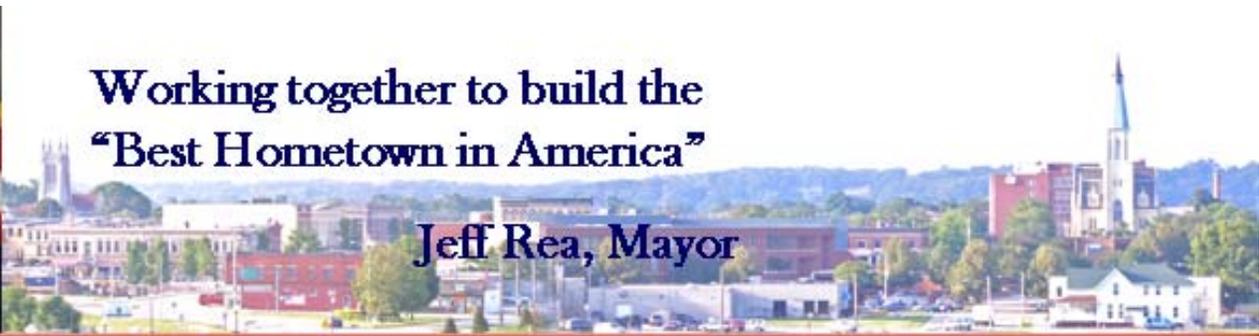




Working together to build the
"Best Hometown in America"

Jeff Rea, Mayor



City of Mishawaka

STATE of the CITY

Celebrating

1833



2008

Address

175 Years

9

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February 23, 2009

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***City of Mishawaka, Indiana
Administrative Officials
For the Year Ending
December 31, 2008***

***Jeffrey L. Rea
Mayor***

***John P. Gourley
City Attorney***

***Deborah S. Block
City Clerk***

***Yvonne Milligan
City Controller***

***Mishawaka Common Council
John J Roggeman (At Large)
President***

Dale Emmons (1st District)

S. Michael Compton (5th District)

David A. Wood (2nd District)

Ron Banicki (6th District)

Ross Deal (3rd District)

John P. Gleissner (At Large)

Marsha G. McClure (4th District)

Gregg A. Hixenbaugh (At Large)

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City of Mishawaka Mission Statement

Working together to build the
“Best Hometown in America” by
delivering exceptional city ser-
vices, promoting safe and clean
neighborhoods, elevating the
quality of life, and inspiring pride
in our community.



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State of the City Address

February 23, 2009

Mr. President, members of the Council, staff, and fellow citizens, tonight we have gathered for our annual review of the State of our City. It is a great privilege for me to stand before you for this my sixth annual State of the City address. I remain humbled and appreciative of this opportunity to serve our community. Thanks for your continued support and confidence in me and the team I have assembled to deliver essential city services to our citizens. Together, we are building a great hometown!

A report such as this could not come together without the hard work of many individuals who have pulled this all together. This past month has been a busy one for me and all of my team so I have relied on a lot of people to help assemble the pieces. A sincere thank you goes out to my department managers and staff, and especially my assistant Julia DeKeizer, Andy West from our Redevelopment Department, and interns Liz Marzotto and Jonathan Liedl who have helped me prepare this address for you this evening and the information contained within your State of the City booklet. Each has given a significant amount of their free time over the past month so that our citizens have an accurate representation of the State of our City. I am grateful for their time, talent, hard work, dedication, and knowledge of what is happening in our community. I believe you will see that yet again their good work has resulted in a great collection of information about the state of our city in 2008.

As we assemble this evening, we do so at a time of great uncertainty in our Country. We are experiencing a time like we have not seen during our lifetime. The current economic crisis is impacting our citizens, our businesses, and even our City government. Difficult days lie ahead as many predict we are in the very early stages of this current crisis. I'm confident that the decisions we have made the past 5 years and the changes that we have instituted in our City government have positioned us to weather these difficult times and to come through them stronger than before.

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As we attempt to navigate these difficult economic times, cities and towns will be an important part of the nationwide economic recovery. Cities and towns are the economic engines that drive the US economy. Sixty-five percent of our nation's populations live in our cities. Cities are the home of 7 out of 10 American jobs, and when you're talking about the knowledge economy jobs, the number rises to 8 in 10. I believe the decisions we have all made over the past 5 years have prepared Mishawaka to help lead this area out of the current crisis.

Mishawaka will continue to be looked at as the example other community's model themselves after, for the efficient and effective delivery of services, for the responsible use of the tax dollars our citizens have entrusted us with, and for the outstanding customer service we provide our citizens. I think we do it all pretty good, and I am proud of the things we have accomplished. I said good, but we are not great yet, and over the next 10 months I will propose the most comprehensive, sweeping changes our city government has ever seen. Business as usual will not work. Tough economic times and declining revenues demand difficult decisions be made and that we change the way we do our business. My team is ready to do that, but we must have the cooperation of everyone in this room. To navigate these difficult waters, we all are going to have to row in the same direction. At times, I know there will be general philosophical differences, but we must work through them. There is no time to waste, so put on your seatbelt and lets get going.

Before I get to the future and what I believe it holds, let me start by reflecting a little on this past year. 2008 will be remembered for a number of significant reasons. We should all be proud of some of the great accomplishments. The year gave us a great opportunity to reflect on our history and all of the great things that happened over our first 175 years. The year long birthday celebration was well received by our citizens and overall I believe deepened our appreciation of our history. I'll talk about that history and our celebration later in the report. Perhaps the most anticipated and long awaited accomplishment was the opening of the Main Street Underpass. Some say it had been

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talked about for 70+ years. I am not sure about that, but I do know that for the past 20 years it has been one of our top transportation priorities. Many thanks to Gary West, our Director of Engineering, for guiding this project from the beginning and for making it a reality. Without his hard work, perseverance, and dedication to making the project a reality, I am not sure it would have happened. At the time of this writing it is only about half done, but traffic is moving under the railroad for the first time and we are anticipating a mid-summer completion for the project. I will cover the project in more detail later in the report. The installation of the riverwalk cable stayed bridge and the continued improvements to the Riverwalk, the record year of new construction (almost tripling the previous record), and our successes with delivering essential services amongst continued budget challenges all stand out as significant memories of 2008. I will also cover each of those in greater detail later in the report.

Financial Management

Perhaps one of the things we do best is manage our financial resources. As I have reported in my previous reports, we have delivered exceptional city services under the most difficult and challenging of circumstances. The “administrative chaos” that is our property tax system has continued to present unique and difficult challenges. Not once in my first five years as Mayor have we had anything related to property taxes be predictable or normal. Not once have we had a regular tax distribution. Not once have the tax bills gone out on time. Sound financial management and the conservative planning in our budgets and our conservative approach to spending have helped us to navigate these sometimes difficult waters. It is hard though when you don’t know when you will get tax distributions or how much you might receive. We have regular and predictable obligations we must pay, regardless of whether we have a regular or predictable revenue stream. Our Controller, Yvonne Milligan, and each of my managers have done an outstanding job making sure we do deliver those exceptional services and we control our costs. Under the current property tax system, bills are to go out in May, with a typical distribution in June, with a November installment and a December distribution. Finally in December of 2008, the first tax bill went out, with a due date just

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a few days prior to the delivery of this address. We are hopeful for a timely distribution of dollars shortly thereafter.

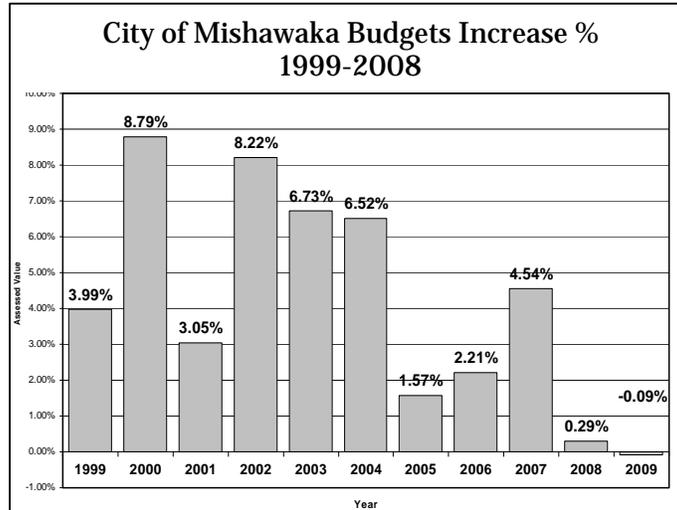
The absence of tax distributions and the obligations the City has meant we had to borrow significant dollars to meet our cash flow needs in 2008. Fortunately, we received a large settlement in a class action law suit regarding the fuel additive MTBE, which gave us an opportunity to establish a bond bank, allowing us to borrow from the bond bank instead of from the private market. The establishment of the bond bank is significant and will provide us a needed tool to help us finance future projects. In 2008, we saved roughly \$75,000 by utilizing the bond bank rather than going to the private market. I have covered the bond bank in greater detail later in the report.

