

State of the City 2015

Delivered at Chamber of Commerce Founders' Day Luncheon, March 19, 2015

Financial condition

Financial information is a mixed bag. Down side is that our loss to property tax caps that, at least in my opinion, were unfortunately memorialized in the Indiana Constitution, was \$4.5 million in 2014. This is from \$15.4 million we would have received without the caps. The cumulative reduction since 2009 is \$14.2 million. That could have built more projects, paved a lot more streets, and been helpful in maintaining adequate numbers of employees in our departments.

Another negative is that the City's assessed value decreased again for property taxes due this year. You may have heard State Legislator Wes Culver say not to worry about local government funding. We're out of the recession and revenues are rebounding. That's not true for property taxes. We received over a half million dollars less in 2014 than we did in 2013, and almost \$2 million less than we received in 2008. Assessed values drive property taxes. Prior to the recession, our 3-year growth average was about 2%. If our assessed value were to start growing again at that rate, it would be 2026 before our assessed value is restored to what it was in 2007. This is a long, slow slog.

But all is not woe. Good news for us, maybe some of you disagree, is that the Elkhart County Council adopted a new .25% Local Option Income Tax for Public Safety costs. That will generate about \$1.5 million new dollars to partially offset another \$4.7 million we were predicted to lose in 2015 to property tax caps. In order to get the new money for public safety, they had to also adopt a .25% Local Option Income Tax for property tax reduction. According to financial consultants, that may create some bump in our property tax collection, but the explanation is so convoluted, I have to see it to believe it.

There is other moderately good news. At the end of 2014, the operating balances of our three major funds... General Fund, Street Department and Parks Department, where most personnel expenses lie, are higher by a little over \$600,000 compared to what they were at the end of 2007, totaling about \$5 million. Our Rainy Day fund is a little over \$2.1 million. And the balance in our Electric Utility Sale fund is at \$2 million, plus \$500,000 currently loaned to LaCasa to do neighborhood stabilization work.

To accomplish this, there was a lot of belt tightening in years following 2007. In the past two years, we loosened the belt a little to give our employees small raises after a few years of no increases except to cover their increased cost for health insurance. We also are working to replace some positions left vacant and make modest additions to fire, police, parks and street departments. We've used some Rainy Day Funds to supplement revenue in 2013 and 2014, and budgeted to do the same in 2015 in order to preserve services to residents. This is the purpose for having built a Rainy Day Fund. And what we are doing is actually the gist of what a Chamber of Commerce task force recommended in reviewing our budget and operations in 2013....find revenues to preserve services. It concluded that we don't have a

spending problem, we have a revenue problem. And it did not want to sacrifice the kinds of things we do to create a City appreciated by current residents and businesses, and attractive to new ones.

After building operating balances year-after-year, we spent more than we received in 2014 by about \$1 million. Depending on what the new Local Option Income taxes actually produce, I'm cautiously optimistic we will be closer to balance this year.

Projects

I won't spend a lot of time talking about current and future projects. There are easels in the room depicting projects in the cue. I hope you get some time to review them. If you follow local newspapers, you already know a lot about what is happening. There is a lot, and especially the south side of town is going to see significant projects in the next few years. We're currently in discussion with Elkhart County officials to coordinate their projects and ours so that traffic in and out of industrial parks doesn't come to utter gridlock. County projects include replacing the Kercher/Violet Bridge and widening CR38 west to CR17. City/county project (with only a little help from INDOT) is improving the intersection of Kercher Road and Main Street. City's projects include the railroad overpass for Waterford Mills Parkway (not-so-affectionately dubbed in the last election as Allan's road to nowhere), connecting it to SR15, and widening Kercher Road from Main Street to Dierdorff Road. A future city/county initiative (we hope) is to connect Waterford Mills Parkway to CR40 west of SR15, utilizing the existing CR40 bridge to get to CR17.

Last year saw improvements to Fidler Pond Park and Mill Street Park, north of the overpass. This year will see more improvements in both places. It's exciting to see many years of preparation paying off with development occurring along the millrace. It's going to be a cool place.

The US 33 project is supposed to finally break ground next year. Ninth Street corridor projects, including track curve realignment to speed trains are underway. A train horn quiet zone is being worked on. There are a lot of other projects in the cue.

A very important project, one that will require broad support, is the renovation of the Goshen Theater. We can't afford to let it be dark. Activity needs to complement and support other good things happening downtown. I hope the Chamber of Commerce will be a strong advocate for that project when it comes time for the City Council to decide how City government can be part of the funding. And that you all will positively respond when it comes time for private fundraising.

