

MAYOR MAUREEN DONKER
STATE OF THE CITY ADDRESS
Midland Area Chamber of Commerce
March 11, 2015

Thank you Herb for the kind introduction.

Thank you, Chamber, for inviting me here again.

My thanks to all of you for being here today to hear about Midland.

I would like to recognize City staff: Jon Lynch, our City Manager; Jim Branson, our City Attorney; and all of our City of Midland staff, some of whom are here today. Their work is important and they do a wonderful job and deserve our thanks.

COUNCIL MEMBERS

Let me introduce fellow Council Members.

This is a committed group that has the best interest of community at heart, and I am honored to serve with them.

Tom Adams – Ward 1
Steve Arnosky – Ward 3
Diane Brown-Wilhelm – Ward 4
Mayor Pro Tem Marty Wazbinski – Ward 5

This is my sixth State of the City

This past year, I've thought a lot about what a great community Midland is. I started asking myself...

Why are we a great community?

What makes us a great community?

What is the Midland Difference?

That led me to read Jim Collins' book, "Great by Choice."

Collins says that greatness is not a function of circumstance; greatness is a largely matter of conscious choice and discipline. Collins describes the best communities as having relentless discipline.

He talks about two approaches:

In one, people are impulsive, they have energy and move quickly when times are good, and in hard times they hunker down and wait out the storm.

Then there are those who are on a deliberate march – Collins calls it the 20-mile march. This is a march that requires them to make progress every day ... good weather and bad ... energized or tired ... enthusiastic or discouraged.

The 20-mile marchers take advantage of information and situations they encounter along the way, they continually assess their surroundings, making changes as needed, and they keep moving, no matter the circumstances.

I hope you can see the direct parallel to Midland, which I believe is a community that is great by choice; a group of 20-mile marchers who choose to continue finding ways to make our already great city and county even better. We can look at some of the efforts underway right now as great examples.

- Midland: Exploring our Future – a community strategic plan
- Momentum Midland – studying the community and developing plans to enhance downtown
- Chamber of Commerce Strategic Plan and Farmers Market study
- Senior Services & The Legacy Center – asking the question, what assets improve quality of life for senior citizens?
- United Way – Turning Outward, asking “what kind of community do you want to live in?”

Some might say we’re the most studied community on the planet. I say we are 20-mile marchers who see that *Midland is different*.

We are passionate and compassionate, determined and disciplined, energetic and optimistic.

We are a community worth analyzing and improving... one for which marching on, 20 miles a day, is a choice and worth the effort.

Let's take a look at what our march last year looked like.

At the City, we remain committed to the goals that have worked so well for our community:

- Ensure economic sustainability
- Provide an outstanding quality of life
- Provide effective stewardship of community resources

CHALLENGES

Weather Events:

- In April 2013 and 2014, we had two significant flooding events. In November 2013 we were hit by a windstorm. The past two winters we experienced extreme snow and cold.
- These events seem to be more frequent and they require our full attention when they happen. Many City departments are involved police and fire, public services, utilities, communications.
- There are really two parts to a weather event:
 - During the event we want to be sure people are safe.
 - After the event we need to assess and address damages.

We have absolutely no control over the weather. We monitor the weather closely. We are always looking for way to reduce risk. And when an event does occur, community safety is our priority, and we all work together to address the issue and get the message out.

Infrastructure:

There are many components to infrastructure in the city last year I told you about roads and they are still an issue.

This year let me talk about what's under the roads.

There's a lot you don't see. The linear miles of pipes we have underground is significant:

- 220 miles of sanitary sewers;
- 201 miles of storm sewers & open drains;
- 426 miles of water mains;
- And above-ground 3,309 fire hydrants.

All of this demands our attention.

When you pay water and sewer bill, you're not just paying for water, but infrastructure needed to keep it all moving and working.

Like all communities our infrastructure is aging. Much of it was installed just after WWII.

We work hard to coordinate replacement of pipe when we are working on the roads. And we are always looking for new technology to keep costs down. For example, we have found a new way to repair sewer pipes, which has cut our cost by 80%.