When I think of the responsibilities associated with financial management, I think of four specific areas. First, we must manage our taxpayer's resources wisely, second, we must operate efficiently and effectively, third we must reduce or eliminate waste, and fourth we must accurately account for each of those public dollars we have been entrusted with. I think we do a fine job of each of those. In 2009, we will place additional focus on effort on the second and third responsibilities as mentioned above. It is my belief that we can achieve some additional savings with some different approaches to the way we deliver services.

Our total City budget for 2009 is \$40,317,748. That represents a decrease of \$34,321 (.09% reduction) from the 2008 budget. I believe that is significant and noteworthy. I am not aware of too many government units where there budget went down. Each year the cost of the things we buy and the cost to deliver services has increased. Our budget has not kept pace and that has me concerned long term. For two years in a row (and 4 of the last 5 years), we have not kept pace with inflation or the rising municipal cost index. Sound financial management and our conservative approach to our budget and expenses have helped us keep pace. We will not be able to do that much longer and over the next few years will have to make some important decisions about what level of services we deliver to our citizens. It is going to be

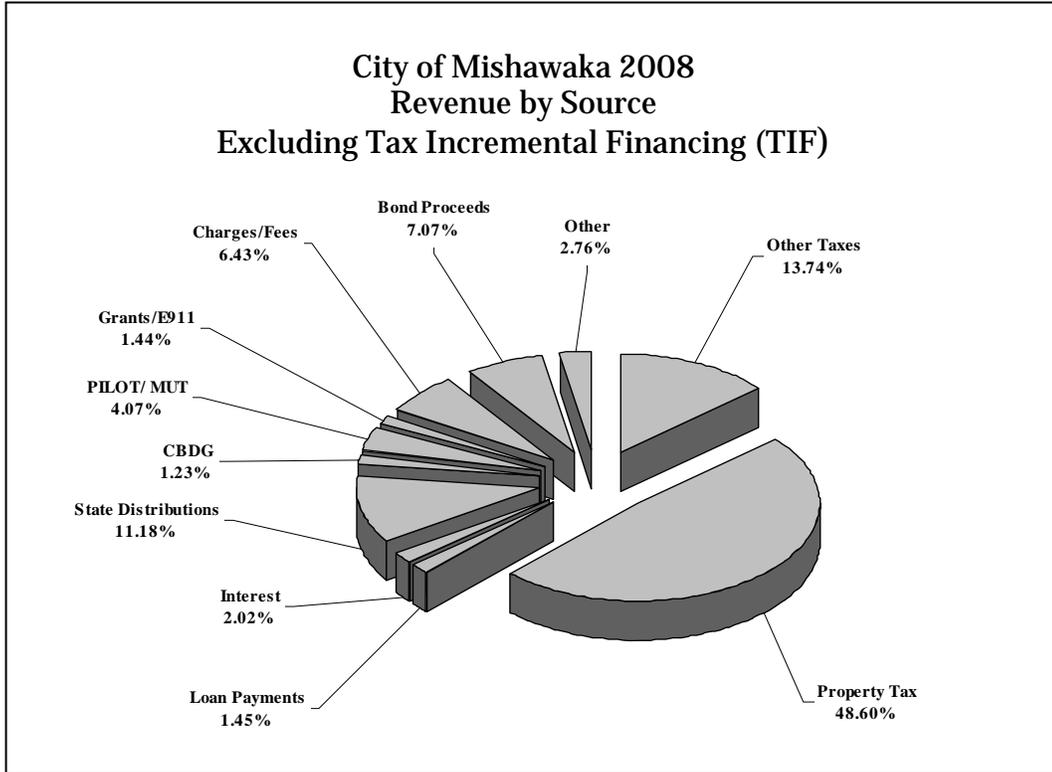


important for us to engage our citizens in that important discussion. Each day our citizens demand service. That service costs money. Important priorities must be set in order to address the budget challenges.



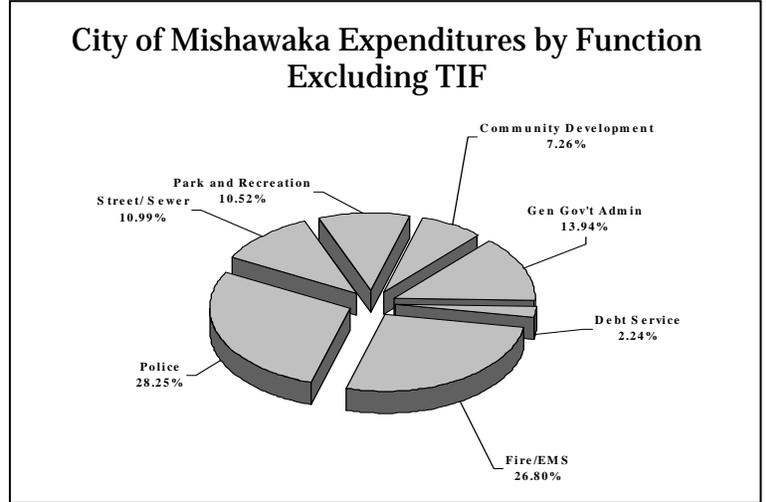
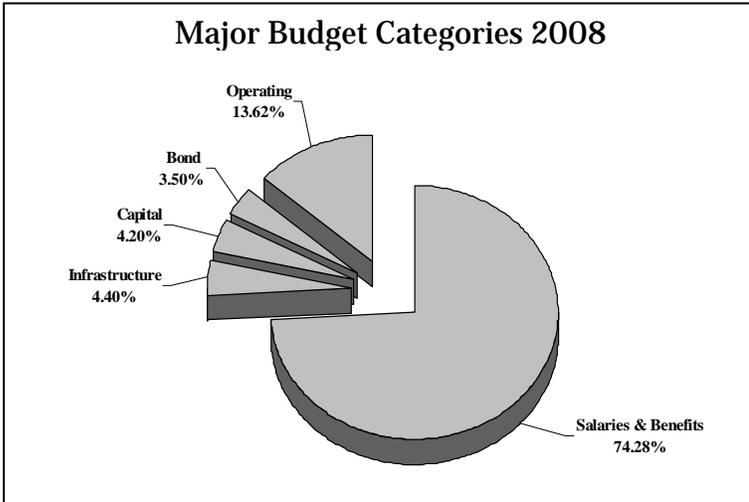
As we discuss our financial resources, it is important for our public to understand where our revenue comes from. In 2008, only 14.90% of our revenue came from property taxes. This number is a little misleading because of the absence of tax distributions in 2008. Another 32% of our revenue came from temporary loans, to be repaid by property tax revenue when distributions are made. The remainder comes from a variety of other sources. The corresponding graph included herein outlines those other sources. Over the past few years, we have worked hard to reduce our reliance on property taxes and maximize our other revenue sources. Proposed changes in our property tax system will place greater demands on maximizing other revenue opportunities to fund our operations. In 2009, we will adjust our fee structure for a number of the services we provide, as we continue to diversify the revenue sources. Many have not been adjusted in years and are inconsistent with the cost of delivering the service or out of line with where communities are charging for similar services.

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Each year in the State of the City I like to remind our citizens about where we spend our money. In 2008, like in previous years, public safety remains our top priority. Over 55% of our expenditures were related to public safety. The corresponding graph included herein further outlines where we spend the rest of those dollars. In addition, it is important to look at our expenditures in a different way. If we do a careful analysis of our major budget categories, we spend 74.28% on salaries and benefits for our employees, 13.62% for our operating expenses, and small percentages for infrastructure, capital, and bond payments. You can view the corresponding chart for more complete information. Government work is typically very labor intensive. We have worked hard to reduce our labor costs and in 2009 will make the most sweeping changes yet on our labor force and how we utilize them. The result will be a more efficient operation and lower cost to the taxpayers.

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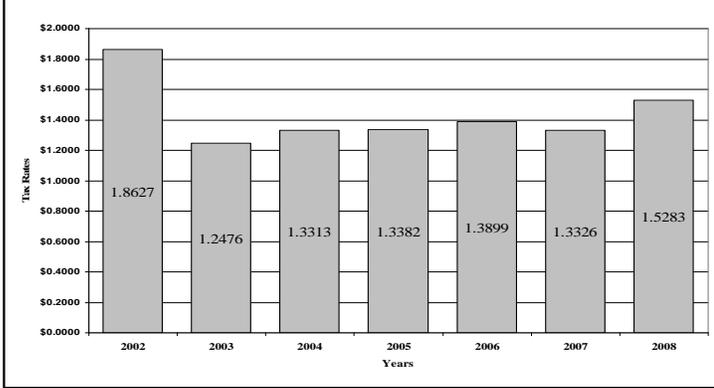


In 2008, the City portion of the average resident's tax bill accounted for about 32% of the total bill. We have worked hard to limit the size of government and make smart financial decisions that have kept that portion relatively unchanged in recent years. The good news is that people continue to invest in our City. For five straight years, we have set records for new construction, signifying the confidence the private market has in making investments within our community. We may never see another year like 2008, as we nearly tripled our biggest construction year ever. When people are investing in our community that is good for everyone. We should however be concerned, as the difficult economic conditions we currently are enduring could lead to one of our worst construction years ever. In 2008, our assessed value dropped significantly, to \$1,608,354,473, down almost 8% from the previous year. As assessed value changes, so does the tax rate. The bad news I report to our citizens is that the decrease in assessed value has led to an increase in our City of Mishawaka tax rate.

