Hello and welcome to the 2008 State of the City Address. I’m Pegeen Hanrahan, Gainesville’s mayor. On behalf of our City Commission and more than 2,200 city employees, thank you for sharing in this annual review of Gainesville’s progress, and assessment of our future opportunities and challenges.

At this time last year, I took the opportunity to congratulate the Gator Football and Basketball teams on their respective national championships in 2006. In 2007, the Gator Basketball team made history by repeating as national champions. Success came to the Gator Football team in the form of the Heisman Trophy Award to UF quarterback Tim Tebow. Of course, our great quarterback is quick to acknowledge that this prestigious award is only achieved through a united and sustained team effort. So congratulations once again to both teams for their exemplary accomplishments. They continue to represent the highest ideals of the University of Florida and the passion for excellence that thrives within Gainesville’s citizens, and in our vibrant neighborhoods and businesses. It is this same commitment to excellence that led to Gainesville’s recognition by the publication, Cities: Ranked & Rated, 2nd Edition as the top-ranked city for 2007, out of more than 400 cities in North America. Once again this impressive ranking is a direct result of the involvement of each of you as concerned members of our community, working in partnership with your city government. This year, we are again releasing our annual Citizen’s Report in conjunction with this address. This year’s report has been subtitled, My City to capture the sense of pride, civic engagement and ownership that our citizens feel toward their community. We have produced a limited number of printed copies of the report to coincide with this address for those of you in attendance today and for distribution by request. However, we’re also doing things a bit differently this year by providing this report primarily online, in an effort to be both environmentally and fiscally responsible, which are core values of our city government. This innovative format enables our elected officials to appear in brief video segments.
that highlight key accomplishments and issues throughout the report. You can also click on hyperlinks for more detailed information on city services and programs.

As the number one ranked city in North America, your city government is committed to ensuring that you receive efficient, innovative, and high quality city services and programs.

Last December, your City Commission met to review our strategic goals for 2007, and revise them as necessary for 2008. These strategic goals shape our budgetary and policy decisions about major initiatives designed to position our city for continued success. I am particularly impressed by the enormous amount of work that our city accomplished in 2007, working to ensure the continued well-being of our citizens. That is why it is important to take this opportunity to recognize our recent successes and look forward toward our future. There are a number of areas and projects in which we have achieved significant accomplishments in the past year. But before I point them out, I want to say a few words about our charter officers and some of the activities they have been engaged in.

As many of you know, the City of Gainesville operates under a commission-manager form of government with a directly elected mayor. While the City Commission determines the overall direction and policies for your city government, the implementation of those policies is carried out by our city’s six charter officers and their respective staff. Our city manager, Russ Blackburn, oversees many of the city’s operations including police and fire protection, construction and maintenance of our city’s infrastructure, neighborhood improvements and more. The accomplishments of city departments under the direction of the city manager will be covered in greater detail throughout this address. The City Attorney’s Office, under the leadership of Marion Radson, serves as legal counsel to the City Commission, the charter officers, as well as various departments, boards and committees. This year the attorney’s office prepared innovative ordinances to protect public safety, like prohibiting panhandling in the streets, and requiring trespass tow companies to accept credit cards for payment. The
The City Auditor's Office is entrusted to Brent Godshalk and works to promote an honest, effective and fully accountable city government. This past year, the office worked towards that mission by reviewing overtime expenditures for Gainesville Fire Rescue and the Gainesville Police Department. They also evaluated GRU's small business enterprise program, and assessed public works' performance measures for road maintenance. The office also and worked to maximize the city’s return on the sale of Brownfield voluntary cleanup tax credits, resulting in additional revenues of $70,000 in 2007 and $600,000 over the next few years.

The Office of Clerk of the Commission under the direction of Kurt Lannon, records meetings, prepares agendas and minutes, provides administrative support to the City Commission, and maintains vital city records. This year the clerk of the commission increased the availability of live and archived meetings on the city’s Web site and implemented the domestic partnership registry. Interested persons can sign up for the registry at city hall in the clerk’s office.

The city's charter officer for Equal Opportunity is Jimmie Williams. His office works to promote equality and opportunities for every Gainesville citizen, ensuring they have access to and are able to enjoy all that Gainesville has to offer. This year the office of equal opportunity initiated a community-wide “dismantling racism process” designed to increase awareness of institutional racism and develop plans to eliminate it. The office also led efforts to amend our anti-discrimination ordinance, and trained approximately 700 city employees on diversity awareness.

