus as well as beginning construction on Crittenton/Karmanos Cancer Treatment Center near M-59 and Crooks. Earlier this week, Crittenton committed to be our major

sponsor for the 2008 Festival of the Hills firework show, with a pledge of \$15,000, as just another sign of their investment in our community. Lynn Orfgen, Crittenton's CEO is here with us tonight and I want to thank him for his leadership and overall support of our city.

You see as a city, we are not in the education business, or in the health care business, but we certainly do not need to be in the obstacle business either. Rather, we need to come to the table as never before to take advantage of the unique opportunities we have to assist and facilitate. Our residents expect it, our economy demands it, and we will listen and we will act!

As with our other two areas of focus, there certainly are challenges to being the preeminent place to raise a family and one we must deal with head on is that of resident's safety. Now fortunately, Rochester Hills has an excellent and well-deserved reputation when it comes to being a safe place to raise your family, but as some of you know we were seeing some intolerable trends specifically in home invasions and larceny from autos. Recognizing that these two categories strike at the very core of neighborhood safety we put into place a plan to address those issues. I mentioned the additional officer we added to specifically deal with those trends and that effort has begun to realize some results. But the effort did not stop there. Given our police funding challenges we knew we must try and maximize the efforts of our small but very capable force. Last year, in an effort to minimize the number and time devoted to false alarms in our city, the council enacted a brand new false alarm ordinance. This ordinance requires that homeowners and businesses register (free of charge) their alarms so the city has the most updated information should the alarm become activated. It also prescribed penalties for repeat false alarm offenders. Well, tonight, I am happy to report some initial success. Since the program's inception a little less than one year ago the city has billed repeat offenders nearly \$80,000 to recover the costs of these expensive and dangerous runs. But most importantly, we have seen a reduction, a 6% reduction in the amount of false alarms in our city. This is a great first step as we have turned the trend and are better utilizing our limited resources for the actual calls where emergency personnel are needed.

Another method we have used to better utilize our limited manpower is by expanding the role of the Community Emergency Response Team in the city. The CERT team, led by Sgt Steve Schneider, helps train people to respond to emergency situations in their community. When emergencies occur, CERT members can give critical support to first responders, provide immediate assistance to victims, and organize volunteers at accident sites. CERT members also help with non-emergency projects in the community and last year logged a record 3042 volunteer hours at events in the city like the Christmas Parade, the Festival of the Hills, first aid and CPR training and participation in health and safety fairs. You can see their increased role in the community and that directly translates to improved efficiency and dollars saved. In fact based on the Bureau of Labor Statistics the value of their volunteering in Rochester Hills last year alone was over \$55,000. We thank them for their continued service and efforts in making our community a safer place to raise a family.

Rochester Hills, the preeminent place to live, work and raise your family. We have done much in 2007 and have laid out an aggressive 2008.

Oliver Wendell Homes said, "The great thing in this world is not so much where we stand as in what direction we are moving," and one of our initial challenges will be to keep up the momentum of many of our current projects while looking to enhance and improve them. One of the areas we need to constantly assess is that of communication. We have large amounts of information and an audience of over 70,000 people—we have inherent communication challenges.

Programs introduced in the recent past like open office hours each Thursday, Mondays with the Mayor at OPC, the Business Spotlight and the City Nugget Program as well as the re-introduction of the Rochester Hills Magazine, on Rochester Hills Television, have helped improve communication with our residents.

Last year I announced the introduction of RHINO, Rochester Hills Information Neighborhood on-line forum to further facilitate resident-to-resident communication as well as resident communication with city hall. Video streaming of our meetings now brings accessibility to our residents anytime, anywhere. Instead of another day on a boring beach in Aruba or the hassle of trying to find a new restaurant on your vacation in Paris, residents can now stay ***in their rooms*** and log in to hear enthralling discussions on solid waste, vault toilets and the gypsy moth spray schedule anywhere in the world.

Last year, we introduced the Neighborhood Beautification program encouraging neighborhood associations to beautify common areas and entrances and exits. The program was very successful as over a dozen neighborhood groups enrolled. This program was aimed at creating community at the most local of levels—a neighborhood and the gift certificates and award money were **again** completely donated by local businesses.

In our quest to engage residents, I am proposing we continue to enlist the help of those on the front line, our realtors. Whether it is sharing information about coming projects, market trends or helpful hints, realtors can be some of our city's best advocates. Last year our Rochester Hills television produced a community video with realtors in mind. The video has been a tremendous success to attract residents and business owners to our city. In fact, demand has been so high and so diverse, that we have already translated the video into German, Albanian and Spanish. In just a few moments, we will roll the 6-minute video that has become a wonderful attraction tool in a very competitive environment for both residents and businesses.