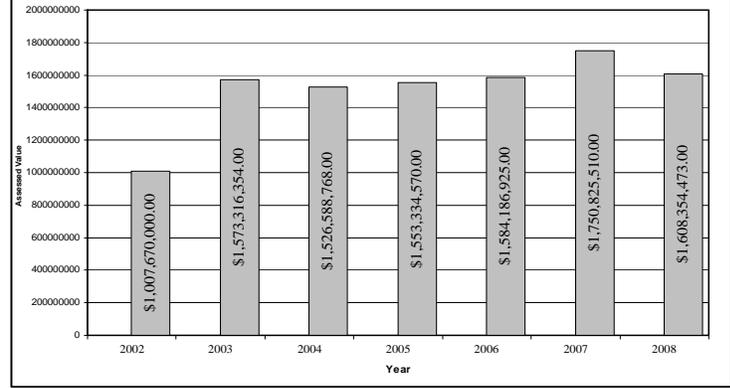
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City of Mishawaka Tax Rates 2002-2008



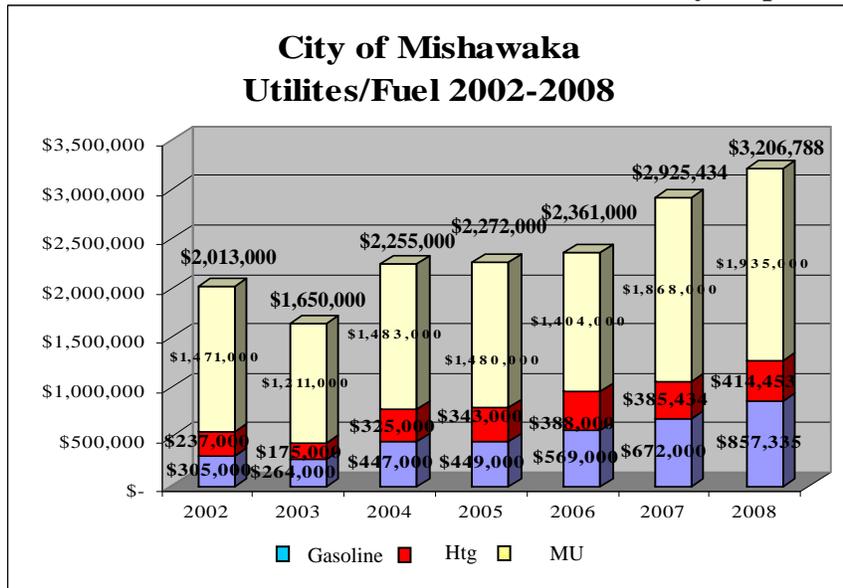
City of Mishawaka Assessed Value 2002-2008



As I mentioned before, the 2009 budget is lower than the 2008 budget. To further illustrate how we have done more with less, review the charts located below which detail some of our major expenditures and the trend that is happening with them over the past several years.

- Gasoline 181% increase over 7 year period**
- Natural Gas 75% increase over 7 year period**
- Water/Sewer/Electric 31% increase over 7 year period**
- Overall Cost 59% increase over 7 year period**

City of Mishawaka Utilities/Fuel 2002-2008

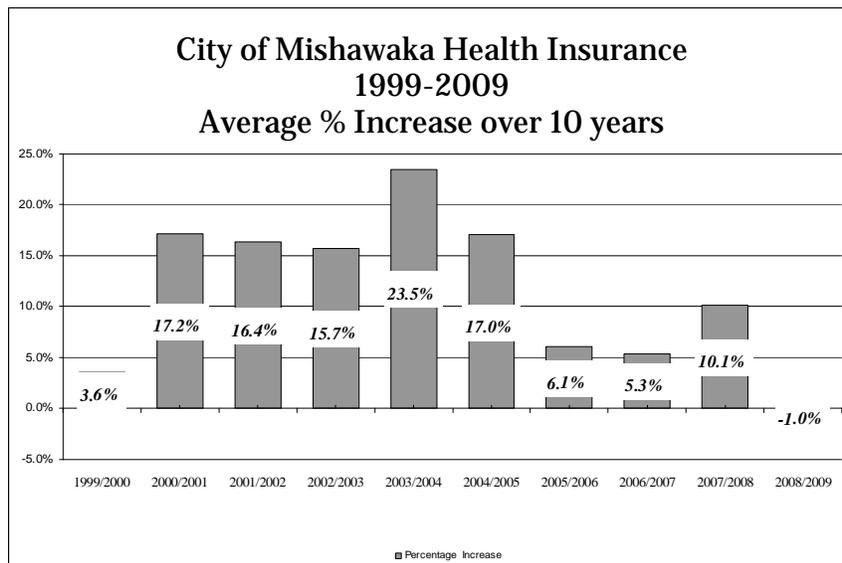


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Our employee health insurance costs account for 11% of our total budget, our general liability insurance for 1.8% of our budget, our energy costs 3.1% of our budget, and fuel about 1% of our budget. The cost of each of these major items has risen significantly in recent years.

Perhaps the most alarming of budget items for all of us ought to be our employee health insurance cost. 2008 was a bad year; there is no other way to describe it. Remember, we are self funded, so basically our costs are largely related to claims. Our costs topped \$8 million, up nearly 23% over the previous year, and we covered less people than we did the year before. Over the previous three years, our costs had risen annually about 5.5%. Our estimates for this next year could approach \$10 million, which will necessitate major changes in our program. We currently are seeking proposals for our plan year that runs April 1, 2009 through March 31, 2010. Initial numbers do not look good. Unfortunately, we will need to pass along changes and additional costs to the employees. I believe we all wish we didn't have to do that, but I am not sure there is any other choice. For the past three years, there have been virtually no changes to the employee contributions, deductibles, co-pay, or plan design. All of those may change for the next plan year. We must work to maintain a plan that is consistent with those in the marketplace. I suspect this will be unpopular but unfortunately it is something almost every other business and government unit is going through. We will make every effort to work with the employees to make any changes go as smoothly as possible.



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I have swelled for some time on budget issues; the bottom line is that difficult days are ahead. I'm confident though that we will see our way through. There is no one magic solution. There must be 100 solutions! We must attack every line item, every service, and every cost. We must trim costs in every department. Business as usual will not get it done. We have to bring health insurance costs down, we have to bring liability insurance costs down, we have to reduce our fuel consumption, we must reduce our energy use, we must reduce our labor costs, just to name a few. If we do those things, we will find our way through. Comprehensive changes must happen, and they can not wait. We must better integrate our workforce and we must focus on those core services we need to provide. There may be things we are no longer able to provide. As a community, we must decide what level of services we desire.

Key Legislative Issues

The property tax system and local government reform continue to be two of the hottest topics on the agenda last year and this year of the State legislature. There is significant talk of placing the property tax caps that were passed in 2008 (3% of assessed value for business, 2% for rental, 1% for residential) in the constitution. This has me concerned. As I outlined above, there is significant "administrative chaos" associated with the property tax system. I think we need at least a year to sort out the impacts of the changes instituted last year. Nobody really knows what those are, especially since bills went out so late. Next year may be a more appropriate time to consider such a matter. At that point we will have a better feel for how government units are affected. The bottom line is that it costs money to deliver the services that government delivers. In a good economy the government has to deliver the same services that they do in a bad economy. No matter what is happening in the economy, people expect their streets plowed, their leaves picked up, nice facilities in the parks, police and fire protection, to name a few. It is becoming more challenging each year to deliver the level of services citizens demand.

175TH Anniversary “Summer of Celebration”

2008 marked a very special occasion in our City’s history. 175 years ago, a small group of people labored to create the first permanent settlement in the area which would later become Mishawaka. With the help of charismatic leaders, a rich supply of natural resources, and a hard-working populace the community thrived, becoming a landmark of culture and industry for the entire area.

The trials faced by the first citizens of Mishawaka 175 years ago were not insignificant by any means, but their commitment to beginning a legacy of excellence in public service allowed them to succeed in building the community that we are all so proud of today. We are grateful for that legacy



and mindful of their hard work and sacrifice as we look to plan for Mishawaka’s future. Throughout the year, the City of Mishawaka organized celebrations designed to engage the entire community in honoring important dates, issues, and figures from Mishawaka’s history.

80th Anniversary of the Battell Park Bandshell

The Bandshell that currently stands in Battell Park was originally designed as a memorial to the participants of the First World War, and was completed in 1928. Since its construction, the story of Mishawaka’s cultural heritage has been intertwined with that of the Bandshell. The structure has allowed



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Mishawaka's citizens to exhibit and enjoy 80 years' worth of plays, concerts, films, and speeches in Battell Park, and has become an important public space within the community.

In May of 2008, the City organized a celebration of the Bandshell's history as a major cultural and architectural landmark. Main Stage, Inc. designed a show that featured important facts about the Bandshell's history and construction and entertained the crowds that gathered with popular musical numbers from the Roaring Twenties. The celebration of the Bandshell's 80th Anniversary honored the structure's historical significance, while celebrating the City's continued commitment to supporting the arts throughout the community.

