

STATE OF THE CITY ADDRESS



Mayor Robert M. Eschbach

October 9, 2014

INTRODUCTION

Thank you as always for this opportunity to bring you up to date on the State of City of Ottawa. By sponsoring this event, the Chamber gives me a rare opportunity to provide a lot of information to a somewhat captive audience. Having said that, I realize that last year's presentation was fairly long and I have condensed this considerably. In doing so I would note that a lot of wonderful people and organizations are doing wonderful things in the City that I won't be mentioning today. Rather, this will be more of a "year in review," hitting upon the highlights of the past year, particularly as it relates to the local economy and the role the City plays both directly through our economic development strategies and actions, and indirectly through the services and quality of life we try to provide that are the foundation for any economically viable community.

Before I begin I would like to note the passing of Commissioner Ed Whitney last December, who served Ottawa as police officer and Chief for over 23 years, as well as a City Commissioner for about 19 years. His dedication to the City and concern for its residents was always evident and he is missed by us all.

Commissioner Whitney's place on the City Council is now held by Commissioner James Less. It has been my pleasure to work with James along with Commissioners Wayne Eichelkraut, Dan Aussem and Dale Baxter.

CITY OF OTTAWA ECONOMIC DEVELOPMENT STRATEGY

General Economic Improvement

It looks as though the improving economy is reflected in what's happening with some of our major employers. **Pilkington** advises us that 2014 is looking good, in part due to more of a domestic demand. Pilkington is projecting some likely capital expenditures at its Ottawa plant in 2015. In 2013 the company hired one new employee in Ottawa. In 2014 they have hired 19 to date, and plan on hiring 10 more.

Cristal Metals Powder has launched plans for a \$15 million equipment and infrastructure expansion and upgrades to their titanium powder development project. The bulk of that spending will occur in 2015.

MBL is launching a new product line after a significant investment at its facility to provide BRP motorcycle belts and will entering other performance markets with similar products.

HR Imaging has returned to its seasonal employment of over 300 employees, almost as it was prior to the 2008 recession. The company has started service into Iowa, its seventh state, and has installed a new data-driven printing press, and established a new division, "Pixolution Publishing" serving the high school hard cover yearbook market.

SABIC Ottawa on Canal Road is investing in a major expansion of its production capabilities, bringing a new product line to its portfolio. The project takes advantage of SABIC Ottawa's outstanding team, and its already low-cost position in the industry, increasing the importance of the Ottawa plant in the SABIC organization.

US Silica to meet the growing demand for sand, has expanded its office at the Ottawa site and has hired over 20 new employees already this year.

THREE PRONGED APPROACH

The City of Ottawa has developed an aggressive and diversified three pronged approach to attracting new business and new jobs. We are focusing primarily on the following three general areas:

- A. The Ottawa Industrial Park and the areas set aside of industrial and distribution growth on the north side of Ottawa.
- B. Retail growth on the north side and the Interstate 80 and Norris Drive corridors.
- C. Downtown Ottawa and the Ottawa Waterfront

Let me briefly describe our ongoing efforts in each sector.

Ottawa Industrial Park/Northside Industry

The Ottawa Industrial Park on east Route 6 is one of Ottawa's most effective tools for attracting industry. Our goal is to have one of the most attractive industrial parks in the State of Illinois – one positioned to quickly supply prospects with all the necessary amenities and incentives. With this in mind, the City is close to completing a \$4.7 million project to further expand and upgrade the Park's infrastructure, with new roadways, rail service and utilities.

This project is being supported with \$3 million in state and federal grants.

Another major factor in making the areas north of I-80 much more attractive to development was the success this year in convincing the Illinois legislature and the Governor to extend the life of the North TIF by twelve years. Without this action, the North TIF would have expired in just two years – leaving the north side without the vital TIF incentive. Special thanks goes to State Representative Frank Mautino and State Senator Sue Rezin for shepherding this legislation through Springfield. Here at home, it was our own Dave Noble, the City Engineer and TIF manager, who convinced all of the local governments and school districts to support the extension.

A. Retail Growth On Northside And I-80/Norris Drive Corridors

Just two years ago, the north side of Ottawa featured three abandoned big box stores – the former Value City, K-Mart and Wal-Mart stores. The City responded to this challenge by placing this area

into a new TIF – thus providing a significant development incentive to prospective investors. I am pleased to report two of these three empty buildings have been filled with outstanding businesses – the Value City building with the state-of-the art Bill Walsh Ford-KIA dealerships and the K-Mart building with R.P. Lumber. R.P. Lumber just had its Grand Opening two weeks ago and by every indicator will be a major addition to the Ottawa economy. Its Ottawa store is one of the largest of its nearly 60 family owned stores across Illinois and Missouri.

Other new businesses in this area include the Label Shopper, Anytime Fitness, Chef's Helper.