Challenges for the future

We often think of politics as federal, state or local government. But it's more than that. "Politics" can be broader construed as the art, or science, of living together. There are politics in our schools, churches, Chamber of Commerce. Politics are in every aspect of life. Collective community politics drive the

description of Goshen in the branding study that the Chamber of Commerce commissioned a few years ago. I read it at a prior State of the City address, and it is worth repeating here.

Goshen's "Brand Statement"

"Everything comes together in Goshen...or more precisely, everybody. There's a special spirit that has always been here, and it's wonderfully contagious. You'll see it all over town, from neighbors who help the new family on the block get moved in, to volunteers who help at a school. People here are committed to working for the common good, which has helped make Goshen an uncommonly great place to live, work and visit. We're a richly diverse community of folks, making this a place where you're as likely to live near young professionals as retirees, and as apt to meet friends at First Fridays as at concert...at the college or just strolling downtown. But what we share in common is the community ideal. Together, we've worked to make Goshen a place where business is good, manufacturing thrives, downtown bustles, artists create, entrepreneurs reach global markets, families find a friendly environment, good things take root, and people pitch in to make it all better. It's altogether different because we're in it all together. Some say Goshen is the way America used to be. We say it's the way to an uncommonly robust future."

It's a great statement.

One challenge I have for you today is to work to assure this description applies far into our future together. Foster and grow the community politics that sustain this description. Local government is only one piece of the politics. The Chamber is another. There seems to be a DNA in Goshen that binds a mosaic of community quilt pieces together. Keep the thread strong.

Common good is mentioned. What does it mean, working for the common good? It means to work for a just and equitable society in which every person is valued and respected.

In coming months, you will be hearing all 3 mayors in Elkhart County talking about a new initiative..."My brother's keeper". It is an idea that began in Washington DC, but it is not a federal program. I would describe it as a "best practices" sharing of local ideas. It is spreading through cities across America, and we're late in coming aboard. Brian Wiebe at Horizon Education Alliance encouraged Goshen and Nappanee to join Elkhart in adopting the initiative. If a county wide effort, Horizon Education Alliance becomes a backbone, since many of its current programs and ideas already reflect My Brothers' Keeper goals.

The major focus of "My Brother's Keeper" is to help at-risk youth and young adults. We already have some great organizations toiling every day at this challenge. Boys and Girls Club and The Post immediately come to mind. They need more of us to be volunteers.

There is no shortage of ways to plug in for the common good. I'll mention only a couple. Our schools also need you. Not just parents of students.

Some Goshen elementary schools have their third grade classes take field trips downtown each year. One of their stops is City Hall. They quiz me about my job, and I get to answer questions. But I also talk with them about concepts of “common good” and “stewardship”. I ask who is good in math. Some hands go up. I ask who are good spellers. Other hands go up. I ask who are good readers. Yet other hands go up. We talk about helping each other...the strong ones helping those who aren't as strong in certain areas. And that we are stronger as a group when we look out for each other. They may only be third graders. But they understand.

Our schools need us, and we need to pitch in at an early age. Schools can't by themselves turn all kids into productive adults. I feel good about the relationship between City government and Goshen Community Schools. But we need more relating than just between administrations. It takes a village to raise a village. The Chamber of Commerce and its members are an important part of the village. Some in this room don't live in Goshen. But what I have to say applies outside Goshen, also. It's just a wider village, and you can do for your schools what I'm advocating for Goshen schools. There are kids in all school corporations who need extra help.

There are a lot of people in this room, and in your companies and associations, who could be readers to second graders in Goshen Schools. Until third grade, kids learn to read. After third grade, they read to learn. If they need help getting up to speed, we can help them. The words aren't too big for us. Most males can take one hour per week during the school day for four weeks, reading to a second grade classroom in the “Real Men Read” program in the first semester. And most men and women can spare an hour per week for “Reading Camps”, which run eight weeks in the second semester, reading and playing learning games with a specific second grader. I've done it for a couple years, and it's been as rewarding for me as it has for the students...maybe even more so.

Wouldn't “Real Men Read” and “Reading Camps” be great programs for the Chamber to champion as some of its initiatives? Get out your pen and write this down. Mkercher@goshenschools.org. It's Michelle Kercher's email address. She is the volunteer coordinator for reading programs sponsored by the Elkhart County United Way. Send her a message and say “Here I am....eager to help.” She'll love you!