Memorial Day Parade

As always, the 2008 Memorial Day Parade served as an important opportunity for the community to gather and honor its veterans. The celebration had particular significance this year, as the City continued to honor 175 years of excellence in public service. The parade included several important civic and cultural organizations, including the Mayor's



Youth Council, who created a special float commemorating the 175th Anniversary celebration. In 2008, the annual Memorial Day Parade served as a poignant reminder of our City's history of dedication to serving and protecting the community.

Beutter Park Summer Concert and Outdoor Movie Series

A large part of Mishawaka's history of public service has centered on providing the city with opportunities to gather together and build a stronger sense of community.

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Two programs that have been implemented in the hopes of bearing out these goals are the summer Concert and Movie Series held in Beutter Park. Throughout the summer, the City hosted 12 concerts and 3 films in the park.

This year's program was especially significant in light of the celebration of the City's 175th Anniversary. The first concert of the year featured a special ceremony honoring Mishawaka's history through inviting the crowd to join in singing "Happy Birthday" to the city and partaking in birthday cupcakes, donated



by Martin's Supermarket. Throughout the summer, hundreds of cupcakes, donated by Martin's Supermarkets, Meijer's, Wal-Mart and baked by home-town volunteers were enjoyed by citizens celebrating our City's Anniversary.

The last movie-night of the year was designated to honoring Mishawaka's 175th Anniversary by featuring the film *A Song Is Born*, in which Mishawaka-born actress Irene Vernon had a small supporting role. The Summer Concert and Movie Series was an important tool in celebrating Mishawaka's past and present contributions to the arts.

The movie series proved to be a complete success as families flocked to the event lawn, hours before the movie with lawn chairs, blankets and coolers with their favorite beverages and snacks. Some of the children, although eager to watch the family movie, could be found carried out by mom or dad after falling fast asleep during the movie.

Both concerts and movie nights attracted large crowds at each venue including Mishawaka folks sharing good old fashion leisure time together, picnicking on the event lawn, simply relaxing, tapping their feet to the beat of the song being played, singing, laughing and appreciating time spent together with family and friends.

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Summerfest 25

In honor of our City's 175th Anniversary, Summerfest 25 featured a special historical exhibit of artifacts from throughout Mishawaka's history. All of the artifacts were donated by the Hannah Lindahl Children's Museum, and the exhibit was staffed by members of the Historical Preservation Commission, who volunteered their wealth of knowledge to help answer questions about Mishawaka history. The exhibit included a timeline of Mishawaka history, from its origin as a small village in the 1830s, to the present day. The timeline was subsequently donated to the Mishawaka Public Library.



As the community celebrated the 25th annual Summerfest, the original “*Day in the Park*” event continued to flourish displaying and offering three days of festivities, for the entire family to participate in and enjoy. Families throughout Mishawaka could be found browsing through one of the aisles within the arts and crafts section that attracted over 80 vendors, or found cheering along the perimeter of the race tracks the from racing pigs or go-cart races. Family excitement continued to grow throughout the day(s) of the Summerfest weekend that lead to the highlights for each evenings main attraction including the glorious musical fireworks display, or *Back to the 80s* musical performed by Main Stage, Inc. Finally, as Saturday evening rolled around, families could be found scurrying to the nearest elephant ear vendor and rolling out their blanket one last time to watch Summerfest's featured highlight of the free open air concert on the parks north side main stage, featuring four bands and the Headliner, Cryan Shames.

New this year to Summerfest was a *Guitar Hero* and the Battle of the Bands Competition. Guitar Hero enthusiasts and players had the opportunity to move away from their home entertainment system and couch to display their skills and talents in

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the park as they competed in the first annual Guitar Hero competition, sponsored by Best Buy of Mishawaka. Hundreds of kids and adults packed the Guitar Hero tent all day long, vying to top each other's "high score" to become the first annual, Mishawaka Summerfest, Guitar Hero Champion.

The Battle of the Bands was moved from its original location on the South-stage, to the Hospitality Tent, due to the threat of rain showers. Six total bands in all signed up to impress the standing room only of onlookers as the bands took turns "rocking the tent", and vying for the crown and the opportunity to open up on the main stage, Saturday evening, before the Headliner, Cryan Shames. When the battle was all said and done, Etna Green was crowned the king of Summerfest and declared champions.

As in years past, Summerfest saw some of its yearly attractions including the World Famous Racing Pigs, Youth Services Grand Prix, 5k run/walk, youth triathlon, and various sports tournaments including fishing, basketball, volleyball and horseshoes. The Summerfest 5K Run/Walk set an all-time record for most participants with 310 competing while the youth triathlon increased its numbers over 50%. Throughout the course of the two and half day Summerfestival, crowds remained steady even during the short term down pour from rain showers during the 5K and pancake breakfast.



Finally, during the three days of the Summerfest 25 celebration, hundreds of cupcakes were distributed to citizens in celebration of the 175th Anniversary of our City. Throughout the park, the appreciation was unmistakable on the frosting covered faces of both the young and old of our community.



175th Anniversary “Roadshow” Presentations

A crucial aspect of the City’s commitment to community outreach during the 175th Anniversary was the exhibition of a multi-media presentation of the history of the Mishawaka community. The presentation was designed to create a living record of important facts in the city’s history, from the first European discovery of the area in the late 1600s through to the present day. Designed to be as interactive as possible, Mayor Rea presented the “Roadshow” with the use of artifacts from the Hannah Lindahl Children’s Museum, and photographs from City records, the Museum, and citizen donations.

The “Roadshow” was exceptionally well received by audiences throughout the city. The chance to interact with artifacts and photographs from our city’s history gave many a unique chance to view our community from both familiar and unexpected perspectives. The presentation helped audience members introduce themselves to and even recall neighborhoods, shops, schools and traditions that no longer exist in our city today. Many even recognized family and friends in the photo displays and slideshow. As a result, the “Roadshow” presentation impacted both our community’s chronological and emotional memory of our shared history. The “Roadshow” is an important tool our community employed over the past year to preserve and celebrate our common past. As in 2008, the presentation of the “Roadshow” will be offered in 2009 to general audiences and private organizations free of charge.

City of Mishawaka Top Highlights 2008

The annual State of the City report is one of the best tools we have to create a comprehensive history of our actions and experiences for future generations. None of our histories have been without conflict, and 2008 was no exception. This year, however, our community rose to meet these challenges with outstanding dedication and resourcefulness, allowing us to continue to meet our goal of providing excellent service to the citizens of Mishawaka. We have decided to present our efforts in a way that

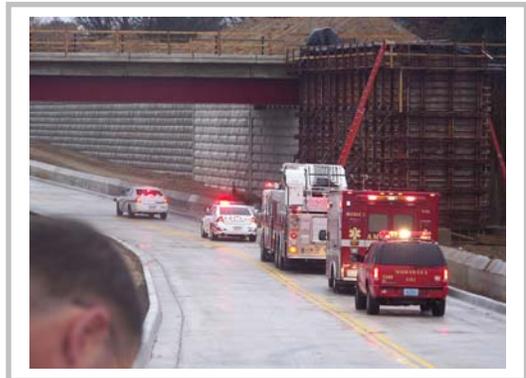
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reflects both the seriousness and creativity with which our city government tackled the obstacles they faced in 2008.

This year's State of the City features the most important highlights that we think history books will remember about the City of Mishawaka in 2008, paying special attention to the ways in which we committed to honoring our rich history and tradition, increasing our efficiency in all levels of service, and planning for the future of our community. Additionally, the annual reports of each city department have been attached in full to this year's State of the City in an appendix to the central material. We hope that this year's State of the City is both informative and engaging, and invite you to address us with any and all of your questions and concerns.

Main Street Underpass

Construction of the underpass was delayed until October of 2007 to enable Canadian National Railroad crews to complete the installation of the temporary railroad tracks that would route train traffic around the bridge construction site during construction of the railroad bridge. This work was originally



scheduled to be completed in one month however due to construction concerns by the railroad with settling of their tracks due to sheet piling installation, Main Street remained closed and traffic detoured at the beginning of 2008 with work estimated to be completed in late January. Due to construction problems by railroad crews coupled with the ongoing settling due to sheet piling installation it was necessary that Main Street remained closed until April of 2008.

In early March the detour of traffic for Main Street was expanded to include the closure of Main, Broadway to Battell and Broadway east and west of Main to allow for installation of concrete pavement, driving H-piling for bridge supports and realignment and reconstruction of Marion Street east of Main. This section of Main and Broadway

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including the railroad crossing were reopened to traffic on May 1, 2008. Work on East Marion connection to Broadway was completed and opened to traffic in mid May.

Relocation of existing utilities and installation of new storm sewers moved to streets north of the railroad which required the closure and detour of traffic on Jefferson between Main and Sarah Streets beginning in early June with this work complete and Jefferson reopening before July 4th 2008. The bridge crew continued work on the railroad bridge with structural steel for bridge being set the last week of July and with the bridge deck being poured in mid August. Installation of the modular block wall on northeast quadrant of bridge began on August 19, 2008 and was completed, except for cap, by the end of August.



In September the road contractor scheduled the second closure of Main Street from Broadway north to Edgar to complete installation of concrete pavement on Main Street from Jefferson north to Donaldson Street. In October, Jefferson between Liberty and Division closed to all traffic for construction of concrete pavement. Pavement on Jefferson, and the portion of Main Street north of Jefferson to Donaldson, was opened to restricted traffic on October 26, 2008.