In addition, Bill Walsh Automotive has opened an expanded and greatly updated Honda dealership and Hardee's has reopened its doors.

And on Norris Drive Steve's Bakery has opened a newly relocated store and Casey's has expanded its gas station.

The City is still working on developing a striking and attractive new "Welcome to Ottawa" sign for the Rt. 23 exit off Interstate 80.

B. Downtown Ottawa And Ottawa Waterfront

The City's commitment to beautifying the downtown through its Gardening and Botanical Arts Brand continues to pay-off with the creation of new businesses and eating places. The beautification program moved forward this year with the streetscaping of the 200 block of West Main Street thanks to the support of a \$99,000 grant from the USDA, along with the landscaping of City Hall. Combining the beautification with the ongoing restoration of the downtown historic architecture has created an ambiance in the downtown which causes people to want to visit, shop, do business and, increasingly, even to live in downtown Ottawa.

We are also very excited about the Columbus Street streetscape project which we hope to see installed next year. That is a \$1 million project, 80% grant funded, and will provide new lighting and landscaping on Columbus Street from Veterans Memorial Bridge to Washington Square.

This beautification would not be possible without the many volunteers who maintain the flower and tree beds. I want to thank them for their hard work and willingness to volunteer. Another reason for the beauty of the downtown is the vision and expertise of Stephanie Stacy, the owner of Garden's Gate Nursery, who serves as our horticulture advisor. The beautiful hanging baskets are her creation.

New businesses in the downtown include:

- The Sticky Lizard frozen yogurt and ice cream shop which will also be serving hot drinks and soup during the colder months of the year.
- Iconic – a new woman's clothing store
- Main Street Organics

- Sno Shoppe
- Famous Coffee Roasting Company

At the moment, prospects for next year include a brewpub, a French pastry bakery, a brick oven baked pizza restaurant along with the expansion of a current popular restaurant. Additionally, the City is working to place the Margaritaville building on Court Street back into commercial usage.

This year the exterior restoration of St. Columba Church was completed, resulting in a strikingly beautiful historic structure towering over the downtown area.

The City continues to work with downtown property owners on façade improvements. One of the most interesting projects this year was the reuse of a turn-of-the-century stone bank façade which was disassembled in Ransom, transported and reassembled on the south side of the First National Bank building in downtown Ottawa. Thanks to First National for taking on such an ambitious project, and to Ottawa Masonry for the quality craftsmanship exhibited in resizing and reassembling the limestone pieces. Next year we hope to see Trompe-l'œil murals in the window and door openings.

Another façade project this year was the new Columbus Street location of Encore Hair Studio.

There are also two interesting projects on the drawing board. This first is a new proposed façade for Rock Paper Scissors, which is soon to be relocated in the 700 block of LaSalle Street. One storefront concept under consideration is shown here.

The other property in the process of restoration is this historic building at Main and Clinton Streets, with a drawing showing its anticipated look after restoration.

Reddick Library district is nearing completion of a \$2.1 million renovation of its facility on Canal Street. New mechanical systems and impressive upgrades in the public areas makes for a first-class library to serve the public for many years. The Board, Kathy Claire, and her staff have done an excellent job at seeing this project through to completion. By the way, an open house is scheduled for Sunday, November 9 from 2:00 p.m. – 4:00 p.m. at the library.

On the other hand a huge downtown disappointment is the inability to save the Little City Building. Over the past year, our Community Development staff put in many hours creating an innovative strategy featuring the donation of the building to the City, followed by the use of an IEPA grant to remove the asbestos contamination, and then the sale of the building to a developer who would rehab it for commercial use. Unfortunately, after a very thorough structural engineering analysis, it became clear the cost of making just the structural improvements needed to safely remove the asbestos contamination was just too high for any investor to bear. As a result, the City is seeking grant funds for the demolition of the building. We gave it our best shot and I want to thank Larry and Karen Kiest for being willing to support our efforts to rehab the building.

Blighted Buildings

While on the subject, I would note that due to the economy, there are more and more blighted and abandoned houses and buildings around town. In years past, this problem pretty much took care of itself, with new buyers purchasing and redeveloping rundown buildings. That can no longer be counted on. A run down abandoned building can be an eyesore to an entire neighborhood and can bring down nearby property values. Because of this, the City is seeking court orders to acquire legally abandoned properties and exploring grant opportunities to fund the demolition of abandoned run-down houses that are beyond repair. We will also be ramping up our inspection and enforcement so these problems do not grow.

ENTERPRISE ZONE

One other major economic development project we are working on is a new Enterprise Zone. The State of Illinois' primary tool for attracting industrial development is the Enterprise Zone program. To qualify for State benefits, an industry needs to locate in an Enterprise Zone. Congratulations should be given to Councils from years gone by who had the foresight to create the Ottawa Enterprise Zone. Ottawa's Enterprise Zone was created in 1986 and will expire in 2016. It has been incredibly successful with private investment exceeding \$1.5 billion dollars and the creation of over 3,000 new permanent jobs.