And finally, we're fortunate to own our own utility here in Gainesville. Karen Johnson, the general manager for utilities, oversees its operation. GRU provides electric, natural gas, water, wastewater and telecommunication services to approximately 90,000 residential and business customers. Some of the highlights of the past year included
breaking ground in August on a new air quality control system for the Deerhaven Generating Station’s Unit Two. The retrofit will reduce plant emissions to well below the levels required by the EPA’s clean air interstate rule and clean air mercury rule, which require significant reductions in the emissions of sulfur oxides, nitrogen oxides, and mercury. The cost of this project is projected at $141 million. In 2007 GRU also launched 22 new energy efficiency programs aimed at reducing power consumption for a cleaner environment and lower power costs to our citizens. GRU also partnered with First Credit Union to provide low interest loans of up to $10,000 to help customers afford major energy efficiency upgrades to their homes. GRU’s energy efficiency programs have resulted in over 13,500 megawatt hours being saved over the past 11 months, and that’s enough energy to power 1,120 homes for an entire year. In partnership with Shands Healthcare, GRU broke ground for construction of its new South Energy Center on the campus of the new Shands Cancer Hospital. This highly efficient, natural gas-burning 4.2 megawatt facility is the first hospital campus energy center of its type east of the Mississippi, and second in the nation. When completed, this facility will supply all of the energy and emergency back-up needs of the hospital, as well as chilled water for air conditioning and medical gases. It will provide a 46-percent cost savings over traditional fossil fuel-burning generation. Later, I’ll review some of the exciting plans GRU will be working on in 2008 and beyond, but now I’d like to take a moment to acknowledge the valued leadership of GRU’s General Manager.

For almost two years, Karen Johnson has served with distinction as our city’s general manager for utilities. She has provided a steady hand on the rudder steering the utility on a course toward greater organizational effectiveness, financial stability, power generation diversity and enhanced energy conservation efforts. She has earned the trust we have invested in her, and while I am happy that she looks forward to a fulfilling retirement, we will miss her vision, commitment and skills. Please join me in applauding Karen for her exemplary service as GRU’s General Manager.

Karen, on behalf of the City Commission and all of our city employees and the entire staff at GRU, please accept our sincere appreciation for a job well done. Karen will continue to serve in her current position through February and will stay on in a transition
role for two additional months. However, today I am pleased to announce that the City Commission has approved a contract with Bob Hunzinger to assume duties as the next General Manager of Gainesville Regional Utilities effective March 3, 2008. Your City Commissioners and I look forward to working with Mr. Hunzinger on the important challenges that lay ahead for GRU.

Each of the city's general government departments has significant achievements to be proud of. One of our city’s core responsibilities is protection of our citizens. Public safety is not just about putting out fires or arresting criminals; it’s also about prevention and fostering an overall atmosphere of safety consciousness in our community. Our two primary city departments addressing public safety are Gainesville fire rescue and the Gainesville Police Department.

Gainesville fire rescue, or GFR, has been saving lives and property in our city since 1882. This past year GFR responded to 14,381 emergency calls. GFR also conducted 275 public education events reaching nearly fifteen thousand citizens. The department implemented "Operation Safe Club" to ensure efficient evacuation plans for nightclubs, and completed phase one of Kiwanis Safety City, an educational facility that teaches residents of all ages about fire and life safety. GFR also responded to 30 suspicious fires, with the arson investigator arresting individuals in 30 percent of these fires, far exceeding the state average of 18 percent. GFR has also implemented new advance vehicle locator technology that will allow for faster dispatching of vehicles as well as more accurate control of traffic signals to provide shorter response times. In 2008 GFR is on track to open the city’s eighth fire station to provide enhanced fire service to the city’s northwest neighborhoods. When operational, this fire station will insure that Gainesville maintains an ISO rating of 3. This means that your home insurance rates will continue to reflect the city’s excellent fire protection rating.