Also in mid September Canadian National crews mobilized to reconstruct existing tracks and move trains off of the temporary runaround, trains were operating on the new bridge by mid September. With the trains on the bridge, the temporary railroad tracks removed, removal of the sheeting on the south side of the underpass could begin and installation of the concrete pavement under bridge tying the north end to south end which was completed in early November. The contractor began setting the modular block wall on the northwest side of the bridge which was completed, on November 13, 2008. The ribbon cutting to open Main St. to carry two (2) lanes of traffic was held on November 14, 2008.

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The bridge contractor completed the last major bridge retaining wall pour on November 26, 2008. The bridge crew ended the season on December 5, 2008. Miscellaneous fence and lighting work continued into January 2009 as weather permitted.

Work is expected to resume in March 2009, as weather permits. Construction of the two additional southbound lanes from bridge south to Broadway will be completed first. Modular block walls south of the bridge remain and will be completed following the remaining Main St. pavement. Connector streets still have to be completed for Stanley, Borley, and Marion west of Main, also work on the reconstructed City Cemetery entrance drive is still to be completed. A considerable amount of new sidewalk and landscaping work along Main and the connector streets still will be completed in 2009. Project is currently about 70% complete and with final completion scheduled for August 2009.

Mishawaka Riverwalk

The Mishawaka Riverwalk continues to be the cornerstone for many of the City's redevelopment efforts. It connects neighborhoods and parks by taking advantage of the City's greatest natural resource: the St. Joseph River. The Mishawaka Riverwalk also adds value to existing homes and neighborhoods, and will undoubtedly be a source of pride for Mishawaka's citizens for generations to come.

During 2008, several sections of the Mishawaka Riverwalk were completed and opened for public access, beginning with the North Bank, which was finished early in the year and opened in April. The "Phase II and III" section, which includes the cable-stayed pedestrian

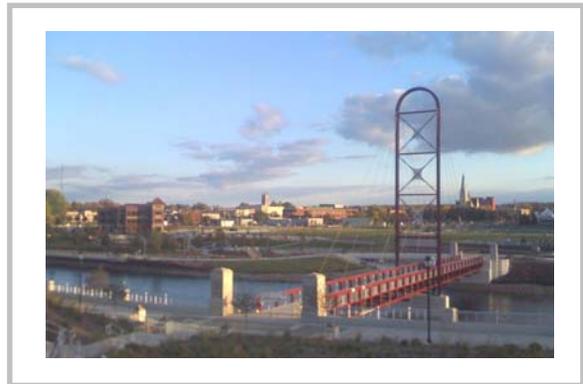


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bridge connecting Beutter and Battell Parks, was constructed and opened on schedule in late November.

Riverwalk Cable-Stayed Bridge

The 225' long cable-stayed bridge was manufactured by Contech Inc. in Alexandria, Minnesota and delivered to the site in the summer of 2008. The cable-stayed bridge includes a 75' tall pier with decorative metal panels. The architecturally significant bridge is not only functional but also serves as an appropriate symbol of the connection



between the historic and modern. The bridge connects the oldest and newest city parks, as well as, connects older established neighborhoods to the Ironworks mixed use development currently under construction on the former Uniroyal properties. This 3.3 million dollar project included 2 pedestrian bridges, overlook nodes, boulder outcroppings, and 800 linear feet of concrete walk, ornamental lighting, and landscaping. The project as designed and constructed also includes the permanent concrete walk connection to Kamm Island. This connection to Kamm Island was constructed in a manner to establish a construction limit for future development. The intent is that as the Ironworks/Rivercenter properties continue to be constructed, the riverwalk will continue to remain open to the public.

As identified from last years State of the City, this project had a significant setback in the 2006. At that time, the City prepared drawings and received bids for a tied arch pedestrian bridge to connect Battell Park to Beutter Park. As part of the bid process, it was discovered that as part of the environmental cleanup of the former Uniroyal complex, some PCB laden material was encapsulated on the recommendation of the EPA rather than being removed from the property. This encapsulated area, covers approximately a 3,000 square foot area at the mouth of the race at the western

edge of Beutter Park, and although it is located approximately seven feet below the elevation of the river, it still conflicted with the location of a number of the proposed bridge footings. Although the encapsulated material was tested below required industrial cleanup levels, the material was required to be removed if the project were to be constructed as designed. This factor, combined with a non-competitive environment for custom steel fabrication resulted in the City receiving only one bid for the project at that time. The 4.8 million dollar bid received was approximately nine hundred thousand dollars over the revised engineers estimate for the project that included the environmental mitigation.

In 2007 the City worked with Lawson- Fisher Associates of South Bend and Rundell Ernstberger Associates of Muncie, to redesign the river crossing to avoid the encapsulated material and utilize a standard prefabricated steel structure to reduce costs. These two changes prompted the receipt of multiple competitive bids. The low bid for the project was received from Northern Indiana Construction who ultimately constructed the project for just fewer than 3.2 million dollars. Although expensive, this is 1.6 million dollars less than the lone bid received in 2006.

Record Construction Year

The City continued the momentous growth that occurred in 2007 through 2008. Once again the City exceeded its largest construction year in history (based on estimated construction cost) in 2008 with \$316 million dollars of new construction. In

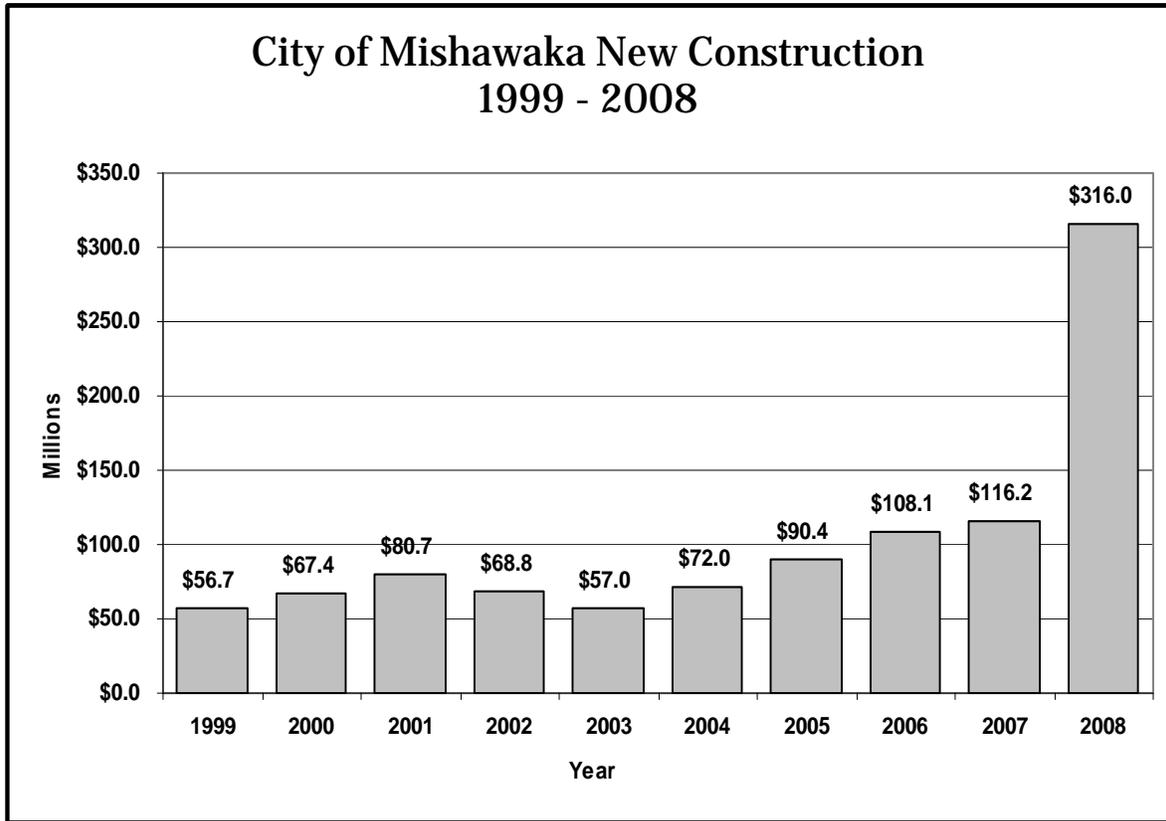


January 2008, the Mishawaka Building Department issued a \$198 million dollar for the construction of the St. Joseph Regional Medical Center's Edison Lakes Campus. Although the City is reaping the benefits of long-term strategic decision making, such as the relocation of the hospital, the poor housing market, saturated retail market, and the

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national economic recession will have a negative influence on the quantities of new construction for years to come.



MBTE Lawsuit Settlement

In November 2008, a decade-old joint lawsuit the City helped to file with 150 other American public water providers against several large oil companies was resolved. The lawsuit concerned the contamination of public water sources with the gasoline additive methyl tertiary butyl ether (MBTE). In Mishawaka's case, the contamination was responsible for the closure of the Ward-Baker well-field over ten years ago, which led to the development of the Division Street well-field.

