

State of the City Address

MAYOR:

Good evening, and welcome to the State of the City Address. I'm Mayor Doug Hutchinson.

Tonight, City Manager Darin Atteberry and I will review the most important events of the past year—and look at how the City is preparing for the future.

There is a major theme in our remarks tonight. That theme is change. The *Coloradoan* headline — the day after last April's City elections — read: "Voters Push New Course." ... Voters Push New Course.... Much of what Darin and I will cover tonight is about that "New Course" and about change. One of the changes is this new way of making a yearly report to you about "The State of the City" — live, and with an opportunity for you to ask questions.

First, I'd like to recognize the other Fort Collins City Council members who are here this evening: Mayor pro tem Karen Weitkunat; Council members Ben Manvel, Kurt Kastein, David Roy; I'd also like to recognize Diggs Brown and Kelly Ohlson who were not able to be here tonight. Please join me in appreciation of their service.

Let me say a few words about the biggest change in the past year — the City elections and this new Council.

I am very proud of this Council. We are truly working together and considering all views on the tough issues. The result has been a governing body that has also emerged as a superb problem-solving body — and is providing our city with thoughtful, quality governance. We've successfully tackled several very difficult problems ... and we've made remarkable progress in a very short amount of time.

I have taken my responsibilities very seriously — as Mayor — to set the tone, and provide the leadership to ensure that the City Council works together for the good of the city

The quality of government — and the quality of the services you get from the city — depends on a strong relationship between the City Manager, the City Council, and City Staff. In the past year, we have strengthened these relationships.

I am very pleased to be standing here tonight with City Manager Darin Atteberry.

DARIN:

Thank you, Mr. Mayor...and good evening everyone.

I couldn't agree more. If there is one word to sum up last year, it would be change. I was a new City Manager working with a new Mayor and Council. Together we began to change how we approach challenges and how we partner differently with our community.

The City budget was perhaps the biggest challenge of 2005. This Council and I inherited what is arguably the most challenging budget in our city's history, and Council and Staff responded with one of the most sweeping and productive changes in our city's history.

We replaced the traditional approach to city budgeting with a totally new process called Budgeting for Outcomes ... also known as "BFO."

BFO focuses on community priorities — your priorities — and assigns tax dollars to achieve those priorities. This was a very collaborative process, with a totally new degree of Council involvement. At their first retreat, just two weeks after the April election, Council did something unprecedented — they identified the outcomes or services that the city needs to provide to our citizens.

These outcomes included an improved economy, better transportation, quality neighborhoods, a healthy environment, a safe community, improved culture and

recreation opportunities, and a high-performing government. These important outcomes became the focus for creating the city's 2006-2007 budget.

MAYOR

That probably sounds quite logical, but previous budget processes focused primarily on funding city departments, rather than on providing services to citizens.

That new focus led to some very difficult decisions. Overall, the essential services or outcomes were preserved, but limited dollars forced some choices that we didn't always like — yet were necessary:

We eliminated over 100 personnel positions. The Youth Activity Center will be closed in 2007, and its programs merged with the new Northside Community Center. The Human Rights and Education Office was eliminated. We reduced our contribution to affordable housing. City employees will have to pay more for their health insurance. These were tough decisions, but preserved the truly essential services that the city provides.

DARIN:

And at the same time, we found better ways to provide public services. One of the best examples is a new public-private partnership to continue nighttime Dial-A-Ride service. This one change lowered costs from \$90 per trip to about \$20 per trip.

We also funded some very important enhancements. We put more money into improving our Development Review process. We provided funding to open Fire Station 14 and to operate a new police building and the Spring Canyon Community Park. Most City employees will also see a pay increase after three years of pay freezes for a majority of employees.

Budgeting for Outcomes helped us create a balanced budget. This new approach is about collaboration, transparency, and delivering the services that matter most to you.

MAYOR:

We were greatly encouraged by the votes of confidence citizens gave to our City government ... again ... again ... and again in 2005.

FIRST: Last April, citizens by a three-to-one margin voted against the idea of eliminating the collection of sales tax on groceries. Without that wise decision, the amount of already-painful cuts in the 2006-07 budget would have been doubled.

THEN: By the same wide margin ... voters approved the continuation of the quarter-cent sales tax that provides money for street repair and repaving. This tax is critical to maintaining the 400 miles of streets in the City of Fort Collins.

Because of citizen support we've been able to stay on top of street maintenance that ranges from major repaving projects ... to that most basic of city services — that political cliché — filling potholes. I asked, and for the record ... our pothole patrol crews patched 8,738 potholes in 2005.

AND FINALLY: Fort Collins voters have a rich history of supporting initiatives aimed at making our city a better place to live. In November, voters again overwhelmingly approved an extension of the City's capital improvements sales tax. The ballot proposal — known as Building on Basics, or BOB — reflects the work of this City Council. We put together a package that clearly resonated with the voters.

It is exciting. BOB will fund a new Discovery Science Center near Old Town, library technology, Senior Center improvements, and fixes for some of our worst street problems and intersections. Thank you, for reinvesting in our community. It pays off for all of us.

