While much of the past couple of years has been spent making the difficult management decisions to lead us through these unprecedented economic times, we have also intentionally been strategically adding important tools to our toolbox for building our community’s way to a bright future. The Public Development Authority, Transportation Benefit District, Office of Business Relations & Economic Development, and our performance measurement system of legacies, strategic commitments and metrics come to mind as some of the tools now at our disposal.

I recapped much about 2010 in my budget address to you. I want to spend most of my time today highlighting the connection between the tools we have added to our toolbox and what we’ll get done in 2011 as further evidence of the promise I know Bellingham’s future holds.

As we begin 2011, the state of our City is better than many in our state and nation but clearly one that has been weakened by more than three years of financial hardship.

Though painful decisions have had to be made that affected the lives of many, I have been reassured by the number of citizens who have taken the time to offer support and encouragement. Not just for me but for our whole organization during these times.

Just a couple of weeks ago, as I was sitting early evening in the café at Village Books for a quick bite before an evening meeting, a young mother, flanked by her toddler, paused near my table to simply say she appreciated all the hard decisions we have had to make and expressed her hope that our team will soon be relieved of the burden this deep recession has placed on all our programs and workers. “It’s been very tough,” she said, “but people understand.”
That Bellingham spirit is one of the many reasons I am proud to be Mayor of this city. Our citizens are engaged, usually big picture thinkers, and the support and guidance they provide us has helped us through the past few years just as it has for the decades before then.

While we won’t know the absolute final bottom line on 2010 for a few more weeks, we know in general that we are entering 2011 with a modest continued reliance on reserves to operate the government.

At the same time, we have met Council guidelines for maintaining established reserve balances because we have made tough, sometimes unpopular choices to contain spending, and our reserve usage has been prudent without jeopardizing our overall financial stability.

As some cities around the nation have financially defaulted and many other cities have seen the recession erode their standing with the bond markets, I am pleased to report that Bellingham improved to a Aa2 General Obligation bond rating, which provides us with access to more favorable terms for bond issuance and debt service. (I want to thank John Carter and his financial team for all their work in steering us through these challenging times.)

Despite the disappointing need to shrink our workforce each year since 2008, we enter the New Year with 782 dedicated regular employees who work day and night to provide services that many people take blissfully for granted.

To the naysayers about government, there are days when I wish I could – without harm to health or safety—just freeze-frame their life for one day, or one week, to live without any of the services our government provides to them, so they would come to understand the tremendous return on their tax investment they receive every day of their life, in large part due to the commitment of our city workers and the foresight of citizens who came before them.
Even in the toughest of times, Bellingham measures up and we’re going to make it even better. As I highlight some of our key directions for 2011 in the minutes ahead, I’m going to also highlight a few of our employees who are and will be integral players in those advances for our community.

Before I begin to describe some key deliverables in 2011 and beyond for our community, I want to pause and express my sincere thanks to the hundreds of local citizens who give of their time and expertise to help shape our city through their work on boards, commissions, committees and task forces. And to the many more civic-minded citizens who share their ideas, concerns and affirmations with us daily via mail, phone calls, social media and email or through the periodic surveys we conduct. Clearly, Bellingham’s strongest asset is its engaged citizenry and I ask you to pause with me now to offer a hearty round of applause for their many forms of committed, active engagement.

In particular, I want to thank the more than 1,000 citizens and business owners who just participated in our citizen and business climate surveys. That data is now being compiled and will be an important source of information for this administration and Council as we plan the future in the weeks and months ahead.

One of the many avenues by which citizens learn about their governments, emerging issues and candidates are the forums hosted by the League of Women Voters. The League has partnered with the City in use of our facilities and BTV10 to continue their decades old tradition of citizen education and nonpartisan advocacy. Please join me in acknowledging League Co-President, Jayne Freudenberger and members of the League’s board here with us tonight for their exemplary work in citizen involvement.