The case's total settlement was valued at about 423 million dollars. The City of Mishawaka was compensated a total of \$8,154,390. The distribution of these funds was based on a formula which favored Mishawaka with a greater settlement than other local

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water providers as a result of the impact the contamination had on our water utility operation. Over time, there may be additional proceeds as a result of more companies settling. If these settlements occur, however, they will likely be significantly smaller than this one time distribution.

Establishment of the Mishawaka Local Improvement Bond Bank

After receiving over eight million dollars in the form of a lawsuit settlement payment, the City of Mishawaka established the Mishawaka Local Improvement Bond Bank. The Bond Bank will play a key role in the City's long-term efforts to make more efficient use of its funds. Since no limitations were placed on possibilities for expenditure of the funds, the City was not restricted to using the settlement for utility enhancement. Taking into account current economic trends, the City concluded that the compensation fees would be best allocated towards creating an initiative that would contribute towards more efficient use of city funds. Consequently, the settlement payment was invested in a strategic and long term manner, which would help curb economic tension in the short-term while paying dividends in the form of a spending cut in the long run.

After analyzing possible options for utilizing the compensation in conjecture with the City's strategic objectives, the City proceeded to establish the Mishawaka Local Improvement Bond Bank. The Bank was designed to be a fund providing interest-free loans to the City. The Bond Bank provides numerous benefits to the City and its citizens. Aside from providing loans with no interest rates, the Bond Bank can be used to pay for current projects and expenditures, while avoiding additional accumulation of loan fees associated with borrowing money from other financial institutions. The reduction of these rates will save the City thousands of dollars. The Bond Bank is a valuable asset for the Mishawaka community, providing monetary assistance for the pursuit of several capital projects in the City's immediate as well as distant future. Additionally, given the economic strain facing the state government, the Bond Bank will be able to provide funding to offset the tension created by the impending

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lack of state tax reimbursements.

The Wastewater Treatment Plant Expansion

The Wastewater Treatment Plant Expansion that began in late 2004 was dedicated on May 22, 2008. A brief ceremony followed by tours of the treatment facility capped a six-year effort from initial project approval, through design, construction, and start-up. This major upgrade and expansion project allows the city to continue to



reliably meet increasing treatment capacity needs for a growing residential population, as well as continued commercial and industrial development.

The \$42 million project gives Mishawaka capacity for growth and significantly reduces the volume of combined sewer overflow (CSO) during wet weather. The dry weather plant capacity increased from 12 to 20 million gallons per day (MGD) and the peak wet weather capacity increased from 24 to 42 million gallons.

The environmental benefit of the treatment plant expansion became readily apparent in 2008. Compared to 2007, the annual flow treated increased by one billion gallons, an increase of 24%. Nitrogen removal increased by 26%. Conventional pollutant removal increased by 13% and phosphorus removal in 2008 was 6% greater than in 2007. These impressive gains in pollution control were due to the new plant's greater flow capacity, increased process efficiencies, and skillful operation and maintenance of the expanded facilities. Assistant Manager Tim Brill and Chief Operator Robert Hall were instrumental in bringing the new facilities on-line.

The energy efficiency of the new plant was also enhanced. A byproduct of the treatment process is methane gas. The upgraded plant captures this gas and uses it as a

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fuel in the plant boilers. Hot water generated by the boilers is used to heat the facility's buildings and to provide process heat where needed. Digester gas is a free and renewable source of energy and using it offsets the amount of natural gas that must be purchased. Boilers are very efficient at converting digester gas to heat and utilizing the digester gas saves over \$100 thousand per year. Further energy efficiencies were incorporated into the project such as high efficiency lighting, motors, and motor variable frequency drives. The aeration system, which provides air for biological treatment, was greatly improved by the addition of energy saving fine bubble diffusers and a variable speed 300 horsepower blower.

The total volume of wastewater treated in 2008 was approximately 5.2 billion gallons. The average daily flow of wastewater treated was 14.2 million gallons. Over 6.8 million pounds of organic waste and suspended solids were removed, along with 84 thousand pounds of phosphorus and 468 thousand pounds of ammonia. Our Wastewater Division remains committed to protecting the Saint Joseph River and the health of our neighborhoods. The treated flow was 10 times cleaner than required by law. One way to measure the positive impact of wastewater treatment is to examine the organisms that live in the river. In 2008 Mishawaka joined forces with Elkhart and South Bend to continue an aquatic biology study of the Saint Joseph River. This study surveys the populations of fish species and aquatic insects. The diversity and number of aquatic organisms is a very good indicator of the long term water quality in our river. Today, thanks to modern wastewater treatment, over 85 species of fish have been identified. In modern times, the quality of our river has never been better. The 2008 aquatic biology annual report will be available in the spring of 2009.

The Wastewater Division analytical laboratory performs process control testing, compliance monitoring, industrial pretreatment analysis, river water quality testing and city pool water testing. Over 25,000 samples were analyzed during the year. Daily laboratory analysis assures that treatment processes are operating within proper ranges and that the river and community health is protected by meeting environmental requirements. This task was accomplished by Chief Chemist Ken Botka and Chemists



Larry Pozgay, Tom Florkowski, and Jill Norton. Their hard work and effort were recognized when the wastewater plant received an Indiana Water Environment Association 2008 Laboratory Excellence Award. This is the 7th consecutive year that the laboratory has been recognized and the 8th time overall. At the association annual meeting Mishawaka also received the 2008 award for the Best Annual Report for a large wastewater utility. This was the fifth time Mishawaka's report has been judged the best in the state.

Mishawaka Fiber Optic Network

Planning and design for a fiber optic communications network in Mishawaka began several years ago. On July 1, 2007 the City of Mishawaka and Mishawaka Utilities announced a landmark agreement with the St. Joseph Valley Metronet, Inc. (SJVMI) to exchange technological assets that will extend Metronet's fiber optic network to parts of Mishawaka. Initial service is planned in the Grape Road/Main Street corridor and the downtown area. In exchange for allowing Metronet to locate its fiber optic cables in underground conduits owned by the City, Metronet, Inc. will reserve fibers for exclusive use of the City and Mishawaka Utilities. This agreement will help Mishawaka continue to develop its expanding information technology infrastructure and better serve Metronet Inc.'s partners, some of whom have facilities located in Mishawaka. Additionally, this connectivity will link all City and Utility operations through a 27 mile fiber optic network, which will be deployed in early 2009. Once completed, Mishawaka will be one of the best-wired municipalities in the Midwest, which will undoubtedly assist in the continued development of our City's economic sector.

In 2007, we hired Fiber Planners of North Carolina to assist in the layout of our fiber optic network. The following drawing was the result of our combined efforts. In conjunction with Fiber Planners, we developed a three-loop system to serve our needs to link all City and Utility facilities. In February 2008, the fiber production contract was awarded to Draka Comteq of Claremont, North Carolina. Also in February, bids were accepted for the aerial and underground fiber installation. Metropolitan

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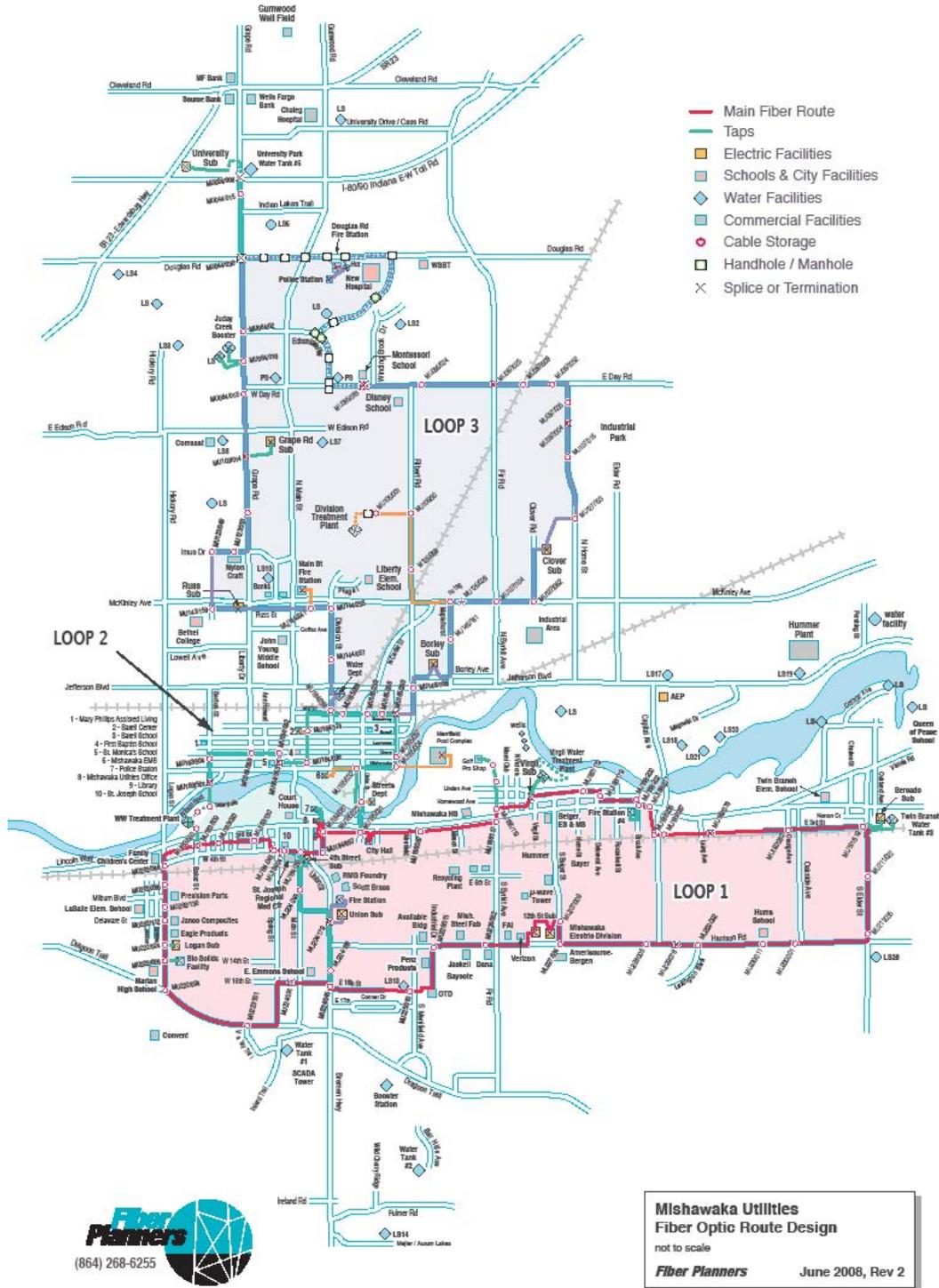
Communications of Blue Bell, Pennsylvania was selected as the fiber installer. Local contractor H&G Services was awarded the splicing and final testing contract. These three agreements represent a totaled investment of \$773,302.