Now, it is time again to apply for a new Enterprise Zone to continue into the future. Getting a new Enterprise Zone is a competitive process with applications due by the end of this year. We will be partnering with Grundy County in our new submittal just as we have in the past. We believe we have an excellent story to tell and are extremely optimistic about obtaining a new Enterprise Zone designation.

RESIDENTIAL DEVELOPMENT

This past year saw an increase in the amount of new residential development in the city, following several years of decline during the recession. In the past year the city issued building permits for 28 new housing units, compared with only 13 for the previous year.

There has been particular increase in activity at Heritage Harbor Ottawa. Heritage Harbor had more than 20 new residential homes and home site closings thus far in 2014.

This past July Heritage Harbor opened sales in the final phase of its 30 unit cottage project. Already nine new sales have occurred in the Cottages at Heron's Landing, which also offer buyers investment opportunities with hospitality based investment vehicles. The final phase of the cottage development is expected to sell out by the end of the year. Other new products include Carriage

Homes at River Row and the new Flight Series, initiated with a luxury townhome product now under construction with availability by the end of the year.

COMPREHENSIVE PLAN

In May this year the City adopted a new comprehensive plan, replacing, but building on the 2002 plan. The goals established by the plan are as follows:

- Position Ottawa as a major tourist destination and a point of access to the Midwest
- Find a balance between land development and stewardship and conservation
- Position downtown Ottawa as a model of an intact and vibrant historic American City
- Create connected transportation paths, including pedestrian and bicycle paths
- Create 21st century jobs that attract new corporate campuses and industry
- Reinvest in existing neighborhoods to keep them vibrant
- Add diversity to our housing stock
- Establish future growth boundaries and encourage new development toward the city's core

Undoubtedly the most exciting goal deals with the downtown waterfront area. The plan calls for considerable public investment at the former Central School site, including the creation of an open-air amphitheater, a botanic garden and a harbor, as well as some sort of community building on the west edge of the property. Equally important, I believe, is the opportunity for private investment just north of the school site, allowing for potential mixed use development including restaurants and retail opportunities at street level with apartments or condos overlooking this beautiful park and riverfront.

With that goal in mind, a lot of progress has been made this past year in readying the site. The school itself has been demolished. The seeding has just now been completed. We have performed extensive environmental testing throughout the site. Our site investigation discovered some coal tar deep below the ground surface. Though it poses no direct threat to the public using the site, ComEd and Nicor have stepped up to clean up the coal tar to allow for future development. They plan to use a cutting-edge technology to burn the coal tar in place, avoiding the extreme cost of excavating 20 feet deep right next to the river. In addition, investigative work and remediation of the ground surface is now complete. The ground surface is now deemed safe for public use. Our intention is to continue the work necessary to get the necessary EPA sign-offs for the site to protect the City and the public. All of this work has been 100% funded through the IKE flood buyout grant and Brownsfield grants.

POLICE DEPARTMENT

The Ottawa Police Department has continued to maintain its long-time standing as one of the most professional and progressive law enforcement agencies in the area. This is done, among other things, through the continued support of established, successful programs such as the Peer Jury, aimed at keeping young, first time offenders out of the juvenile court system, and newer programs such as the Ottawa Police Department's Child Abduction Response (CART) Team, intended to create quick, structured investigative and search process meant to bring endangered children home safely.

Our 911 Dispatch Center completed its first full year of providing dispatching for the City of Marseilles. The department has also started a trial process to dispatch for the Wallace Fire Protection district. The 911 Center has expanded physically and we are continuing to add telecommunicators to better serve our communities. That program is working very well and is an example of governments working together to share resources and operate more efficiently in challenging economic times.

Retirements

In January, Patti Burke retired following 18 years of service as a City Telecommunicator.

And in February Sgt. Robert Anderson concluded 21 years with the department. He worked as a patrolman, school resource officer, D.A.R.E. officer and was a founder of the successful Peer Jury Program for the Ottawa Police Department before being promoted to the Rank of Sergeant. Patti's and Bob's dedication to the department and the citizens of Ottawa will be missed. We wish them well during their retirement.

Promotions & Recognitions

On February 26th, 2014 Officer Kyle Booras an 8 year veteran of the Ottawa Police Department was promoted to the Rank of Corporal.

We continue as in the past to assign two Ottawa Officers to the Illinois Law Enforcement Alarm System (ILEAS) Mobile Field Force, which allows Illinois law enforcement agencies to provide mutual aid assistance in times of need through the provision of officers and/or equipment across the state and elsewhere. The ILEAS Mobile Field Force (MFF) is a specialized unit designed to provide rapid, organized and disciplined response to civil disorder, crowd control or other tactical situations involving the distribution of pharmaceuticals from the National Strategic Stockpile, weapons of mass destruction incidents as well as other more conventional events basically a platoon of specialized police officers of various ranks, from various departments that train and deploy together in times of need.