We must continue to think outside of the box as we look for potential solutions for our challenges. Change is always difficult because people tend to overestimate the value of what they currently have and often underestimate the value of what they might receive.

In a global market for our residents and businesses, we cannot afford to be afraid of change.

Leaner & Greener

As we move into 2008, you are likely to hear two words more and more often. “Leaner and Greener”. Like other entities of government, our city will have to learn to do more with less and continue to seek creative collaborations and solutions to problems. The city has been following this guideline for sometime and I am happy to report that the 2008 budget presented, and eventually approved by Council, represented a nearly 9% overall budgetary decrease from 2007. Doing more with less. We will continue to critically evaluate all purchases and projects for their adherence to this goal.

The implementation of our radio read program is just one example of innovative thinking and appropriate use of technology. When the implementation of the radio read program is complete, we will have taken the job of reading our cities water meters from a full time year round position for 4 employees, to a task that can be done by one person in just several hours per month. That project should be fully operational by the end of this year and we are looking at opportunities with local municipalities for further cost savings.

We will continue to aggressively pursue partnerships that make sound fiscal sense for our community. This facility is a great example. Since it's opening last week, we have been looking at different potential opportunities with neighboring municipalities, Oakland County and others. This new facility now gives us the ability to approach community leaders about cost saving approaches and win-win scenarios for other governmental groups. Our economy demands that we maximize every precious dollar of which we are stewards.

Not only does our economy demand leaner, but I feel it is time we started uttering the word “**Greener**” around city hall as well. John Cage once said, “I can't understand why people are frightened of new ideas. I am frightened of the old ones”. Whether we are being stewards of the tax dollars or stewards of our environment, I believe we should lead by example in our community. Tonight, I am setting course on a bold new initiative. Tonight we are stating publicly our goal at city hall to reduce our energy consumption costs by 25% in the next 2 years! It is aggressive goal but it is an attainable one as well. Last week I met with department directors and challenged them to meet with their staffs to develop our “green” agenda moving forward. We have already begun by placing recyclable containers outside city hall, by aggressively reducing our lighting schedule, by seeking unconventional ways and new programs to fund LED light replacements in our city hall parking lot and I believe we are only scratching the surface. We are going to pursue partnerships with alternative energy companies located in Rochester Hills for additional solutions and we are going to lead by example.

I had the fortune of meeting with John Zogby, the national pollster, and he shared some interesting numbers. Despite the national recognition of the tenuous situation in our economy, Americans are in agreement on one possible economic remedy—local

environmentally friendly development. A majority of respondents agree that by “going green” and adopting more environmentally friendly policies there will be a positive impact on the economy (59%), the local community will be more attractive to business (56%) and the result will be the creation of new jobs (56%). “Green collar” jobs are the buzz around states that are actually still attracting businesses and with our connection with local companies and alternative energy leaders like Ovonix and Energy Conversion Devices, we are well positioned to leverage that into real results. We are going to challenge ourselves as an administration to be the local leaders in going green and invite our residents and businesses to follow.

Ladies and Gentlemen, while I am very optimistic about our cities future, we are not without our challenges. The council has recently engaged in serious discussions regarding the police and road-funding situation in our town. They are also beginning research on some solid waste alternatives for our community as well. Whether one of these solutions prevails or a combination of ideas moves forward, the administration will support the efforts of a well thought out and fiscally responsible plan. I urge the residents to let this council research the issues and bring back the alternatives. They are a good group of individuals, seven strong, and truly have the community’s best interest at heart. I firmly believe we are now ready to tackle some of our communities nagging issues once and for all.

No, we are not without our challenges in this community, but we are also not without the ingenuity and the dedication to solve them. Optimism is still alive and well and I am greatly encouraged by the leadership team we now have in place. As the community promotional video rolls, I hope you too will be reminded of all of the wonderful things that make our community great. The reasons we are proud to call this community home.

Ladies and Gentleman, I love the City of Rochester Hills, and I am proud to have been elected its Mayor. While there have trying times, I wouldn’t want to be anywhere else! While funding and economic discussions will dominate the landscape in the near future, in general, the overall financial position of our city is very healthy.

We are, and always will be, a top-notch family-oriented bedroom community supporting an ever-increasing diverse economic base. Our residents and businesses are weathering this economic storm, and we are well positioned to be the first to benefit when the market turns.

I truly believe the Rochester Hills **IS** the preeminent place to live, work and raise your family and I’m happy to report that the state of our City is strong and our best days lie ahead of us. I thank you for the privilege of serving as your Mayor and look forward to leading this great community in the years to come. May God bless you and your families and may God continue to bless the City of Rochester Hills.

Thank You!