The Gainesville police department, or GPD, is a full-service, community policing law enforcement agency dedicated to partnering with our citizens for problem resolution. In 2007, GPD continued its community policing programs with officers attending over 500
community meetings and assisting the nearly fifty neighborhood crime watches in operation. GPD also continued its sponsorship of the Reichert House program. One hundred and fourteen students are now enrolled in this afterschool program aimed at helping youth successfully transition from adolescence to adulthood. GPD also completed the first stage of a multi-year renovation of its facilities, with the completed construction of its new administration building. The new facility was the former walker furniture building. Future plans include a community/training center, an indoor shooting range and a complete renovation of the existing GPD headquarters building. These renovations have been funded by drug forfeiture and city bond funds, and were designed to help bring g-p-d even closer to the citizens of Gainesville, and to provide you with the best possible service. Gainesville has one of the most professional police departments in the nation. However, no amount of training can prevent tragedy from ever rearing its ugly head. The reality is that policing is an inherently dangerous profession. Every GPD officer knows that it comes with the job. Last year, one of our own officers lost his life in the performance of his duties.

Lt. Corey Dahlem was an exemplary police officer, father and husband. He is dearly missed by his nuclear family and by his city family. We are all saddened and diminished by his loss, but at the same time, we are richer for his contribution and service to his community and those he loved, and we know he now walks with god.

Along with public safety, our citizens expect their municipal government to provide high quality services that maintain a strong infrastructure for the city. It is these structures and systems that give shape and support to a healthy, livable community and that are so vital to every great city. Without the streets, sidewalks, stormwater drains and traffic signals maintained by our public works department, the entire city would grind to a halt. Fortunately we have one hundred sixty five city employees working every day to maintain, improve, and expand our infrastructure and transportation system and 232 rts employees keeping our city’s public transportation system running smoothly.
In fact 2007 was another busy year for public works, building new sidewalks and curbs throughout the city, replacing traffic signals, supervising waste removal and transporting eight point nine million passengers via the Gainesville regional transit system, also known as r-t-s. Public works also completed major streetscape improvements including the Southwest 2nd Avenue improvement project. Elements of the redesign project involved resurfacing and milling SW 2nd Avenue between Main and 13th Streets, installing roundabouts and adding attractive landscaping funded by the Gainesville community redevelopment agency. This project beautifies this key corridor that runs parallel to University Avenue between downtown Gainesville and the University of Florida. The project also sets the stage for further private redevelopment in a vital area of downtown Gainesville, some of which is already well underway.

This year Public Works also connected the Gainesville Hawthorne trail to Depot Park, participated in the Great American Cleanup, as well as ten individual neighborhood cleanups collecting, recycling or disposing of over 193-thousand pounds of trash. Public works staff provided oversight as a new downtown transfer facility was constructed for the regional transit system. They also established two new bus routes and added 17 new buses to the city’s fleet.

After more than ten years of effort, the public works department obtained approval from the governor and cabinet for acquisition of the 6th Street rail corridor, with funding from the office of greenways and trails, and with assistance from the trust for public land. We look forward to the opportunity to build a beautiful urban trail along 6th Street from Depot Avenue to Northwest 16th Avenue.

We are also excited to see great progress in implementing the traffic management system. The system features retimed signal lights that will improve traffic flow by 10 to 20 percent in Gainesville and Alachua County when fully operational. I am happy to share that the 18 million dollar program is now completely funded through joint contributions from several stakeholders. Funding includes a nine million dollar grant from the Florida department of transportation, two million from Alachua County, three
point eight million from the University of Florida and up to five million from the city of Gainesville.

There are other significant accomplishments by Gainesville’s Public Works Department which are described in greater detail in the 2007 online Citizen’s Report. You can also learn more about ongoing capital projects managed by public works and other city departments by following links contained in the report and I will discuss future public works initiatives shortly.

The heart of every city consists of the people who choose to live within it. In doing so, they work to build strong and unique neighborhoods complete with responsive community institutions. Your city invests in its neighborhoods, working to ensure the highest possible quality of life for all of our residents. In order to expand and improve our focus on neighborhoods, this year the city reorganized our existing community development department into two distinct but coordinated areas of city government. They are the Neighborhood Improvement Department and the Planning and Development Services Department. The Neighborhood Improvement Department includes the divisions of Code Enforcement, Community Development Block Grant, General Services, Housing, Neighborhood Planning and the Community Redevelopment Agency. Through the Neighborhood Planning function, the department reactivated the Porters Oaks homeowners association, adopted neighborhood action plans for the Ridgeview and Pine Park neighborhoods and installed landscaping and entrance signs in several neighborhoods.