The Ottawa Police Department also continues to show its greener side through the continued successful support of the Prescription Pill and Drug Disposal program, or P2D2. The program is intended to educate the public about the dangers of disposing these drugs either in the garbage or by flushing them down the toilet, and to provide a site where they may be dropped off for safe disposal,

no questions asked. To date, the department's P2D2 drop box has collected more than 7,000 pounds of prescription medications from the public; medications and chemicals that otherwise may have ended up in our landfills, groundwater, waterways, and eventually, drinking water.

Last year the Ottawa Police Department responded to over 17,000 calls and the dispatch center processed 24,000 calls for service.

FIRE DEPARTMENT

The Ottawa Fire Department continues to be the busiest emergency service in the area. In 2013, the 29 member department ran 3,200 calls and as of September 1, 2014 the fire department has run 2,568 calls.

The department consists of three shifts of 9 employees each. Each shift has one Captain, who is a shift commander, and two Lieutenants, who are company officers, to manage daily operations. The records clerk, Rosie Swift, assists the Chief in his daily duties. Our department has attained a Class 3 ISO rating. ISO ratings range from one to ten, with one being the highest level of public fire protection. The ISO rating determines the cost of homeowner and property insurance and only 65 communities in Illinois have a higher ISO rating.

Personnel

In the last year the department has witnessed the retirement of Chief Jeff Newbury after almost 30 years of service. Jeff is now an assistant professor of fire science at Sauk Valley Community College. Chief Steve Haywood replaced Jeff as Chief just a few months ago. In addition to his 27 years of experience, Steve brings degrees in occupational safety and industrial technology, fire science and business to the job. Chief Haywood has remarked that his goals will be to keep the ship on the same course as former Chief Newbury.

In addition, the department currently has two new firefighter paramedics, Christian Newbury and Devin Fleming. Both are in the fire academy in Champaign. In the last year Firefighter Jordan McDonald successfully passed probation. The department has had two promotions. Lieutenant Andy Borkowski was promoted to Captain while Firefighter Michael Mills was promoted to Lieutenant.

Medical Transfer Service

Not only does the City provide paramedic service for emergency calls, we now also provide emergent and non-emergent transfer service for Ottawa and the surrounding area. In addition to providing our service to OSF St. Elizabeth, local nursing homes, and local residents, we have also been called to transfer patients from Mendota, Streator, and even Morris. Currently 11 of our 22 paramedics are Critical Care Paramedics. These medics are trained to a higher level to provide advanced skills such as ventilators, specialty IV pumps and medications, chest tubes, and advanced

cardiac care. The transfer service is self-supporting and provides a cheaper, quicker service to our citizens.

New Ambulances

For the first time in the City's history, the department is having two new ambulances delivered at the same time. These 2015 Ford ambulances will have state of the art technology and due to increased rural calls, have 4x4 capability. These ambulances will bring our ambulance fleet to four advanced life support units. These ambulances are assisted in our operations by a fire engine, always staffed, to ensure that the right amount of personnel arrive at the scene of emergencies to properly treat and care for the public. This arrangement of sending a fire engine to serious medical calls improves the level of care for our patients.

Intergovernmental Agreements

The City of Ottawa, in another example of good intergovernmental cooperation, now provides all EMS services for the Wallace Fire Protection District and the Village of Naplate. Intergovernmental agreements with both entities are fair for local taxpayers and allow for residents within those fire department areas to be billed at the same rate as City of Ottawa residents. In exchange, the City receives about \$200,000 annually to help defray expenses.

In addition to these agreements, the City of Ottawa Fire Department has been proactive in training with these local departments, participating in training burns of the purchased homes in the Fox River Park area, as well as hazmat and ladder training.

New Technology

The Fire Department has been proactive in streamlining training by the purchase of training software. This software allows department members to train online, saving money, and tracks training hours and certifications. An average firefighter should have 240 hours of training per year. This training aids the very low ISO score the city received. The Fire Department has also moved to a paperless scheduling system that members can view online to aid in efficiency within the organization.

MABAS

The Ottawa Fire Department has been proactive in training its members to respond to County or Statewide emergencies as members of the MABAS (Mutual Aid Box Alarm System) Division 25. The department has 4 members on the County Hazardous Response team and 9 members on the Technical Rescue Team. The department regularly works with local, state, and federal agencies such as the recent nuclear drill. We also have a Captain and a Firefighter on the State of Illinois Urban Search and Rescue Team.