This year the community is going to experience a significant disruption as MDOT works on Eastman Road. We know this is going to be an inconvenience for many but it is important that when we do it, we do it right. This will be a 20-year solution rather than a 5-year fix.

Budget:

As we approach this year's budget we anticipate the need to address a possible \$1.5 Million shortfall.

Last year, there was no millage increase.

At our annual planning retreat in January, Council had three directives to staff as they prepare the 2015-2016 budget...

1. Maintain services at the highest level possible with particular emphasis on public safety. AND we would like hear back on spending priorities and cost containment strategies within public safety.
2. Maintain the unreserved fund balance at its current \$5.1 Million.
3. The millage rate supporting general operations may be increased. Council would consider up to a half mill but our preference would be not more than a third of a mill.

When we talk about taxes, the hair on people's necks stands up. But nothing is free.

I think you should ask yourself this question. Is the City delivering something of value to you?

Let me provide you with a way of thinking about it.

- I took my 2014 tax bill
- Understand, that out of the tax bill you get, only about a third is a payment to the City, and the rest goes to other entities.
- Taking the portion that the city actually gets, I calculated my average monthly tax bill and this is what it would be \$126.93.
- And then I took the monthly average of my 2014 cell phone bill last year came to \$200.36

A safe community – police, fire, library, 72 parks, trash, and curbside recycling collection.

I am getting a lot for my money. I think the City is delivering something of value. I think that's the Midland Difference.

Communication:

The City conducted two surveys.

The first one was right here at the State of the City. Using a ruler, with 1 being low and 12 being high where do you think Midland rank – this is what you said.

I then asked to think of one thing that could be done to improve our community and that would move us up an inch on the ruler

There were 23 categories of responses ranging from farm animals to economy. This shows you the five most mentioned and the five least mentioned responses

- | | |
|--------------------------|-----------------------|
| ○ <u>Least Mentioned</u> | <u>Most Mentioned</u> |
| Farm Animals | Economy |
| Taxes | Traffic |
| Beautification | Downtown |
| Center City | Schools |
| Philanthropy | Restaurants |

In the fall, the Center for Public Policy at SVSU conducted a survey for us. There were two components: web-based survey and ward-based focus groups.

Here is what you told us: these are the things you value most and here are the things you are most concerned about.

Value Most

Library

Trash Collection

EMT

Fire Suppression

Yard Waste

Most Concerned About

Street Repairs and Maintenance

Sidewalk Maintenance

Snow and Ice Removal

Tree Maintenance

Blight Enforcement

About every three years, we engage the community to make sure we know what is important to you. We want to hear from you how you think we are doing. Basically, we're hearing the same thing each time: roads and traffic at the mall are a concern; and refuse collection, public safety, parks, and library are of high value.

We use this input as we evaluate our services and prepare the budget.

ACCOMPLISHMENTS

Now let me tell you about some of our accomplishments.

New Website:

We launched a brand-new website last June. It has more features than the old one, and we have worked to make it more user-friendly than the previous version.

It's a great source for news and information about the services that affect you every day.

Social Media:

We have added to our social meeting toolbox. In addition to Facebook and YouTube, we are now tweeting.

We understand the power of social media. Last year during the flood, we posted this picture of the pavilion in Chippewasse Park, and it generated over 17,000 hits.

Public Safety:

Public Safety is something our community values. Midland is a safe community, and we are working to become an even safer one.

The City is pursuing a special accreditation from Safe Communities America. This has been made possible by a grant from The Dow Chemical Company.

Safe Communities is an international program, and there are just 23 communities in the United States that have received this designation. When receive our accreditation, Midland will be the first in the state of Michigan to do so.

This is a tough accreditation to get. AND it is important to us because we believe it can help reduce the incidence and cost of injuries, promote health and safety, and help lead to increased numbers of families and businesses that choose to move here.

Master Plan:

The City has many recreational offerings. This past year we updated (Council just adopted) the Master Plan for Parks and Recreation.

This was another opportunity to get community input on things that citizens care about. The plan helps shape the goals and action items that we will concentrate on over the next five years.

The Plymouth Park FunZone:

This was built 20 years ago. This past year it received a much-needed renovation.