In the coming weeks, in this room, the League will again engage the community in a much needed conversation about the proposed new county jail, so their important work continues for our city and Whatcom County residents. Thank you Jayne and all.
I would also like to thank our City Council, the people’s representatives, for the many, many hours you put into your “part-time” job as policy makers. We have good discussion and debate—the bedrock of a strong democracy—and our government is stronger for it. Thank you for all you do in your important roles.

We have also with us tonight a woman with deep roots in our community who has worked tirelessly for our interests for nearly two decades in the sometimes rough and tumble proceedings of Olympia. Regardless of one’s political affiliations, we all owe a debt of gratitude to any individual willing to serve the public for so many years, to sacrifice personal and family time, to keep our democracy alive. Please join me in showing our gratitude to Kelli Linville.

She leaves large shoes to fill.

Let’s turn our attention to the future and some of the important aspects of our government’s and the private sector’s work going forward.

For the sake of time, I’d like to highlight just four themes, though we will accomplish much more. The four are: Economic Development, Lake Whatcom, Government Efficiency and Advances in Stewardship & Sustainability.

Rightfully, our community and most across the nation are concerned about getting the economy back on its feet, producing jobs.

While some will contend that the only thing government can do is get out of the way, I disagree. Yes, we need to make sure our regulatory or other government processes aimed at the public’s health and safety don’t unnecessarily burden the private sector, and we have made steady progress on that front in recent years.

In fact, I’d like three members of our Building Services/Permit Center team, Jim Tinner, Lara Palmatier and Nicole Oliver to stand and accept our thanks on behalf of their entire team for turning a service center that was
not that long ago berated by its customers into one that is now very highly rated by its customers. Jim, Lara and Nicole...and the whole permit center team. Thank you.

Government also enables economic development by assuring that we offer the kind of quality of life that makes CEOs want to start, move or expand their businesses here because it is a good place for them and their employee’s families. As national surveys repeatedly reinforce, great companies are drawn to great communities. Like our forebears, we choose to dedicate significant resources and effort to keep Bellingham attractive and well rounded in life-enhancing amenities.

For example, on Wednesday the widened and repaired Pattle Point Trestle, will reopen as a connector between Taylor Dock and Boulevard Park. In the not too distant future it will be part of a system that connects an overwater walkway all the way to the downtown waterfront. All optional choices that make Bellingham a joyful place to live.

And it’s not just the government adding to our impressive quality of life portfolio. We are just days away from Woods Coffee opening another major investment in our downtown as it opens its 10th location in the FlatIron Building on Bay Street. That new location is, of course, in concert with Logos Bible Software’s expansion into that building as CH2M Hill relocated to another location in the city along the waterfront. Woods will be across the street from the much anticipated and city-supported new Pickford Film Center. Due to stalwart businesses there for a long time and new additions, Bay Street is booming.

Bob Pritchett from Logos could not be with us tonight due to a commitment in Seattle, but I’d like to ask Wes Herman of Woods Coffee to stand and accept our gratitude for making such a mark on our community in a relatively short time. Wes?

The many city and private investments that have made Fairhaven a jewel, and good collaboration with the Port and other economic development organizations are also bringing another business seeking Bellingham’s
quality of life into our community. I’m thrilled to welcome Index Sensors and their 35 quality jobs to town. Andy Anderson, a loyal WWU alumnus, and President of Index is here tonight. Andy, welcome and thanks.

Of course, we cannot rest on these laurels. In economic development, 2011 will be the year that we:

- Conclude much of the community input work on a new downtown plan, having accomplished most of the old plan’s objectives
- See at least two nonviable buildings on the old GP site come down and Central Avenue repaired and bolstered to serve first as a temporary clean-up and construction access road to the site as waterfront development takes a step forward, and ultimately as a pedestrian connection to a revitalized waterfront district.
- Hopefully receive approval of the waterfront subarea plan, Planned Action Ordinance and Development Agreement package by the Planning Commission and City Council
- Offer additional Permit Center innovations and streamlined options for permitting and inspections, such as the new low-voltage electrical self-certification program
- Announce a new future for the city-owned parcel at Maple and Cornwall through the Public Development Authority’s good work
- Add to the supply of affordable housing through two and possibly three projects
- Assure more workers without cars can get to work by adding back Sunday and possibly other bus service through the resources authorized by the voters under the Transportation Benefit District