Community Outreach

The Fire Department participates in Fire Prevention and Educational activities in the community which include visits to the schools, working mainly with Pre-K thru 4th grade children. To aid in fire prevention and outreach, the smoke trailer was recently overhauled, thanks to a grant from ADM, and will serve the community for years to come.

The Ottawa Fire Department also uses on duty crews to provide fire extinguisher training to local businesses and will meet with local businesses to assist with evacuation drill training and hazardous materials related issues.

PUBLIC WORKS DEPARTMENT

The City continues to strengthen its public works department which merged four departments (water, wastewater, parks and streets) to make more effective use of personnel and equipment. We have made alterations at the street department facility so that workers assigned to the park and street divisions will now be in the same building.

This year our Public Works department also successfully filed an application with the Illinois Department of Natural Resources for an Illinois Youth Recreation Corps (IYRC) grant in the amount of almost \$27,000 to provide employment for six youth. This summer much of their time was spent on parks and landscaping projects.

PUBLIC WORKS – WATER DIVISION

This past year we have found a way to significantly reduce electricity costs at our water treatment and pumping stations. Variable Frequency drives can slow down or speed up how fast water is pumped from our wells. In the past, the cost of purchase and installation of these devices kept us from moving ahead. This year, the City was able to get a grant through the Illinois Department of Commerce and Opportunity to cover 75 percent of the construction costs. We will be now saving over \$24,000 per year in electric bills. The payback time for our construction investment will be only 8 months.

Bob Rick, Assistant Water Superintendent retired this year after 22 years of service to the City. Additionally, Debbie Stash, Water Cashier, will retire at the end of the year after 21 years of service to the City.

PUBLIC WORKS – WASTEWATER DIVISION

Combined Sewers

A lot of progress has been made in addressing the challenge of Combined Sewers. We had discovered that some west side houses were connected to old pipes that flowed directly to the river. Over the past 2 years, those houses have been properly connected to the sanitary sewer. Our next step is to inspect all the combined sewers to verify their condition and then develop a plan to address the problems, many due to the age of the system. The City Council just recently approved a contract for over a half million dollars with National Power Rodding to clean and televise the combined sewers.

We are also acutely aware of the sanitary sewer problems in the Mason Street area on the south side and have added that entire area to the televising contract.

One of the problems we are moving to address is grease that gets into our sewers from household drains as well as from poorly maintained grease traps in restaurants and other businesses. Too often grease is washed into the plumbing system, usually through the kitchen sink. Grease sticks to the insides of sewer pipes (both on your property and in the streets). Over time, the grease can build up and block the entire pipe. Ottawa has had buildings flooded due to grease build up in pipes in the street. So, we have a request for you. PLEASE put grease in the garbage!

To help keep grease out of our sewers, Ottawa has contracted with Aqua Backflow to begin a grease monitoring program. They will be confirming that restaurants, service shops and other non-residential businesses properly use and maintain their grease traps and oil separators. Installation, maintenance and required repairs will be enforced.

Public Works Director and Assistant Superintendent of the wastewater treatment plant, Bob Shull was honored as a leader in the wastewater field by the Illinois Water Environment Association in March of this year, receiving the Kenneth C. Merideth Award for outstanding contributions to wastewater treatment plant professionalism.

Additionally, we have been advised that Bob has been nominated for the Illinois Association of Water Pollution Control Operators' (IAWPCO) "Outstanding Operator of the Year" by the Illinois Environmental Agency, Division of Water Pollution Control, Field Operations Section. This is quite an honor, as only four operators statewide are nominated. Congratulations, Bob.

This is probably a good place to also mention that Assistant City Engineer Arnie Bandstra also retired this year. Arnie was very involved in our water and wastewater systems.

PUBLIC WORKS - STREETS DIVISION

Again this year the City took on an aggressive street reconstruction and resurfacing program. Included are the widening and reconstruction of south portion of Glover Street from Fifth Avenue to Magnolia Lane, including curb and gutter to provide parking along north side (510 feet/one block). (\$90,000). Also, Birchlawn, and a portion of Poplar Street on the west side are being completely reconstructed.

The City is also resurfacing over 23,000 feet (49 blocks, about twice as many as last year) and patching 1,280 feet (8 blocks) for a total cost of \$1,235,000. All in all almost 4,000 feet of curb was replaced, with 25 sidewalk ramps in 23 blocks throughout the city, at a cost of \$235,000.

The City also recently purchased (Total Patcher) equipment that will allow City crews to make road maintenance repairs of potholes, alligator cracks and other road repairs, using this spray patch technique, which will provide a cost savings by not having to contract out that work, and also allowing us to repair more area for the dollar, extending the life of aging asphalt streets.

We also are experiencing retirements in the Street Division. Rusty (Donald) Wells retired in August following 37 years of service to the City, and Gene Thacker will retire in December following 19 years of service to the City.