The city’s Housing Division works to improve the quality of life of city residents by providing safe and affordable housing through a variety of programs. This year they coordinated the purchase and demolition of the Kennedy Homes property. This is a milestone accomplishment for the Southeast Gainesville Renaissance Initiative that will lead to a quality market-rate, mixed-use residential and commercial development that will help revitalize the entire area. The division also helped 45 homeowners with repairs,
provided homebuyer education training to 283 potential homebuyers and initiated the credit repair program, among other accomplishments.

Just as we hope every Gainesville resident is a good neighbor, we want to ensure that your city government is a good neighbor. The General Services department maintains over 80 city-owned buildings, oversees new construction such as the GPD and rts projects, and manages the city’s fleet of over 1,400 vehicles.

The Community Redevelopment Agency promotes revitalization and redevelopment in the College Park/University Heights, Downtown, Eastside and Fifth Avenue/Pleasant Street areas. This year they provided funds for the Camden Court project in the College Park/University Heights redevelopment area.

Downtown we provided funding through the transformational projects incentive program for the Palms Condominiums, and environmental remediation that enabled construction of Jefferson on Second, a new apartment complex bridging the gap between campus and downtown. We anticipate construction will begin on the new Hampton inn hotel in downtown within months.

The redevelopment agency also finished the rehabilitation and sale of another beautifully restored “shotgun style” model block home. The model block program is actively revitalizing the Fifth Avenue/Pleasant Street neighborhood by rehabilitating vacant decaying homes and offering them for sale as owner occupied housing. The project continues with several more homes being rehabilitated and new construction on vacant lots. I encourage you to visit this area for yourself to see what a difference it's beginning to make in this historical neighborhood.

The city’s Block Grant Division oversees the administration of the community development block grant and the home investment partnership grant programs. In 2007 the division assisted the work of the Gainesville Alachua County Office on Homelessness, and established a homeward bound program to help return homeless
persons to their families in other communities. The division also helped develop the Give a Better Way! Program, which raises awareness and allows anyone to help the homeless in our community through online donations and the installation of donation collection meters throughout the downtown area. We anticipate opening the one stop homeless assistance center in 2008, and will continue our role in implementing the ten year plan to end homelessness, in partnership with county government and an impressive suite of non-profit service providers.

The Code Enforcement Division plays a key role in improving our city’s neighborhoods by enforcing compliance with our city’s ordinances. This year, code enforcement closed 9,931 cases and opened 9,681 cases, referring 148 cases to the code enforcement board. The division also issued 1,258 notices of violation and collected over $30,000 in fines. This year code enforcement officers began working on Saturdays to improve the quality of life in our neighborhoods through increased code enforcement activity.

Once again, I invite you to read more about the many accomplishments of the neighborhood improvement department by accessing the online version of the 2007 Citizen’s Report.

The Planning and Development Services Department includes the divisions of Economic Development, Planning and Building. In 2007, with the assistance of the department’s Economic Development division, two high technology businesses, ICU Datasystems and Axogen, graduated from our city’s incubation program at the Gainesville technology enterprise center, which is also known as GTEC. The department also helped bring two new companies to Gainesville, eclipse aviation and DayJet point to point air service. These companies are a welcome addition to Gainesville’s burgeoning aviation industry and infrastructure and represent the growing success of our innovative economic development efforts. There is a wealth of additional information and video about these two companies and their products within our online version of the 2007 Citizens’ Report.
Additionally, the Planning Division provided staff support to the City Commission’s Development Review Board, Plan Board and Board of Adjustment. Its staff processed nearly 120 cases and 673 requests for zoning compliance permits. The Building Division performed over 25,000 building inspections and issued nearly 9,000 construction permits representing a total construction valuation of 2.8 billion dollars, which gives some indication of a relatively healthy local economy during the past year. While Gainesville is growing dramatically in many areas, some parts of our city continue to be left behind. We are committed to continuing to refine our regulatory and incentive programs in an effort to direct growth to areas that need it most, while still protecting our precious water resources and natural environment. We will be working with the county over the next year to better understand how our strategic ecosystem protections and other development processes can work better together.