Kids a little older need mentoring. At Goshen Middle School, there are opportunities to pair up with kids who need another adult in their lives. Programs like E-3 and Five Star need more volunteers. Kids without good role models are like explorers without a map. At this age, kids are trying to navigate life, sometimes without much help. Again, there are a lot of people in this room who would be good mentors.

Jeremy Sheets, who coordinates a mentoring program at Goshen Middle School, spoke recently at a Goshen Noon Kiwanis Club meeting. He reminded us that we spend a lot of time worrying and complaining about “brain drain”. Our kids go off to college and don't return home. But the kinds of kids who need mentoring aren't going to be leaving. They will be with us for the long term. By and large, they

aren't going anywhere. We need to take better care to assure they are productive residents of our communities. Contact Jeremy at Goshen Middle School to volunteer. Jsheets@goshenschools.org.

We can also care about increasing employment opportunities and wage levels so that fewer kids are on free and reduced lunches in our schools, parents aren't working multiple part-time or low wage jobs to try and make ends meet, and teachers don't need to spend their own money to send food home with students so they'll have something to eat on the weekend when schools or Boys and Girls Club aren't feeding them.

Working toward the common good will require us to think and act boldly. And be creative.

Something culminated in Goshen Tuesday evening that was both creative and bold. Dan Shenk, former reporter for the Elkhart Truth, currently a self-employed copy editor, did a lot of research on Sundown Towns, Goshen being one of them. If you've read local newspapers, you know that Sundown Towns were ones not welcoming to African Americans for much of the 20th century. In fact, African Americans were not to be in town after 6:00. Some towns posted signs at the city limits. Some blared sirens at 6:00. Some had ordinances on the books. No evidence of any of these has been found for Goshen. But we discriminated in other ways, including having deed restrictions that did not allow non-whites to live in certain subdivisions.

Dan and Lee Roy Berry, an African American attorney in Goshen, had the creative idea to write a resolution acknowledging our past, with affirmation that it isn't Goshen today, and never should be again. He asked if I would present it to the City Council. I said it needed to be vetted through the Goshen Ministerial Association and Community Relations Commission before putting it in front of the City Council. It deserved community conversation, and would require a groundswell of support. They did present it to both groups. Over a period of several months, the resolution went through some 30 drafts, and came to the City Council unanimously endorsed by both the Goshen Ministerial Association and the Community Relations Commission.

It was not an easy decision for the City Council. Many people felt the past is past, let it rest. Don't roil the waters. Many people in Goshen don't even know about our past, Why bring it up? We weren't responsible and shouldn't need to apologize. But our past is not past. It is always with us. William Faulkner said, "The past is never dead; it's not even past." A community that can admit past faults has a chance for a better future.

I found out we were a Sundown Town a number of years ago, and have mentioned it numerous times, saying the attitude may have been part of why it has been difficult for some people to welcome other ethnic groups who have come to Goshen. I didn't run and hide from it, but also didn't think about a resolution to put to the City Council.

When I grew up in Goshen, we were all white. My friends and I never thought about why we were all white. We just were. We didn't know it was by some kind of design, social norm or exclusionary

practices. Our parents never talked about it. Maybe many of them were unaware, also. Many, maybe most of us alive today, who grew up in Goshen, and many who have moved here, had no idea why we were so white. But Dan Shenk's research showed why.

One thing he found was a Goshen News photo with me among a group of participants in a Minstrel Show at Goshen High School in 1956. If you don't know what Minstrel Shows were, they were variety shows, often with acts that made fun of African Americans. I remember it vividly, though I was only 7 years old. I played my accordion and my older brother sang a duet with an adult, Harold Goldstein. I wasn't black faced, and don't recall if my brother was. The majority of adults were. I had no concept of discrimination. It is the only Minstrel Show I recall, so it likely was the last one in Goshen.

In the mid-1930's, the Goshen City Administration provided demographic information about the community for a promotional booklet called *Goshen*. It stated that crime was low due to the nature of our population, which was 97.5% native born white and 2.5% foreign born white, and no "negro population" (an acceptable term at the time). Wow. Low crime because we're all white. That language survived intact when transitioning into R.L. Polk City directories in the early 1950's. I've referred to language in R.L. Polk directories a number of times in the past when speaking about diversity. The demographic information by then was attributed to the Chamber of Commerce. So both the City Administration and business community contributed to promoting the idea that we were a safe community because we were all the same.