When we deploy this network in early 2009, it will be on a “dark” basis. This means we will not “light” the fiber in terms of providing internet, cable or phone service, but, as per our agreement with SJVMI, we will rely on them to maintain the operational integrity and maintenance of our network.

Service providers will be allowed to lease fibers from the City to provide a myriad of services to our citizens, commercial accounts and industrial customers which are unavailable to them today. Major customers such as the new offices for WSBT, the new Saint Joseph Regional Medical Center, AM General, Mutual Bank and many others are eagerly awaiting the deployment of our fiber optic network for their own use. Most high tech businesses, medical providers and other organizations look for the availability of fiber optic networks in communities as a high priority when considering relocation to an area. We want these new businesses to feel that Mishawaka can and will meet and even exceed their communication needs.

Our agreement with SJVMI will enhance the connectivity of our public health and safety as well as our internal communications requirements. The fiber optic network will link all Mishawaka Utilities and City of Mishawaka offices and locations, as well as serving as a link to all substations, well fields, pressure vaults, water towers and lift stations to complement and back up our current radio frequency scada alarm system.

Mishawaka's connectivity to the fiber optic network will also serve as an economic and community development tool to help us attract future business to our area. These networks are a critical and necessary technology required for the day-to-day business activities of both existing and future Mishawaka businesses and organizations. When the deployment of our own fiber optic network is completed in early 2009, Mishawaka will be one of the best-wired municipalities in the Midwest.



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Annexations

There is an old cliché about City growth, “you are either growing or dying”. In 2008, seven annexation petitions were approved, adding a total of 148.9 acres to the City. Overall, 2008 was a heavy year for annexation petitions. By federal law, the City cannot amend its boundaries the year prior to the Census. As such, no annexations, or more precisely, amendment of the City boundaries can occur in 2009. This increased the number of petitions filed. Significant, is not only the number of annexations, but the location as well. The City strategically annexed a portion of the Indiana Toll road to provide contiguity to approximately 150 acres of vacant land bordered by Capital Avenue, the interchange of the Toll Road, and S.R. 23. This then prompted the annexation of 94 acres in the center of this prime undeveloped property. Over the next decade there will likely be hundreds of millions of dollars of development on these properties. By annexing this parcel in 2008 the City has insured that the long term growth and development of the area will occur with public utilities and infrastructure, this will maximize the economic development prospects and significantly increase the City’s tax base over time. Other significant annexations include 18.5 acres on east Douglas Road for Nursing/assisted living and a 17.8 acre mixed use development off of Bremen Highway just north of Ireland Road.

- Fir Road, southeast corner of Fir Road and the Indiana Toll Road 80/90, including a portion of the Toll Road= 7.9 Acres
 - 15151 E. Day Road= 1.3 Acres
 - Douglas Road between Main Street Village & Fir Road north of WSBT Studios. – 15377, 15341, 15327, & 15275 Douglas Road= 18.5 Acres
 - 15435 Douglas Road= 5.4 Acres
 - 55000 Block Filbert Road= 4.0 Acres
 - Property bounded by S.R. 23, the Indiana Toll-Road, and Capital Avenue, SR 331= 94.0 Acres
- 59111, 59141, 59181, 59211, 59247 Bremen Hwy, & 16131 Ireland Road=
- 17.8 Acres



Employees

2008 has been, without a doubt, one of the most challenging years for our City employees. Throughout the year, we have continually called on our employees to take on more job responsibility as we try to do more with less. We have used 2008 as a time to consider our workforce in light of its ability to deliver the same great services to our citizens while making more efficient use of our available resources. I can, however, report to you that I continue to take great pride in the work undertaken and accomplished by our employees. They persistently meet and exceed our city's expectations for exceptional public service. As the past generations of City of Mishawaka employees that have come before us, they are proud of this community and work hard each day to serve it to the best of their ability. Our City is blessed with the most professional and dedicated workforce that any government could ask for.

We ended 2008 with a total of 529 full-time employees; down 13 from last year's total of 542. At year end the breakdown of personnel included 167 employed Mishawaka Utilities and 362 employed City. Additionally, we have a total of 66 part-time employees working throughout the City and Mishawaka Utilities. The City hired approximately 126 seasonal employees to work in our Parks Department for the summer and winter seasons at the pool, ice rink and Wilson Hill. Turnover for the year for Utilities and the City is at 9%, including the reductions in force.

The need to refill positions vacated by City employees gives us the ability to bring in new, fresh talent. We received 578 applications for employment this year. During 2008, we had 32 new employees join the City in either a full-time or part-time capacity. There were no additional positions added this calendar year; all new employees were hired as replacements. Forty-nine employees resigned their positions, 12 of which being retirements. One of these was Marilyn Martynowicz, Business Office Manager for Mishawaka Utilities. Marilyn retired after 36 years of service in the City. She continues to serve the Mishawaka community as a member of the Bond Bank Board. Following Marilyn's departure, Virginia Fras took on the position as Business Office Manager for Mishawaka Utilities in the spring of 2008. Dan Bilancio, retired as Chief of the EMS

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Division of the Mishawaka Fire Department after 30 years of service. Brian Thomas has taken over as Battalion Chief, a new position replacing Dan in the EMS Division. Lt. John Dawson retired after 26 years, Sgt. Michael McPhail retired after 32 years and May Easton retired after 22 years serving in the Mishawaka Police Department. We also welcomed Tara Merriman, Human Resource Director, Tom Dolly Manager of the Sewer Department and Cory Hamel, Staff Attorney this year to the City's management group.

The City saw a significant decrease in our workers' compensation claims this year, from 137 in 2007 to 88 claims in 2008. However, the severity of the injuries was a considerable factor this year. Estimated cost per employee for worker's compensation was \$1072. In Public Safety, we tested 38 police applicants in late fall of 2008, and are currently conducting the interview process for selection in 2009. In 2008, we hired 5 new police officers and 3 new firefighters.

In 2008, we offered software training to many of our support staff employees. We also offered training sessions on the subjects of workplace respect and how to avoid harassment claims. We continued to offer health screenings to our employees through On-Site Health Solutions and offered the use of the Battell Center work-out room free to our employees to work toward our goal to lower healthcare costs and build a more positive, healthy work environment.

2008 Labor Negotiations

The City and Mishawaka Utilities negotiating team, with help from members of the Common Council, successfully renewed labor agreements with Police, Fire, IBEW, and Teamsters unions this year. Negotiations started in mid-June, and officially finished with the final Council meeting of the year. This round of negotiations presented unique difficulties for the City's negotiating committee as they were forced to contend with the looming property tax cap and its effect on the City's budget.

Uncertainty was a theme throughout the negotiations. With the impact of Indiana House Bill 1001 on the horizon, the City was forced to plan for hard economic

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times ahead. But the threat of House Bill 1001 doesn't entirely come from the expected reduction in revenue; it comes from the uncertainty of how much revenue the City stands to lose. As such, while each side would have liked a longer term of agreement it was felt that, because of this uncertainty, a two-year agreement with each union would be appropriate. The one exception was the contract with the IBEW, with whom a one-year agreement was reached.

Substantively, the City made large gains in its effort to integrate its workforce, allowing better efficiency and more productivity. Steps were also taken to temper costs resulting from minimum manning issues and overtime. And, while many of the negotiated changes influence funding, it should also be noted that several of the amendments also improve the quality of services the City provides – services like improved snow removal, park and facility maintenance, and potentially an additional ambulance in service – just to name a few.

Yet to be finished is a comprehensive update of the City's drug-free workplace policy. I am confident that within the year, with the blessing of each union, the new policy will be integrated into each of these contracts.