The department of Parks, Recreation and Cultural Affairs works to meet our community’s need for diverse recreation and leisure activities, as well as preserve the natural environment and abundant tree canopy that makes our city uniquely beautiful. 2007 saw the completion of several major projects including pool renovations, a new gate and fence on the dreamers garden, the evergreen cemetery visitors station, and Phase 1B of the Hoggtown Creek Greenway.

The Recreation Division provided activities for over 75,000 citizens through the city’s recreation centers, providing a variety of programs for our citizens including swimming, tennis and basketball. Ironwood golf course increased its rounds by 2,000 players, demonstrating the success of continued improvements completed at the 18-hole championship course.

The Cultural Affairs Division once again delivered another amazing downtown festival and art show. Now in its 26th consecutive year, the festival continues to rank among the best art festivals in the nation. The division also brought us the Hoggetowne Medieval Faire, the Summer Cuts Film Series and an increasing variety of art exhibitions at the Thomas Center Gallery. This year the division released a report on the economic impact
of non-profit arts and culture organizations in Alachua County. The report showed conclusively that the arts mean business in Alachua County, generating forty one million dollars in local economic activity and serving as the tenth largest employer in the county.

Finally, our Nature Operations Division continued to maintain thirty seven different active parks, the historic Evergreen Cemetery and Thomas Center, the downtown and City Hall plazas and more than eighty street medians. The division also maintained 30,000 trees on our city streets and 10,000 trees in our city’s parks. The division conducted prescribed burns over some 20 acres of the city’s natural lands, conducted Earth Academy Day Camps to increase environmental awareness. The division also continued the fight against invasive species through their staff’s own efforts and by enlisting over one thousand volunteers for the annual air potato round up, resulting in the removal of over four tons of these invasive tubers. In fact, the nature operations division doubled the number of volunteers this year in all of its educational programs and events, involving more citizens like you in caring for our city’s environment.

When you get right down to it, finding more ways to involve our citizens is a proper role for local government. Your city government works for you by working with you to accomplish the greater good that each of us cannot do individually. It takes a competent workforce dedicated to public service, many of whom, work out of the public eye, to ensure that your city government functions in a cost-efficient and effective manner. I’d like to take a few minutes to share with you some of activities performed behind the scenes by city departments that you may be less familiar with, but whose work is critical to the ability of our organization to function successfully.

For example, the Administrative Services Department oversees the Office of Strategic Planning, Computer Services, Budget and Finance, Human Resources and Risk Management.
Strategic Planning staff completed the annexation of 10 areas into the city, totaling more than four thousand acres. They also facilitated the adoption of the transition of services agreement with Alachua County government to assist in the orderly annexation of land that is adjacent to city boundaries, but within unincorporated areas of Alachua County.

Computer Services staff took steps to provide enhanced city services online by creating a parking ticket payment system that is now available on our city’s Web site and an occupational license renewal payment system is in its initial development phase.

Budget and Finance employees not only oversee the city’s finances, but earned national recognition for excellence in financial reporting from the government finance officers association.

2007 was a year of significant change for general government’s Human Resources/Organizational Development operations, which merged with GRU’s Organizational Development Department. Now streamlined with cross-trained employees, human resources/organizational development is offering improved services to both general government and GRU staff through new educational programs.

Gainesville Corporate University is a perfect example of our continued emphasis on internal education and training initiatives. It offers a competency-based core curriculum so that employees can train to improve their professional skills while learning to become the next generation of leaders within our organization.

Risk Management oversees the city’s insurance functions and our wellness programs. This year 575 individuals participated in the ProClub wellness incentive program which encourages healthy behaviors, medical screenings and healthy diet and exercise among our employees, thus reducing insurance expenses and stretching your tax dollars further.

The city’s Communications and Marketing Office coordinates the city’s communication efforts including all press releases, publications and broadcast programming on
Community12 TV, which is available on Cox Cable and online via live and archived video web streaming. This year the office received 11 national, state and local awards for a variety of publications and broadcast programs, including last year’s citizen’s report. In the past year, they've also implemented the city's new brand and tagline “every path starts with passion.” Department staff also revamped our Citizens' Academy, generating record participation and providing information and education about city government to more than forty citizens this fall. In fact, I’d like to thank the communication and marketing department for assisting in my preparation for this state of the city address.