PUBLIC WORKS - PARKS DIVISION and PLAYGROUND AND RECREATION BOARD

Next week Mark Hetelle will retire from the Parks Division, having served the City for 14 years.

Since the Emerald Ash Borer was discovered in Ottawa the management plan calls for removing about 800 ash trees and treating the best 100. Our arborists have been treating these trees with fair success. The City has contracted out the removal of more than 100 ash trees this year. By the end of this year almost 250 ash trees have been removed. Speaking of trees, the City has in some cases been able to replace lost trees through plantings that are now taking place on the west side and south side of Ottawa. About 250 trees are being planted as the final phase of a greenways grant the City initially received about four years ago.

This past year, the City of Ottawa and the Playground and Recreation board have worked together to continue to identify recreation needs and move to develop needed facilities.

The Lincoln-Douglas Complex area in 2014 is much improved due to the Recreation board's plan to provide more parking for the baseball facilities. Whitney Field, the new baseball field east of Masinelli, saw its first competitive use this spring. This field, named for long-time city commissioner Ed Whitney, will relieve pressure on some of the other diamonds as well as providing another high quality practice facility. Whitney Field also converts to a soccer field which has already served the community as a site for numerous camps and practices.

To serve the near northwest side, the Rec Board broke ground this summer on Hollywood Park. Soon, several sets of play equipment will be installed with landscaping and other amenities to follow.

Additionally, the Playground and Recreation board contributed to the new bike lanes on streets around the city, and also advised the city at Fox River Park as the houses and roads were removed to create a true park experience.

The Rec board continued its renovation of Riordan Pool by sandblasting and painting the pool. For the third straight year, the pool passed all inspections with 100% compliance, an impressive achievement. Although cool weather kept attendance down, the pool fulfilled its commitment to be open all possible days and hosted many community events such as the All-city swim meet, a city-wide open house, "Business after Hours," a family pizza night, National Night Out and a patron appreciation day. The pool hosted Ottawa Recreation swim lessons, and served as the summer practice home for the Ottawa High School swim team.

Just as important as the facilities are the youth and adult activities sponsored by the Ottawa Playground and Recreation Board. This year's summer youth program offered supervisors at eight parks, an Ottawa tradition unique among surrounding communities. The summer recreation program featured over forty-five special activities, camps, and clinics teaching skills from Art to basketball to bowling to photography to running to volleyball to wrestling, serving over 3,000 of the youth of Ottawa and the surrounding communities. And the Recreation Board continued to work with the dedicated volunteers of the youth leagues in the city to make sure that facilities were available for summer sports and that the leagues were run for the benefit of the over seven hundred young athletes who participated. Additionally, Ottawa Recreation worked closely with both local high schools to share facilities for the good of the youth of Ottawa.

Ottawa Recreation's long tradition of sponsoring outstanding adult softball continued this year at June Gross and Roy Sanders fields. This year forty-two men's teams and eighteen women's teams vied for league championships in the summer leagues, while twenty-four men's teams and eight women's teams played in the fall leagues. Overall, the city of Ottawa sponsored a total of 18 weeks of recreational softball over the course of 2014.

Adult recreation does not end with softball. Ottawa Recreation Adult basketball in cooperation with Ottawa High School sponsored a ten game season with sixteen teams and over 250 participants. Again Jane and Rod Schomas volunteered their time to host dance lessons every Tuesday evening. Roz Sesto of Energy Yoga sponsored a free sunrise yoga class Saturday mornings in Washington Square Park during the summer. A favorite of our senior citizens, the annual Harvest Dance featuring Class Act is scheduled for October 19th from 2-4 pm at the Knights of Columbus. Last year's dance was attended by over one hundred and fifty big band and dance enthusiasts.

The nine appointed volunteer members of the Ottawa Playground and Recreation Board, its pool director, its recreation director take their responsibilities to the city of Ottawa seriously. Every expenditure is scrutinized to ensure that the board is responsibly adding to the recreation opportunities in Ottawa while keeping the costs reasonable for participants. Through careful stewardship and foresight, Ottawa Playgrounds and Recreation will continue to add to its legacy of providing top facilities and programs for the citizens of Ottawa.

DAYTON BLUFFS

This might be a good point to also mention that the Dayton Bluffs nature preserve on the Fox River officially annexed into the City this year. The City has entered into a long-term lease and management agreement with the Conservation Foundation for this incredible 252 acre parcel of land, consisting of a beautiful native forest and some farmland which will eventually be returned to forestland. The property has about one mile of frontage on the Fox River and is a wonderful addition to the City's open space and parkland. Already volunteers are working in the preserve. Hundreds of Fairmount Minerals employees cleared 15 acres of invasive species at a company work day a few months ago. At the same time local contractors and volunteers from the trades installed a roadway and parking area to access the preserve.