For Lake Whatcom, 2011 will be the year when:

- Take bolder steps to protect the watershed from overdevelopment. As Council knows, today I filed a petition with the Department of Ecology seeking an emergency order banning the permitting of any additional exempt wells in the watershed until we and DOE are convinced that County regulations and policies are doing as much as the City is to protect and restore the lake. We trust that DOE will put their clout where their words have been in expecting more aggressive action to protect and restore the lake.
We continue other land acquisition to remove it permanently from potential development
We learn more of the results from the Silver Beach Pilot program and translate those lessons into additional action steps
We expand the Homeowner Incentive Program that encourages private property owners to address damaging run-off from their land
We implement plans to make Bloedel Donovan Park even less impactful on the lake while safeguarding its value as a prized recreational venue

In other areas of stewardship and sustainability, 2011 will be the year that:

- We bring the long saga of Chuckanut Ridge to a satisfactory conclusion
- I will ask Council approval of low-cost bonds allowing us to catch up on decades of deferred maintenance in our city facilities, as per the recommendation from the Capital Facilities Task Force to “fix it first.”
- We learn the feasibility of turning the large raw water pipe that served Georgia Pacific into a producer of hydro-electric power for the grid and/or our own operations
- We take tangible steps forward in plugging Bellingham into the electric car movement
- We take additional steps improving security at Municipal Court
- We begin partnering with our citizens and private contractors for making community solar real in Bellingham
- The Transportation Commission brings forth a pedestrian master plan for our community
- We continue our commitment to building the needed trail and park system on the city’s northside through use of our citizen-granted Greenways dollars.

To increase our government’s efficacy and efficiency, in 2011 we will:

- Operationalize our performance metrics system by tracking nearly 100 indicators, provide a preliminary report on some of those indicators and prepare for a comprehensive first report in the first quarter of 2012.
- Begin catching up on our backlog of infrastructure paving projects through the Transportation Benefits District proceeds and make that infrastructure increasingly multi-modal so we can assure efficient movement of goods and people.
• Begin preparing contingency plans for paramedic services now that the County has voted to disband the 35-year old EMS system.

• Bring more of our customer service around diverse city transactions online for our citizens. We reached a milestone in 2010 by processing more than 20,000 financial transactions online, a 10-fold increase from previous years, thanks to the debut of two new systems: online parking ticket and utility bill payments. They joined our very successful parks and library online customer service options. These efforts have literally saved the equivalent of months of staff time by not having to have staff opening that mail, processing checks, etc.

Though many staff make these efficiencies happen, I want to ask Information Technology Services Department Director, Marty Mulholland to stand and accept our thanks on behalf of her team, inclusive of Steven Niedermeyer, Mark Smith and others, plus Judicial Support Services Director, Linda Storck, Christine Weinberg on John Carter’s team and others. These interdepartmental efforts pay off big time, saving us dollars and enhancing our customers’ experiences. Thank you, Marty and all.

In fact, to all my fellow city employees, who have endured much in the past few years, yet have persisted in not only providing quality services under both routine and extraordinary circumstances but have also worked hard to continuously improve those services despite limited financial resources at their disposal, I say thank you. I have never been more proud to work along side you.

So much was accomplished in 2010 and we have much to do in 2011. I believe we have weathered the worst. Revenues are looking slightly better in recent months but we all know that they will not grow faster than known institutional expenses, so let us feel better, turn our eyes to the future but also avoid temptation to stretch beyond our means.

We can take our fair city and make it better with the tools we have and will create. I look forward to that important work. And, again, I thank you for the privilege of serving as your Mayor.