Your City Commissioners and I are committed to ensuring that every city office and department values your contribution and solicits your active engagement in the governance of our city. We recognize that the city of Gainesville is nothing more that the total sum of each of you, its citizens. In fact this year’s theme for our annual report, “my city,” says it all. This is your city and we are honored to serve you. However, our best efforts will never be enough without your participation in the community business of local government. Without your input, we cannot provide you with the quality services that you deserve and expect. Each year, the city of Gainesville’s advisory boards and committees provide valued advice, insight and assistance to city staff and to the City Commission. There are dozens of boards and committees that could benefit from your enthusiasm and interest in city government. If you have not applied to serve as a board or committee member, or if you already have served and would like to continue to be involved, please consider lending your expertise, opinions and time as a member of one of our citizen advisory boards and committees. You can find out about current openings by contacting the office of the clerk of the commission, or visiting the official city website or better still…the 2007 online Citizen’s Report contains a direct link to current openings, and scheduling information for advisory boards and committee meetings that you can attend. Please feel free to attend one and provide input to your fellow neighbors.
Citizen participation is something we pride ourselves on here in our city. One has only to experience one of our City Commission meetings to appreciate the extent of civic engagement exercised by our residents. But on a more serious note, I’d like to take a moment to thank every citizen who did serve on our advisory boards and committees this past year. You provide an invaluable service and on behalf of the City Commission and city staff, I would like to express our sincere gratitude to you for your important contribution to our city.

Clearly, 2007 has been a very productive and exciting year and by all indications, 2008 will be even more so. I’d like to share a forward look into the new year with you so that you can understand why I remain optimistic about our progress in a number of areas.

But first, let me say a few words about a significant issue that the state of Florida’s 412 cities and 67 counties will face this year. That is the continuing effort by the state legislature to enact additional property tax changes that adversely affect local government’s ability to respond to the unique and specific needs of their citizens.

In 2007, the state legislature passed tax legislation that mandated rollbacks in property millage rates and effectively decreased the amount of ad valorem revenue that city and county governments could generate. The net effect of this action reduced the city’s fiscal year 2008 estimated budget by four million dollars. This in turn required us to make difficult decisions about how to cut four million dollars from a general fund budget of nearly 95-million dollars.

Nearly seventy-percent of this budget funds public safety operations, debt service obligations, and fixed costs for things like fuel, insurance, our fleet of vehicles, and utilities. Were we to leave these departments untouched, we would have had just over 30-percent of the remaining general fund budget to cut from. Services such as our nature parks and recreation centers, street maintenance, code enforcement, and economic development initiatives are all funded out of that 30-percent of the general fund budget. Fortunately, we were able to achieve the state mandated cuts by
reorganizing to increase our efficiency, leaving several vacant employee position unfilled, and taking numerous fiscal measures to cut costs.

And we did it, without severely diminishing the delivery of high quality services that you expect from our city government. Now, and for the next twelve days until January 29th, you have an opportunity to cast your vote to oppose or approve the current proposed state property tax constitutional amendment. Here’s what you should know about amendment one from your city government’s perspective.

If approved, the current proposed tax amendment will further reduce the amount of ad valorem revenue received by local governments for a second consecutive year. The total financial impact to city and county budgets is uncertain because the cost of the portability provision in the current proposed constitutional amendment is impossible to predict. Here’s what we do know.

