

**STATE OF THE CITY**  
**CITY OF ROCK FALLS, ILLINOIS**  
**March 1, 2016**

Good evening members of the City Council, City Administrator, City Clerk, Department Heads, City Attorney, and Residents of Rock Falls. It is my pleasure to report to you, that the state of the city is good and tremendous opportunities lie before us going forward.

This evening marks my third State of the City address, as Mayor. It has been and continues to be my utmost honor serving the residents of the City in that capacity. But let me make it very clear, our accomplishments are the result of a team effort. City Administrator Blackert, the elected officials and the numerous individuals serving on our working committees are key contributors to our success. To all of you, I say thank you.

As we look back over the past year, I have chosen to speak to you on several areas of importance during this report.

**STATE OF THE STATE**

It is no secret to anyone that the financial health of the State of Illinois is currently in grave danger.

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The Institute of Government & Public Affairs finds that the Illinois' budget impasse has put spending on autopilot while revenue is down significantly. The combination of decreased revenue and uncoordinated spending (due to no budget) is causing uneven allocations and increasing an already massive budget deficit. And sadly, there is no easy fix to Illinois chronic fiscal imbalance. Illinois now faces a \$9 billion dollar annual deficit that is projected to grow to \$14 Billion dollars by FY 2026. Years of a pay-later budgeting mentality has resulted in a massive imbalance between sustainable revenue and spending. Like a person in deep credit card debt, the state has been spending more than it can afford, and is covering the gap by issuing IOUs. The IOUs now total \$159 Billion dollars. It is a problem that will require a long-term fiscal plan that includes tax increases, spending cuts and economic growth.

Unlike the State, we here in Rock Falls, have for years done our diligence in regards to our City's financial practices. The first step is to evaluate your projected revenue and draft a balanced budget that lives within those revenues.

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Would we like to do more, obviously yes. But we are tasked by State statute to be fiscally responsible, the same is true of the State as well.

We have in place, two policies that provide assurance of our Municipalities financial stability. They allow us to protect ourselves against revenue shortfalls caused by economic downturn, natural disasters, and policy changes instituted by the State or Federal Government, as well as, any unprecedented one-time expenditures such as an unforeseen catastrophic failure of a part of our infrastructure system as we experienced a year ago February. Because of our financial reserves, we were able to take immediate corrective actions to resolve the issue.

Finance experts have defined financial health in a dozen different ways, but they all promote the same basic idea:

“A local government is financially healthy if it can deliver the services its citizens expect, with the resources its citizens provide now and in the future.”

Our Investment Fund Policy and Fund Balance Policy, both serve to insure that we maintain minimum fund balance reserves in both the General Fund and Enterprise (Utility) Funds

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To date, we have not had to reduce services, required any layoffs, our bills are paid, we have an outstanding credit rating and a very impressive Bond rating, and most importantly we are not issuing IOUs. Does that mean that we are doing everything that you as residents would like to see done, no. That is because we present and pass balance budgets and operate within those approved budgets, as is required for fiscal responsibility. I would think that you operate your family budgets in the same way. We cannot always have what we want and be responsible.

### ***Local Sales Tax***

Last April with the support and confidence of the residents of our community, following informational meetings outlining the need for increased funding for road repairs and infrastructure, a referendum was passed. This increase our local sales tax from the existing ½ cent to a full 1 cent, thus allowing for more revenue to be made available. I am happy to report that your support and trust to approve the referendum, has in fact increased our monthly income of local sales tax.

Prior to the passage of the increase, we had averaged \$32,882 per month. Since the first of July of this year, when the new tax rate was instituted we have seen the monthly average increase to \$66,650.

This growth in available revenue will allow us to do more road repairs, sidewalk improvements and more infrastructure considerations than previous funding allowed. However, let me make it very clear, the increase in revenue does not bring closure to our issues with our road system, sidewalks or other infrastructure and equipment needs. We will continue to go through the process of evaluation, and do what we can to address these longtime problems.

### ***Tourism***

As are most residents in our Community aware, the City Council broke ties with the previous Tourism Group (Rock Falls Convention and Tourism), and in April redesigned and repurposed the Tourism functions. Janell Loos was appointed the new Tourism Department Head for the City and is working directly with the Tourism Committee established by the Council. The new department has been establishing policy and procedures and has hit the ground running on individual projects, as well as, working in a collaborative manner with the Chamber of Commerce. Plans are being finalized for a large summer event scheduled for Saturday and Sunday June 25<sup>th</sup> & 26<sup>th</sup>.

During these two days the banks of the Rock River will be hosting the Chamber of Commerce “Summer Splash”, “River Chase” Boat races at Seward Park and for the first-time, Bass Pro Shops will be hosting the Midwest National Qualifying Catfish Tournament here in Rock Falls. It is promising to be a highly successful event bringing thousands of people to our Community for the weekend all of whom will be putting money into our communities’ local businesses.

### ***Trails***

Under the direction of the Trails Committee, steps are being taken to develop our walk and bike trails throughout and around the City. This is something that has been on the radar of the City for several years. Currently three separate trails are being worked on and can be enjoyed. The longest and most well established trail is the 29 mile former tow patch that runs adjacent to the Hennepin Feeder Canal, the second is the 4 mile Rock Falls Recreational Trail that is the reclaimed stretch of train tracks that runs through the center of town, thirdly is the new 1/2 mile long Storybook Trail. Work has been concentrated on this part of the Trail System, along the abandoned railroad property across the Canal stretching from Avenue D to McNeil Road.