NORTH CENTRAL AREA TRANSIT (NCAT)

The city continues to administer North Central Area Transit (NCAT), providing public transportation throughout LaSalle County. In our first complete fiscal year, ending in July, nearly 50,000 rides were provided throughout the county, utilizing a system-wide fleet of 17 vehicles, operated by the City, Illinois Valley Community Hospital and Horizon House. We also have contracts with several organizations such as St. Mary's Hospital in Streator and Friendship House. So far all of our expenses have been covered with state and federal funds. However, we have started asking local units of government and agencies to contribute to a fund to provide a 35% local match for future operating funds from the State. Up until now we have been able to use banked federal funds to match state funding.

NCAT was not immune to the retirement bug, as bus drivers Arlis Serby and Katy Heft retired following over 42 years of combined service.

TOURISM

Tourism plays a significant role in the economic and cultural vitality of the city, and will play a larger role as Ottawa becomes more of a destination.

Ottawa Visitors Center

The Ottawa Visitors Center continues to promote and market the community to visitors and guests.

Ottawa Visitors Center had quite a year...from winning 'Best Design' at the Governor's Conference on Tourism in 2013 all the way to winning 'Best Branding Campaign' for the entire state in 2014. They competed with communities and organizations with advertising budgets up to \$700,000. The Walt Willey 'pick us' commercial was designed to have a shelf life of several years in order to capitalize on the images and popularity of the brand.

While everyone here I'm sure has seen the Walt Willey commercial, I am pleased to be able to share with you today a sneak preview of a feature length film, now in the editing process.

Starved Rock Country

The City and Visitors Center work cooperatively with Starved Rock Country in promoting the area by taking advantage of the popularity of Starved Rock State Park and the Starved Rock brand. Many of the music programs presented by Starved Rock Country this year were held here in Ottawa. And this past May the inaugural Starved Rock Country Marathon began at downtown Ottawa with a finish line at Heritage Harbor. Over 1,300 runners registered for this event, with 24 states, as well as Canada and Ireland being represented. Over 800 of the participants traveled more than 50 miles to the start line. The event was a great success and I am pleased that the Starved Rock Country Marathon will be returning to Ottawa next spring.

Festivals

Festivals and special events play a large part in our tourism efforts. This year our Morel Mushroom Festival drew a record number of participants and included a new feature that being the sample of craft brews by beer brewing clubs from around the state.

Despite a rainy Saturday evening, the 2014 Two Rivers Wine and Jazz Fest had a record paid attendance of over 4,000 people, the majority of them from outside the city. Hundreds of others enjoyed three days of music entertainment, great food, including lobster served by the Ottawa Noon Rotary.

The Ottawa Riverfest was also well attended this year and the weather was nearly perfect. And based on everyone I talked to, the music performances were very well received.

This year the traditional Scarecrow Fest and the Ottawa First Oktober Fest were set for the same weekend, resulting in incredible large and happy crowds in the downtown area.

The upcoming Thanksgiving weekend will again feature our Festival of Lights celebration, combined with Ice Odyssey. This will be a great opportunity to visit downtown and start your Christmas shopping right here in Ottawa. It is also an opportunity to take a carriage ride and visit the beautiful Reddick Mansion which will be on display in all its holiday glory.

CITY FINANCES

The General Corporate fund budget as adopted, which is the primary operating account for the City, was again balanced for the fiscal year ending April 30, 2015. Annual City expenses for all uses are approximately \$42 million, with the General Corporate fund totaling approximately \$15 million in both revenues and expenses.

With limited and finite resources, the City Council is tasked with making difficult financial choices, and is certainly not able to do all that it would like to do. But the Council evaluates and considers with thoughtful debate each decision and expenditure to attempt to maximize the benefit of every dollar allocated for the general wellbeing, maintenance, and enhancement of the community.

Nearly 80% of the general fund revenue for the City is derived from two sources, property taxes and sales taxes, with property taxes accounting for nearly 50% of the general revenues. The City has been able to maintain its fiscal viability, and fulfill its financial obligations, in spite of the fact that there has been a continuing downward trend, now extending to 4 consecutive years, in the Equalized Assessed Valuation of the properties on which the City receives tax revenue.

This is certainly not unique to Ottawa, but obviously adds to the challenges, and forces the Council to prioritize the uses of its resources. On a much more positive and encouraging note, the City's sales tax receipts have increased to date, on a year-over-year basis compared to 12 months prior, by 3.96%. Additionally we have had four consecutive months of year-over-year increase in the monthly sales tax receipts. This improvement, coupled with the fact that the EAV decline trend is diminishing, portends some more hopeful prospects in the future.