If the proposed state property tax constitutional amendment is approved by more than 60-percent of state-wide voters, the maximum savings for homeowners in Gainesville is projected to be $104.24 per year. However, our financial staff calculates that this latest property tax proposal will further decrease city revenues by three point one million dollars. This is a significant reduction that will require us to make additional cuts that will adversely affect our ability to maintain our current level of service delivery to those who need them the most. What does all this mean to you and me as voters and property owners? Each Gainesville voter must decide whether an annual maximum savings of $104.24 to property owners is worth jeopardizing your city government’s ability to provide high quality services that you repeatedly tell us that you need and want. Should we decrease our efforts to encourage recycling of trash? Should we begin charging additional fees for services that have traditionally been offered at reduced rates or for free? If the proposed property tax amendment is approved, your City Commissioners and I are prepared to make these difficult decisions. However, you as voters will have the first opportunity to demonstrate your preference through your vote before or on January 29th.
Now let's get back to some of the reasons why I remain optimistic about our city's progress going forward. First, we have a strategic plan and it is working! Your City Commission has reviewed its eight existing goals and has determined that they remain relevant as key initiatives for 2008. These are the goals that will continue to drive our policy decisions: public safety – we will maintain a safe and healthy community in which to live; economic development and redevelopment – we will foster economic development and redevelopment; human capital – we will assist every person to reach their true potential; government effectiveness and fiscal responsibility – we will continue to increase the effectiveness of local government and maintain a strong fiscal condition; infrastructure and transportation – we will invest in community infrastructure and continue to enhance the transportation network and systems; neighborhoods – we will improve the quality of life in our neighborhoods for the benefit of all residents; environmental – we will protect and sustain our natural environment and address future energy needs; partnerships /intergovernmental relationships – we will champion effective and institutionalized relationships with other government entities and community partners. We will continue supporting the school system, with programs like our "Raising 'Canes" efforts at Gainesville High School, GRU's long-term commitment to Williams Elementary, and joint programs like the Teen Zone, Success by Six and Reichert House. With the serious challenges faced by our school system, we are committed to increasing our engagement on educational issues.

This year our city government will continue to work on objectives which correspond to each goal in a concerted effort to achieve our ideals. In 2008, these objectives range from working with the airport authority to improve the quality and quantity of air services to Gainesville to pursuing legislative avenues to obtain funding to address alcohol-related problems. Once fully adopted next month, commission goals and objectives for 2008 will be made available to the public by the office of the clerk of the city and online at the official city Web site. Meanwhile, it is appropriate to outline a few of the tremendous opportunities and significant challenges that we, working together, can turn to our advantage this year.
Earlier I indicated that I would share some rather exciting initiatives that are being spearheaded by our own utility-GRU. One of those opportunities is in addressing the worldwide concern regarding climate change. This looming crisis has become a key consideration as we plan for our future energy needs, and we are grateful to have foreseen the need to change some of our practices in advance of Governor Crist's executive orders to address climate change. We have already implemented strategies to reduce greenhouse gases such as investing in energy conservation, solar water heating and electricity. We have also taken measures to improve the efficiency of our generation fleet. We are building facilities that convert landfill gas to electricity and that make cold water for air conditioning by capturing and reusing waste heat. But this is just the tip of the iceberg. We are also working on additional strategies to help us meet international goals for carbon reduction set by the Kyoto protocols.

We are fortunate that many climate-friendly strategies reflect long-held Gainesville values and also enhance our quality of life. Examples include improving the flow of traffic through our city, planting trees, conserving land, recycling waste, redeveloping our urban core to improve land use efficiency, and promoting biking, walking and riding the bus. As I mentioned previously, GRU’s new south energy center is under construction. This highly efficient natural gas-burning facility is being built on the campus of the new Shands at UF Cancer Hospital. Producing 4.2 megawatts of energy, it is only the second of its kind in the nation. When complete will supply all of the energy and emergency back-up needs of the hospital, as well as chilled water for air conditioning and medical gases.

Additionally, GRU issued an RFP for a proposed biomass facility to help meet our future energy needs. Nine responsive submissions were received on December 14 and are currently being evaluated to determine which ones best meet the needs of our community.
Additionally, GRU has launched 22 new energy efficiency programs over the past two years that have made us an energy efficiency leader in Florida. Some of the more notable projects include 11 solar electric arrays.

Larger scale solar projects are also in the works for the future, including a proposed new 250-kilowatt system that would provide enough energy to power 60 homes for one year. This system will be one of the largest in north Florida and Wal-Mart will help fund this project for up to one million dollars. All energy generated from the system will be provided to GRU customers.

Installations of energy efficient products and services have saved over 15,091 mwhs over the past year. That’s enough energy to power 1,323 homes for one year. GRU’s custom business rebate program has resulted in over 6,300 mwhs of energy reductions, or almost half of the total reductions. This was done through replacement of lighting, heating and air systems and other customized facility improvements. GRU's business customers are eligible for conservation rebates of up to $40,000 per site, for up to half the project costs. In fact, last year GRU awarded well over $1.5 million in incentives to customers for their energy conservation efforts.