This was a collaborative effort led Midland Area Community Foundation and the City.

We worked to make it safer and more accessible. We added a new fence around the play area. It was made with treated lumber from ash trees that were taken down by the City forestry crew when the emerald ash borer was wreaking havoc on our trees.

We added new play equipment and shade umbrellas.

Our public service employees rebuilt the much loved fire truck and the train.

Just like 20 years ago this was very much a community project. It shows what can be done when people work together.

And this is the Midland Difference.

Golf Course:

There have been lots of changes at Currie Golf Course this past year.

- It is now being managed by Billie Casper Golf.
- We've added new feature Foot Golf which is a combination of kickball and golf.
- We hosted the Wounded Warrior Golf Outing, the world's largest simultaneous golf outing
- We closed 9 holes and relocated a new driving range.
- The finances are looking better and we are working very hard to make this a viable asset for the City

Currie Bridge:

Heading towards Main Street you cross over Currie Bridge.

When I look at this historic 107-year-old landmark, I think about how many people it has welcomed to our community and how it connects our past with our bright future.

It was renovated with contributions from the Entranceway Initiative Task Force and the Rollin M. Gerstacker Foundation.

The bridge received not only a new deck to improve safety, but has been painted Alden B. Dow red.

Tittabawassee River Views:

The river has been an underutilized asset - we recognize that.

We received funds from the Herbert and Grace A. Dow Foundation and Gerstacker Foundation to open up the river

With this money we are removing the invasive plants that make it impossible to see the river.

In addition, we are renovating five overlook platforms so people can more easily enjoy the river's natural beauty.

Exploring our Future:

The City of Midland is also part of something bigger – this past year, Midland County the City embarked on a journey to develop a unified vision for our greater community. This planning project was called Midland: Exploring our Future.

It was an open process. More than 100 individuals participated in four days of discussions; others were able to participate through an online survey or by attending “meeting in a box” gatherings that were held throughout the community.

Out of this process came a vision statement

Midland County: Together - Forward - Bold. An exceptional place where everyone thrives.

We identified nine areas to study and take action on. If we take positive action in all of these, we will grow as a community and move toward our vision. Here are the nine areas:

- Economic Development
- Education
- Infrastructure and Environment
- Arts, Culture, Entertainment, and Recreation
- Social Services, Poverty Housing, and Mental and Physical Health
- Youth Development and Engagement
- Public Safety
- Diversity
- Community Leadership

Later this month City Council and Midland County Commissioners will hold what we believe will be our first ever joint meeting to discuss the plan.

Work is continuing on the plan, and we will keep the community informed as we move forward.

This is great example community collaboration – this is the Midland Difference.

AROUND THE COMMUNITY

Let’s take a walk around our community starting with manufacturing.

Last month, the Brookings Institute named Midland, Michigan one of the most advanced industry hubs in America. Here's why:

Dow Corning:

Dow Corning continues to lead its industry in the development of new products for silicon-based technologies, and the Midland site is at the center of its success.

The company continues to invest in its Midland site – in both capital and people – deepening its commitment to this community. In 2014, investments at the site exceeded \$40 Million.

Dow Chemical:

Two weeks ago I had the opportunity to hear Dow CEO Andrew Liveris speak. He talked about the company and their focus. Then he talked about the community and the value that the community brings to Dow. I believe the way he phrased it is... Midland is part of their DNA.

He talked about the strong commitment that Dow has to the community, and that it's important for us to continue to work together to address the challenges we face.

Dow is continuing to grow as a company, and last year, they had capital investments of \$230 Million in Midland.

Snow Machines:

This business that started with the VanderKelen family and one employee on the outskirts of town has grown into a global leader in the snowmaking business.

Snow Machines was THE snowmaking partner for the 2014 Winter Olympics in Sochi, Russia, and last year they celebrated their 40th anniversary.

LMS – Liquid Molding Systems:

Not far from Snow Machines is another Midland gem: LMS – Liquid Molding Systems

LMS started here 30 years ago when Paul Brown developed a process for silicone molding, and they, too, have grown to become a global leader in this area.