The City and its residents are fortunate, and the Council appreciates the fact that the City employees, and their various bargaining units have worked with the City to efficiently manage payroll and benefit expenses. As we hear so much about challenges in the various public pension systems, I am proud to report that the City has always fulfilled its actuarially recommended contribution obligations to the various employee pension plans of the differing employee groups, which coupled with the prudent management of those plans, has positioned our employee pensions in a favorable position relative to many other plans.

The City's debt has been refinanced where possible and advantageous to derive the benefit of lower interest rates. We have been able to maintain our necessary infrastructure and to provide

professional public safety services to the community and for the benefit and peace of mind of its citizenry. We have aggressively pursued available grants and are continually seeking and exploring opportunities to leverage the financial resources that we have available. So while there are financial challenges with which we have dealt, and by which we will continue to be challenged, I think we should all be proud of the collective effort to address those challenges and to maintain a City and its resources that is the envy of many.

The City and its employees and retirees enjoyed a decline in 2014 health insurance premiums due to decreased claims. While the City has secured a decreased rate for stop loss premiums for our self-insured health plan, a 13% increase in claims costs will result in an overall increase of approximately 8% in 2015 premiums. In addition, claims experience has driven up the cost of the Medicare supplement available to retirees by approximately 12%.

MEDICINAL MARIJUANA

A very unique opportunity presented to the City during the past few months was the interest of a number of investor groups in bringing to Ottawa the business of growing medicinal cannabis and establishing dispensaries for this new health care product. In exchange for our support, the City negotiated with each prospect an agreement which would provide the City in varying fashions a percentage of the revenue generated by local cannabis operations.

The new state law legalizing medicinal cannabis allows for the establishment of only one cannabis cultivation center in each Illinois State Police District. Ottawa is in the 17th District which consist of Putnam, Bureau and LaSalle Counties. In the end, three investor groups filed applications for cultivations centers and three for dispensaries. A total of thirteen applications were filed across the 17th District. I'm told this is the second most of any district. Applications are now under review by the Illinois Department of Agriculture with the license to be awarded before the end of the year.

VIDEO GAMING

Another action by the State of Illinois – this time the legalization of video gaming -- has spurred a video gaming boom in Ottawa. Video gaming has been added to many bars and restaurants plus several stand-alone video gaming parlors have been opened. This boom is now generating more than \$11,000 per month in new revenue for the City.

OTTAWA IS BLOOMING

Ottawa's participation in the America In Bloom national competition continues to be one of the most positive things going on in our City.

I want to thank Stephanie Stacy and Melissa Ruvalcaba for co-chairing both our 2013 and 2014 campaigns along with our strong steering committee.

Once again, the campaign received invaluable private financial support this year from Nicor, Inga Carus and Anthony and Karen Romano, in addition to benefiting from a fundraising event sponsored by the Ottawa Tree Board.

Last year I told you that thanks to our local Ottawa Is Blooming campaign which supports Ottawa's entry in the America In Bloom national campaign, the City of Ottawa had never looked better. I am pleased to report that our entry in the 2014 competition has resulted in a first-place "champion award" in our population classification.

The judges were particularly impressed that businesses made extra beautification efforts with planters in landscaping, and that people all over town responded to our call to make 2014 the Year of the Zinnia. This effort was co-sponsored by the Ottawa Garden Club and resulted in the planting of thousands of these gorgeous, colorful, easy-to-grow and long lasting flowers all over town.

We continued our efforts to remove what I call "pointless asphalt" around the downtown. This year at the Hassle parking lot we were able to create significant green areas all without sacrificing a single parking space.

A major addition to Ottawa was the creation of a community garden on Dayton Road. The City leased two acres of vacant land and made small gardening plots available to Ottawa citizens at very reasonable rates. More than two dozen individuals and groups enjoyed producing bountiful crops of vegetables during the growing season. We entertained the judges at the new community garden where they had a chance not only to view the gardens, but also meet a large group of gardeners and volunteers at a picnic.

Another very beneficial new feature of the 2014 America In Bloom campaign was the establishment of the Ottawa Community Public Arts Committee with a mission of promoting public art in our City. Its first project was the *Rainbow Flower* – a sculpture four feet in diameter featuring hundreds of brightly colored pieces of glass mosaic placed on the sculpture by more than 400 people, under the guidance of local mosaic sculpture artist Susan Burton. It has been placed on permanent display in Allen Park where we hope that future creations will produce a sculpture trail. Volunteer artists also placed mosaics on trash containers throughout the downtown area, transferring mundane concrete containers into works of art.

CONCLUSION

So, all in all, I think things are going well in Ottawa. I sense a general positive feeling among the citizens I talk to and that is certainly reflected in the work of all our volunteers. It's great to be a Mayor working closely with the Chamber on a host of projects. It's also great to work with a Council that cares, a professional staff all on the same team, and a good group of hard-working employees. Thanks to all of them, and to all of you here who care about this community and have given a good measure of yourselves for the betterment of this great City.