The Gators and the Seminoles competed on the football field a few months ago and we all know how that turned out. So now, the city of Gainesville and the city of Tallahassee will compete over the next year to determine which community has the most energy efficient utility customers. The Gainesville vs. Tallahassee challenge will compare the total energy saved from energy efficiency programs of Gainesville’s city-owned utility, Gainesville Regional Utilities, and those of city-owned utility, city of Tallahassee, adjusted by retail sales. Mayor John Marks and I will discuss this competition, and our other efforts to reduce our climate impacts, at a forum at UF on January 31. In addition, as I take office as the president of the Florida League of Mayors in August, I intend to use that opportunity as a platform for engaging the more than 70 mayors in Florida who have agreed to reduce carbon emissions in their communities by signing the US Conference of Mayors' Climate Protection Agreement. Gainesville is on the forefront of
this issue among cities in Florida and across the nation, and we encourage you to play a key role in our success.

GRU’s concern for our environment is further demonstrated by its efforts to improve local air quality. GRU broke ground in August on a new air quality control system for the Deerhaven Generating Station’s Unit 2. When complete, the retrofit will reduce plant emissions to well below the levels required by the EPA’s clean air interstate rule and clean air mercury rule, which require significant reductions in the emissions of sox, nox and mercury. The cost of this momentous project is projected at $141 million.

A new GRU eastside service center is in the design phase, with completion expected in 2010. This new center will provide enhanced energy service to the east side of town, additional warehouse space, and will also host the new electric system control center. By moving current operations to this site, approximately 16 acres of downtown real estate will become available for redevelopment. This land is just south of GRU’s Kelly Power Plant in downtown, near the historic Cotton Club and adjacent to the Depot Park, which will see further remediation, recreational enhancements, and perhaps even the Cade family’s inspirational museum in the coming years. This area will be the focus of the city’s innovation zone, an area of town that runs from the University of Florida to the eastside that will host our city’s growing and creative innovation economy.

With broad community support and the assistance of seven public agencies, planning began this year to create a treatment wetland in Paynes Prairie, which will restore approximately 1,500 acres of prairie wetlands with quality reclaimed water, while reducing the amount of nutrients entering Alachua sink. This effort combined with increased inspections and maintenance activities have reduced wastewater spills to the lowest level in many years—only seven in 2007, compared with the national average of 51 for utilities the size of GRU.

In ongoing efforts to protect the community’s drinking water supply from contamination originating at the Cabot Carbon/Koppers superfund site, GRU continues to urge the
EPA to press for action. As a result, the responsible party installed 14 testing wells around the site this past year. The EPA’s proposed timeline calls for a final decision on the nature of the required cleanup by January 2009. We are committed to ensuring that this site is cleaned up to a level that ensures that our residents continue to enjoy clean drinking water.

GRU’s telecommunications division brought fiber to the unit at the oak gate condominiums on 6th street. This development is Gainesville’s first condo community with built-in, fiber-optic internet. It’s just another reason why Gainesville is one of the most technologically advanced cities in the state.

Finally, it is worth noting that any municipal operation can be judged by its bond rating. Rating agencies like Moody’s and Standard and Poor’s analyze not only how a utility is managing its finances, but how it handles issues of workforce, governance, regulatory environment and long range planning. With over 2000 public utilities nationwide, GRU is among only 19 utilities with a bond rating of AA or higher, placing us in the top 1% of our peers. This is a tribute to the more than 800 employees who dedicate themselves to GRU and our customers every day, I wish to offer my thanks.

This kind of accomplishment doesn’t happen in a vacuum. It takes a willingness to study the issues, listen to citizens and make difficult decisions. This commission has done just that on many challenging utility issues in recent years, so I’d like to recognize my fellow commissioners: Mayor Pro Tem Rick Bryant, Commissioners Ed Braddy, Jack Donovan, Scherwin Henry, Craig Lowe and Jeanna Mastrodicasa. In a series of four district-based meetings in the coming months, the City Commissioners and I will present more detail on what we know about each area of the city, the current conditions and the challenges and improvements ahead. We look forward to hearing from citizens, business owners, faith organizations and community groups, so that we can all move forward together.
Gainesville is your city, it’s my city and it’s our city -- and together we can make it even better. Thank you for the privilege of serving you and I hope you will find the 2007 Citizens Report informative. As we face significant challenges, please continue to provide your participation and insight into how we can improve our city government.