Prairie Plots have been planted in this area, and in addition, working with the University of Illinois Extension Services a first of its kind in the State of Illinois, "Storybook Trail" has been developed. The trail features 16 dual sided poles depicting 32 pages of selected books that have nature themes. It is intended to feature four books throughout the year. The extension services are working with local educators to make this a learning location for field trips, as well as, providing Teacher Resources to make the experience an educational outing but everyone is welcome. When completed the Trails System will connect with the Riverfront area along the Rock River, as well as, provided points of connection to other trails in the area that are being developed as well.

***Emergency Services: Police/Fire/EMS***

On January 1, 2015 a new legislation was passed in the State, Public Act 99-0006. It calls for the Consolidations in a county with a population of less than 250,000 having more than two (2) Public Service Answering Points. When the original enhanced 911 system was implemented in Whiteside County, three (3) PSAP's were put into place. One at Whiteside County Sheriff's Department, Sterling Police Department and the Rock Falls Police Department.

Since that time 911 calls have been answered at those locations and the appropriate response have been activated. With this new law, we will be required to reduce the number of PSAP's to only two (2) within the County. To best facilitate this requirement, we have been working with the Director of the 911 Board for Whiteside County, the Whiteside County Sheriff's Department, City of Sterling, and CGH Medical Center to establish the best solution to this requirement. So far the parties involved have agreed that Rock Falls no longer be recognized as a PSAP, and that all dispatch operations for the Sterling and Rock Falls Police, as well as, all local Fire and Ambulance will be moved to the basement of the Sterling City Hall and 911 operations in the west end of the County shall remain the responsibility of the Sheriff's Department. Within the new legislation, the County 911 Coordinator has to present our plan in writing to the State for review and consideration, no later than June 2016. The complete implementation of the new local system is to be in place and operating by July 1, 2017. While as of this time we are still in the infancy stages, all of the details of this consolidation have not yet been resolved. One thing that is clear is that we will be consolidating services. But rest assured, it is the intention of all the parties involved to insure that 911 services shall not be reduced or diminished in this process.

### ***Municipal Utilities***

Last year, as Mayor I began planting the seeds concerning a change in how we look at the management of our Utilities here in Rock Falls. We are most fortunate to have our own electric, water and wastewater and the revenue from them is 70% of the total revenue that the City takes in yearly, and is 14% of the general fund revenues. Last week I brought forward at the Committee of the Whole meeting an overview of our Utilities as they exist today. While many questions were raised, I strongly believe that adopting a governance utility business plan, and incorporating residents into the process is an important objective which I will continue to pursue moving forward. We are a Public Utility and as such should involve members of our community who are the rate payers in our governance. In our current committee structure that oversees our utilities, we have two different committees that are responsible for the Utilities. In this day and age with constantly changing regulatory mandates, it is difficult to balance and coordinate the disruptive technology and address the aging infrastructure while coordinating two different committee approaches.

The Utilities need to be under one governance umbrella, for a number of reasons, the biggest of which, is that they are revenue producing and are different in their operations than the non-revenue producing departments. More time, consideration and background information, to include metrics and benchmarking will allow us to make valued decisions in our utilities moving forward.

## **ECONOMIC DEVELOPMENT**

During this past year, the Council reviewed the 13 year agreement with the Rock Falls Community Development Corporation. An agreement for which the City paid out \$100,000 for economic development services on a yearly basis. Following review a review and a great deal of discussion, the Council choose to take action to terminate the agreement going forward, effective April 30, 2016. I would like to take this opportunity to thank Randy Balk, the current Executive Director and Gayla Kolb of the RFCDC for their service, as well as the dedicated individuals who have served on the Board of Directors over the years.

The City has taken a big step in moving the economic development opportunities forward into the future, with its signing of contracts for the acquisition of the Schmitt Property (30 acre tract), and the Hallman Property (69 acre tract) both located along the Interstate 88 corridor on

the south entrance into the City. The purchase of these properties will afford the City an opportunity to bring retail and commercial development to our area. We are very much aware of the fact that economic development does not happen overnight, however, we are very confident of the fact that since the City control's the land, puts us into the driver's seat as we move forward.

We will begin the process in the very near future to begin the selection process of a master development group to work with in partnership to perform an analysis of our retail and commercial assets, and set a vision for our future growth. At the same time, learn what we need to do to prepare our community for new retail and commercial development and how that growth will affect the city so that we can plan accordingly.

While the opportunity for this new growth on our south end is certainly important and causing an increased level of excitement. Just as important is growth and revitalization of the First Avenue business corridor, the Route 30 corridor, the Uptown business district and the Riverfront area.

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We are hopeful, that as these new opportunities present themselves, current business owners will take this time to do what they can to present their businesses to new opportunities that will result from this new growth.

The new hotel on the Riverfront is nearing completion, and we feel very confident with its completion, new business opportunities will develop in the RB&W District area. All of these opportunities are possible, if you believe in our vision please join the efforts to make our community a destination. With growth, comes increased tax base, increased sales tax, local sales tax, jobs and lastly a revitalization of our community quality of life as we move the City forward. You have a choice, to share in our vision and get involved to help your community grow or stand on the sidelines and be one of those that say “nothing is ever going to change”. Where will you stand as we move forward?

Our City motto is, ***proud of our past, and confident in our future.*** I am very confident in our future, and will continue to work very hard at making the City of Rock Falls a great place to call home.

Thank you

Mayor William B. Wescott