In 1995, they were acquired by Aptar, which is a \$3 Billion company headquartered in the Chicago area. Last year, LMS became Aptar Midland. They impact the food and beverage and medical device markets, just to name a few.

I believe most of you have used one of their products – the valve inside that ketchup bottle lid is made right here in Midland, Michigan!

The Battery Plant:

There has been a lot of conversation in the community about XALT Energy. Let me provide you with an update.

Townsend Capital became the major shareholder of Dow Kokam in 2013. Out of this change in ownership grew XALT Energy.

Since then XALT has shifted their priorities to focus more on more industrial applications for energy storage – electric buses, marine industry, grid applications. They continue to work on R&D and developing more business partners.

They are beginning to see the fruits of their efforts. They are hiring and ramping up production. That is good news for XALT and good news for Midland.

We are a community that was built on innovation and innovation continues here today. That is the Midland Difference.

Center City:

The Center City corridor runs from Patrick Road to Manor Drive.

Very dedicated business owners along this corridor are working together to revive the area. This is difficult and is going to take time. But progress is being made. Last August, new wayfinding signs went up. And you will see more changes because the Center City Authority secured a \$150,000 grant from the Entranceways Initiative Task Force to implement a façade improvement program for businesses and properties in the district.

These folks are 20-mile marchers and a great example of the Midland Difference

Other Successes:

Last Year, \$22,982,000 was spent on overnight stays in Midland. That is up 4.8% from 2013.

Also last year, the Chamber conducted 34 ribbon cuttings.

Hospital:

MidMichigan Medical Center has been working to ensure that our community has quality healthcare well into the future. Two components of that are physicians and facilities.

Excellent care is dependent on access to high quality physicians, and the medical center has been very successful in recruiting new providers to our community.

Last year, they opened a new wound treatment center.

And in July, they will completing construction on a new 69,000-square-foot building that will house the Family Practice Center, the medical education program and corporate services.

Northwood and the Center for the Arts have formed an alliance.

Northwood was looking for a way to have more visibility, and MCFTA was looking for a way to better utilize some of the space they had available at the Doan Museum.

Working together, arrangements were made for Northwood to move their Admissions Department into the Doan Museum.

This is a great example of two organizations – nonprofits – that merged interests for a real win-win.

Downtown:

There is exciting activity in our the downtown area.

The five-story Shaheen development at Ashman and Main Street is moving along. The underground parking facility has been completed, and they have begun construction on the upper floors.

This mixed-use space will have 10 luxury condominiums ranging in size from 1,800 to 3,500 square feet

The residential portion is called the H Residence and will partner with the H Hotel to provide many of its services and amenities to condo residents.

The main floor will see the return of Northwood Gallery and a new space for the Convention and Visitors Bureau, along with space for additional retail and restaurant. The target date for completion is set for early 2016.

Grape Beginnings Winery:

This business makes its own wine on-site and provides samplings, wine by the glass, bottles for sale, and light appetizers.

They have a lovely patio for outdoor dining, and there's a new residential space on the second story.

Crepes et Amis:

If you're familiar with the Crepe wagon that is popular at the Farmers Market – these are the same people. This will be a French-style café featuring breakfast and lunch crepes.

Momentum Midland:

Downtown is our front porch.

There has been a long history of successful planning in our downtown area

This is what Main Street looked like a hundred years ago; this is where we are today (*point to photos on screen*).

We know that a strong downtown is critical to a strong community, and we are excited to have a new partner – Momentum Midland.

Momentum Midland is a collaborative endeavor Led by the Baseball Foundation engaging a variety of stakeholders.

Their goal is to accelerate progress in the downtown area by developing an investment plan and building on existing efforts in the area.

The ball stadium has been a catalyst for growth in our downtown area: take a look at East End. Just imagine what more we can do.

This is a great example of the Midland Difference.

Midland is a great city with great potential.

The changing dynamics of our world require us to think differently about what our stakeholders want and need, and how we will fulfill those needs.

The city is always a work in progress, and in the end we all want the same thing – to create a little pocket of greatness.

It is about working together, looking forward, being bold.

You are the Midland Difference. It is you that makes the Midland Difference.

Thank you.