DARIN:

Amidst all the exciting projects on the horizon, we remain focused on the fundamentals.

Police Services will soon begin a strategic planning process that will take a long range look at how many police officers we need to keep our city safe. And after 50 years in the

same building, design work has been completed on a new 96,000 square-foot, state-of-the-art law enforcement facility. Construction will begin this Spring.

Another fundamental for our local government is emergency preparedness. We are reviewing our emergency planning procedures to make sure we have the right answer to the question: What if disaster strikes Fort Collins?

And fundamental to the success of any community is affordable housing. In 2005, the City was one of only 13 communities to receive a national award from HUD, the Department of Housing and Urban Development. The award recognized our innovative efforts to provide affordable housing for working families. Regrettably, because of tighter budgets, we face growing challenges in this area.

MAYOR:

We also worked hard on other neighborhood problems. Protecting the character of our single family neighborhoods and the rights of rental property owners was an issue that had stumped City Councils for many years. It centered on an ordinance from the 1960s that was unenforceable and unbalanced, commonly referred to as the “three unrelated ordinance.” This new City Council collaborated with stakeholders and City Staff to deliver an innovative, balanced solution. We are protecting single family neighborhoods, while providing for multiple occupancy rentals for students and renting families — and instituting data to track and adjust these measures if necessary.

We want our neighborhoods to be welcoming to everyone in our City, regardless of race, religion, ethnicity or income. In December, I participated in the first public menorah lighting ceremony in the history of Fort Collins—and, indeed, in the history of our region. This event has sparked a review of the City’s holiday display policy. Council will be seeking your inputs as we consider this community decision.

DARIN:

In many ways, Fort Collins leads the nation in our commitment to protect the environment. Over a period of several decades, and with a lot of foresight and ingenuity, many passionate individuals in this community have created a legacy. We continue to win awards for our efforts and have been named the top nature-friendly community in the country. Our attention to our environment, recreation, and open space, is key to our high quality of life and contributes to the economic, social and physical health of our community.

Our Climate-Wise program continued on the strong path to reduce greenhouse gas emissions in everything from water conservation to energy savings. The City is using “green building” principles and promoting their use throughout the community. We are expanding the use of renewable energy in City buildings, City vehicles, and through partnerships with local businesses. Today, I’m very proud to say our city is using bio-diesel fuels in 100 percent of our diesel fleet.

Fort Collins citizens are very determined not to follow the lead of many urbanized areas, where the only separation between cities is the City Limits sign post. We will continue to pursue regional open space and separators that preserves the unique landscape, and critical habitats, of the northern Front Range.

MAYOR:

This new Council is bringing important balance to our extensive open space program by tracking purchases closely and instituting a policy of broader multiple use of open space for citizen recreation where it makes sense.

Council created a well-balanced, diverse “Land Conservation and Stewardship Board” to provide citizen advice on open space purchases and natural areas operations.

Citizens rate air quality a top priority, and we continue to seek ways to keep it clean. In 2005, the emissions testing program that ensures clean-running vehicles was extended. And we made a commitment to recycle more and send less to the landfill with a goal of 50 percent diversion.

Our drinking water was once again rated among the best in the nation surpassing all federal and state standards.

Standing Council policy is to provide sufficient water storage to cope with a 1-in-50 year drought. Partnering with regional and federal water supply agencies, we launched an Environmental Impact Study, the first step toward expanding Halligan Reservoir to meet these long-range water storage needs.

DARIN:

The Halligan partnership is just one of many ways we leverage our resources for the community's advantage. A renewed emphasis on creating solid partnerships has shown that the work of many, side by side, is the foundation for progress.

Local matching dollars leveraged a \$2.7 million dollar federal grant for flood control in the Spring Creek basin. Federal dollars — matched by City dollars — help fund public transportation. The Gardens on Spring Creek partnered with the four Rotary Clubs of Fort Collins, the Bohemian Foundation and others, to finance construction of a world-class Children's Community Garden.

The city is also working with a local citizens group to create a playground unlike any other you've seen ... one for children of all abilities. With city funds, support from the Colorado Eagles, and a community fundraising campaign, Inspiration Playground is on its way to making history in Northern Colorado.

MAYOR:

Perhaps the biggest single issue we face is the economic health of our community. Our economy, and the nation's, has undergone fundamental restructuring in the past five years. The result has been tough on many families and on our entire community.

It's an issue that this Council and City Government have taken very seriously. It's a top priority, and we are taking action:

- For the first time in the City's history, City Council has adopted an economic vision that reflects our steadfast commitment to nurturing the economy in a way that reflects the values of our community — and with balance.
- We are dedicating money and staff time to be proactive about our economy — something that simply didn't exist before.
- We are hiring a City Economic Advisor — a senior staff position dedicated to the economy and to sustainability.
- We have begun a City Economic Action Plan, using Staff and consultants — and the work of the Economic Vitality and Sustainability Action Group — even before the Economic Advisor arrives.

Further, Darin and I have been reaching out to Fort Collins employers, thanking them for doing business in Fort Collins and for providing jobs. We are working with them to reduce obstacles to their success or to help facilitate expansions that will provide our citizens with more jobs and better jobs — while maintaining our high standards.