Dave Daugherty rightly points out that it must have been someone in the Chamber of Commerce who became a little sensitive about the statement. By the mid 1950's, the phrase "and no negro population" was deleted. But it still said we were low crime because we were all native or foreign born white. The same statement continued to the late 1970's, changing only to describe us as low crime because we were 97.5% native born white, 2% foreign born white, and .5% other.

The City Council acted boldly Tuesday evening in passing the resolution 6-0. In doing so, they acknowledged the role that City administration played several decades ago. It doesn't overtly "apologize". Using that word drew too much complaint. It recognizes what we were, that we've moved beyond those decades, and we should never return. It ends with a 9-word summation. "It happened. It was wrong. It's a new day."

In doing so, we aspire to be what Abraham Lincoln advocated in his 2nd inaugural address with these words..."with malice toward none and charity for all."

As a good and decent community, we demonstrated that Goshen could have a calm and measured conversation – emotional, yes, but not mean-spirited or destructive – about racism and discrimination. Tuesday night was a defining moment in Goshen. We are reportedly the first of over 100 identified former Sundown Towns in Indiana to consider such community statement. We may even be the first of thousands across the United States. And that is worth celebrating.

I invite the Chamber of Commerce Board of Directors to consider joining the Goshen Ministerial Association, Community Relations Commission and City Council in endorsing the resolution, adding the business community's voice that it is, indeed, a different day in Goshen than it was during our Sundown Town past.

What comes after me?

A local newspaper reporter asked me several months ago if I am worried about the next mayor "undoing my legacy". I expressed surprise, saying I didn't think much about "legacy". For sure don't rename the Waterford Mills Parkway as "Allan's road to nowhere". You'd just have to rename it in the (hopefully) near future when it connects US33 to SR15, and eventually to CR40 on the way to CR17. When the Third Street project was such a big controversy, someone in the Old Town Neighborhood Association put up signs along Third Street, saying "Allan's Alley". That was kind of cute, and I have one of the signs hanging in my basement. But don't rename Third Street after me, please.

The reporter continued. She asked how I want to be remembered. I paused and said "I guess if people can say 'he left it better than he found it', that would be good enough".

Many of you have heard me refer to the City's mission statement. When I took office, I inherited the one crafted by Mayor Mike Puro's administration. I thought it a good one, have kept it, and will pass it on to the next administration. If it is changed, I hope it will retain its foundation of stewardship. To summarize, it says our job is to assure that we pass our community to its next set of leaders in better condition than it was passed to us. I'd like to think Goshen is at a better place than it was when I started, and along with great City employees, we have faithful to our mission.

A number of those employees are here today. Please stand. Thank you for being stewards of our community.

I've considered it a great honor to have served as mayor as long as I have. Recently, I was reading a short bio that was written in a program brochure. It was not written by me, or anyone I instructed. It said that, at the end of this year, I will have served 18-2/3 years, and will be the longest serving mayor in Goshen's 184 year history. I looked at those two numbers, and thought oh my....that's 10% of Goshen's history. In that perspective, it seems like a long time. But in other respects, it seems like it has flown by. It doesn't seem that long ago I was still working in the office supply industry.

I said before the last election that this would be my last term. Dave Daugherty has lobbied me to stay in office at least until he retires. Many of you have heard him repeat his anticipated exit date 7-11-17. But the end of 2015 is a good time for me to pass my responsibility to someone new. By most measures, it seems things are clicking pretty well in Goshen. The "Good of Goshen" campaign that is jointly sponsored by the City of Goshen, Chamber of Commerce, Goshen Community Schools and Goshen College is having an effect. We're being noticed across the state for a pretty vibrant quality of place. Check it out at GoodofGoshen.com, and Good of Goshen Facebook.

But perhaps a better reason for passing the reins is that there is a strong bench, prepared to take over and lead Goshen from where we are now to an even better place.

Am I concerned about who and what will follow me? Yes. I'll always have an emotional attachment to Goshen. I've been a cheerleader for a long time. Hopefully, I won't take it as personally when I hear someone saying something negative about us. So I do care about who follows, and what that will mean.

To use a sports metaphor, it's your challenge to figure out who on the bench to bring into the game. I'll have my preferences, and some of you will have others. It is my hope that you agree with the general path we are on, and elect leaders you trust will continue the momentum. We have been as progressive as we can reasonably afford to be in providing services and amenities that we enjoy, and that will attract new residents and businesses. It is my hope that new leaders next year are equally committed to assure Goshen remains a place we're proud to call home.

Last, I challenge Goshen's future administration and the Goshen Chamber of Commerce to continue the great, mutually supportive relationship we've enjoyed for many, many years.