DARIN:

An example of our success in keeping local employers at home is Intel. Intel was looking for a new location for its advanced engineering group of approximately 300 highly-skilled, highly-paid employees. Together, the City and the Northern Colorado Economic Development Corporation were able to keep Intel in Fort Collins. I'm optimistic that they will grow beyond their 300 existing employees.

Some exciting things are also happening with Colorado State University. With Dr. Larry Penley's support, we have established a strong working partnership with the University and are supporting their efforts to improve the transfer of CSU research into our everyday world. These efforts have the economic growth potential for spinning off new business to the Fort Collins economy.

A specific area of great interest is the clean energy cluster, where there's exciting progress being made to attract alternative energy businesses to our community. We're capitalizing on the expertise of approximately 25 full-time CSU professors, Woodward Governor, the team at CSU's Small Engines Lab and many others to turn our community strengths into new business.

We know this is a great place to live, and we want to keep it that way. We're stepping up our game to address the rapidly changing retail and industrial climate of Northern Colorado. Our foothold as the cultural and retail hub of Northern Colorado cannot be taken for granted. We will continue to find new ways to make Fort Collins the place to shop, dine, live and do business.

We're about to engage in a new branding effort that will clearly showcase what we do best. New cultural infrastructure is on the horizon, most notably with the combined Museum/Discovery Center project.

In the past year we have worked closely with major retail developers to bring new and exciting projects to Fort Collins. I fully expect these efforts to bear fruit, and I believe we'll see action in the coming year.

MAYOR:

Downtown remains the heart and soul of our community, and we continue to invest in it to expand its appeal to all. Perhaps the most fun project of the year was the installation of the Old Town Ice rink ... a partnership with the Downtown Development Authority and the Downtown Business Association. More than 5,000 skaters laced up their skates in the first month of operation.

You've probably seen many changes to the urban landscape — lofts are being constructed, new businesses are calling downtown 'home,' and many plans are underway to enrich the downtown experience, among them, the Poudre River redevelopment and

the creation of a cultural neighborhood known as Beet Street — a reflection of our historic sugar beet industry.

The new North College Avenue Urban Renewal Area will gain momentum in the year ahead to become the support mechanism needed to help businesses expand and thrive along the City's northern gateway.

DARIN

Stabilizing the economic well-being of City government is also a high priority. I have been asked by the Mayor and Council to identify potential barriers to economic health that may be contained in such documents as City Plan and the Land Use Code.

We will continue to be good stewards of the public trust and careful managers of your tax dollars. There are some significant funding needs that require healthy debate over levels of service, what services should be funded, and how to fund them.

There are many issues to consider:

To fill a \$2.6 million budget shortfall for 2007, we're investigating options such as a Transportation Maintenance Fee, a Library District that would be supported by residents within and outside of city limits, options for using what we call "Payment in Lieu of Taxes" for our utilities, and seeking more public-private partnerships and of course, additional cost-saving measures.

City Council will continue talks with our neighbors on the formation of a Regional Transportation Authority ... and whether to ask voters to approve a regional sales tax to pay for transportation improvements.

There are so many possibilities, and through community dialogue we will find the solution that's right for Fort Collins.

MAYOR:

I strongly believe in open government with extensive citizen involvement — and in focusing on our future. In that spirit, in mid-January I convened a “Community Summit on Fort Collins Future.” Each Council member invited five community leaders, and we spent a Saturday afternoon in a facilitated dialogue with them — an intensive discussion on how to move our community forward.

I believe these kinds of efforts are invaluable, and will be useful — along with your involvement — as we work on issues.

We face some tough ones, but – with your thoughtful input – I am confident that this Council will make good decisions about challenges like the Southwest Annexation, the airport expansion, regional issues like the RTA, and affordable housing.

So what is the overall “State of the City?” I think I can put it very simply. The State of the City is one of innovative, intensive change — change focused on the good of the City overall.

We are striving for a healthy environment, a healthy economy, and a vibrant world-class community.

We’re defining what the successful Fort Collins of tomorrow will look like; we’re identifying partnerships that will benefit our community; we’re strategically addressing barriers to our city’s success; and, most important, we are doing it in a balanced way.

I firmly believe we are poised to live in a great city.

DARIN

I couldn’t agree more. I’m proud of the high level of service this organization provides, and I’m very encouraged by the positive leadership and direction from this Mayor and this City Council. I also want to recognize the efforts of my Executive Lead Team of senior managers — and all of my co-workers. Day in and day out our employees deliver

top-notch services to our community, and it is these employees who will continue to make this organization best in class.

Fort Collins' residents deserve nothing less than the best from their City, and that's exactly what we strive to deliver. Our commitment to the community reaches far beyond providing services. It requires us to be leaders. Leaders in building the partnerships that will move this city to a new level of excellence.

MAYOR

Thank you, Darin. And thank you all for joining us. That concludes our remarks for this evening. Now we'd like to spend some time answering your questions.

Melissa has a microphone, so please raise your hand and she'll bring it around so that everyone, including our TV audience, can hear your question.