Exceptional City Services

During 2008, our City employees provided truly exceptional services to the residents of our community. All of our City departments worked tirelessly to ensure that our citizens benefited from our excellent City services, recreational facilities, and exceptional public safety. The following features represent some of the highlights of the work done by the City in 2008, which we feel has had the largest impact on our neighborhoods.



2008 Trash Contract with BFI Waste Services

One of the most important contractual services provided to all residents is city wide solid waste collection; in 2008 our five-year contract with BFI/Allied Waste of Elkhart, Indiana was up for renewal. Over a period of several; months, a committee of City officials developed specifications with the goal to maintain all elements of the existing program at a reasonable price, minimize the time required by the Code Enforcement Department on unpaid accounts, and improve overall customer service.

To evaluate proposals received during the competitive bid process and to ensure that the new contract would continue to provide the same comprehensive solid waste collection program consisting of weekly collection of trash, recycling, yard waste and large item pickup, while retaining a senior citizen discount for residents over 65 it was necessary to update the specifications to include these services and detail new ones. To keep the cost manageable some important changes were included, the volume of weekly trash collected was reduced from the current 10 bag limit to 5-30 gallon bags of trash, a competitively bid fuel recovery fee. The specifications were expanded to include the cost of the city providing billing on the utility bill to enable the city to evaluate the benefits of billing and customer service issues. Specifications included an alternate to provide a 96 gallon toter to each customer to minimize the trash in the alleys and along streets due to changes in landfill regulations yard waste was allowed to be commingled with the pickup of normal trash eliminating the yard waste collection component.

In April four bids for the solid waste collection and disposal contract were received from BFI/Allied Services (Allied Waste), Borden Waste-Away, Reliable Disposal, and Waste Management. A Summary of Bids is attached as Exhibit "H". The bids for basic service, with the city providing billing services ranged from a low of \$11.68 per month submitted by BFI/Allied Services to a high of \$20.79 per month submitted by Reliable Disposal neither of these costs included the additional charge for the Fuel Recovery Fee. Following evaluation of all figures and alternates it was determined that BFI/Allied Services (Allied Waste) submitted the lowest bid with a rate of \$11.91 per

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dwelling unit per month, with a senior citizen rate of \$9.53 per month (including fuel recovery fee). The use of the 96 gallon “toters” would add an additional \$3.00 to the monthly bill while the cost to senior citizens using a 64 gallon “toter” would be an additional \$2.40. Due to cost for “toters” and duplication of collection routes with automation “toters” it was decided to not provide them to each residence however they will continue to be available for an additional fee.

Beginning January 1st 2009 a monthly charge of \$12.91 or \$9.53 senior rate for solid waste collection services began appearing on your Mishawaka Utilities monthly bill, this cost includes an administrative fee of one dollar each month added to each bill changes implemented to the trash contract, including the monthly charge being included on the utility billing, the Street Department will answer questions to create a more effective, efficient and user-friendly waste management system for the citizens of Mishawaka.

Quiet Zones – Train Whistle Regulation



As our Country expanded in the mid 1900's the rail traffic traveling through Mishawaka increased as well as the frequency of train whistles that were required to be sounded at crossings both day and night. In the mid-70s the City of Mishawaka adopted a noise ordinance that restricted the use of train whistles at

crossings that were protected with gates and flashers. With 19 at grade rail crossings on the Norfolk & Southern Railroad which carries 50 trains per day and 9 at grade rail crossings on the Canadian National (CN) Railroad which carries 30 trains per day, the silence that residents living along the rail corridors have enjoyed these past 30 years may be in jeopardy.



In December of 2003, the Federal Railroad Administration (FRA) published its “Interim Final Rule on Use of Locomotive Horns at Highway Rail Grade Crossings.” This rule has the following purposes:

1. Ensure a high level of public safety;
2. Respond to the many communities that have continued to press for relief from unwanted horn noise; and
3. Take into consideration the interests of localities with existing whistle bans.

The “Interim Final Rule” established the standards local decision makers were required to use to silence locomotives horns, while improving safety at public highway rail-grade crossings while allowing many communities such as Mishawaka with existing whistle bans to maintain those prohibitions provided they notify the FRA of their plan to create a “pre-rule quiet zone” and take the steps required to qualify them as such. By employing a risk-based approach, communities with “grandfathered” whistle bans could maintain the quality of life they have become accustomed to while ensuring public safety at highway rail-rail crossings.

The Final Rule took effect on June 24, 2005, the rule will pre-empt existing state and local laws governing the sounding of locomotive horns. On February 22, 2008, in accordance with the Federal Railroad Administration’s (FRA) Use of Locomotive Horns at Highway-Rail Grade Crossings; Final Rule, Section 222.43, the City of Mishawaka submitted a Notice of Intent (NOI) to continue its pre-rule quiet zone and filed a detailed plan for quiet zone improvements. The “Pre-Rule Quiet Zone Supplementary Safety Measures Summary” Exhibit “F” details the safety measures and the deadline for each to be completed to enable the Quiet Zone to be maintained.



Pre-Rule Quiet Zone Supplementary Safety Measures Summary, Exhibit F

Quiet Zone ID	Scenario I.D.	Rail Road	Crossing Number	Street Name	Proposed SSM	Estimated Completion Date
17118	24648	Canadian National	283360D	Main Street	Grade Separation of a public highway-rail grade crossing	September 30, 2009 (currently under construction)
			283346F	Jefferson Boulevard	Mountable medians with reflective channelization devices	October 31, 2009
18352	25346	Norfolk & Southern	522525K	Mariellen Avenue	Permanent closure of a public highway-rail grade crossing	Fall 2010 Part of Capital Avenue (SR 331) Underpass Project, INDOT Project
			522526S	Capital Avenue	Grade Separation of a public highway-rail grade crossing	Fall 2010 Part of Capital Avenue (SR 331) Underpass Project, INDOT Project
			522533C	Main Street	Mountable medians with reflective channelization devices	October 31, 2009
			522536X	Wells Street	Permanent closure of a public highway-rail grade crossing	October 31, 2009
			522541U	Russell Street	Mountable medians with reflective channelization devices	October 31, 2009

INDOT- Indiana Department of Transportation

In June of 2008 all railroad crossing were posted with signs indicating that “Trains Do Not Sound Horns”. With construction of a grade separation on Main Street over the CN and one proposed by INDOT for Capital Avenue (SR331) for 2010 which will also permanently close Mariellen Avenue, the most significant safety measure required is the permanent closing of the Wells Street Crossing on the Norfolk & Southern Railroad. Main Street and Russell Street at the Norfolk & Southern Railroad and Jefferson at the Canadian National (CN) Railroad will require the installation of mountable median channelization devices. These actions are all scheduled to take place prior to October 31, 2009 well ahead of the deadline for completion of Final Plan Improvements of June 24, 2010. The Federal Law requires follow up affirmation and submittal of updated crossing inventories to Federal Railroad Administration every five years.

Public Safety

During 2008, Mishawaka’s public safety officials did an exemplary job protecting and serving our community. Once again, our crime, fire and EMS statistics reflect the

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hard work, dedication, and successes of our three public safety forces. In addition to their commendable leadership and service in incident reaction and prevention, Mishawaka's public safety officials took a huge amount of initiative in identifying and implementing techniques and programs designed to increase efficiency in all their services. We are enormously grateful for all of our public safety officials' efforts to protect and improve our city in 2008. The following represents some of the most notable of these endeavors.

Police Department

Thanks to the proactive approach that our Police Department (MPD) takes toward crime in our City; 2008 crime statistics show that our clean and safe neighborhood reputation is well deserved. The MPD prides itself on their proactive approach toward crime prevention instead of a reactive approach to crime. Through the following programs they work to educate and empower the community to make changes that will have a positive impact on the quality of life for our citizens.

- **Community Policing**

Neighborhood Enforcement Team (NET)

- The NET consists of seven (7) officers assigned to the Neighborhood Enforcement Team, one (1) Captain and Six (6) Officers assigned to cover city.

NET Operations and Special Events - 2008

- Assisted Metro Special Operation (MSOS) in conducting follow-up complaints of drug houses in the City of Mishawaka. These follow up investigations have shut down numerous active drug houses in our neighborhoods. Seized were guns, dangerous



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illegal drugs and other controlled substances.

- Conducted numerous neighborhood watch meetings with Neighborhood Watch Organizations throughout the City.
- Assisted the Warrants Division of the St. Joseph County Sheriff Department throughout the year in locating and arresting persons with outstanding warrants who live in the City of Mishawaka.
- Is a member of TRIAD and Project Lifesaver – Assisting citizens who are ill with Dementia, Alzheimer Disease, etc. who wander away. NET helps find them using a tracking system.
- Working with apartment complexes and responsible landlords to help make their property a safe place. We have a banishment program for unwanted guest causing problems on their property and watch programs set up.
- Worked with UP Mall Security and some of the stores in combating the crimes that were occurring throughout the year and holiday season.
- Worked with St. Joseph Health Department checking businesses to see if they are complying with the sales of tobacco to minors.
- Assisting Mishawaka School City on improving school security and a critical incident plan. Participants with school administrators in lock down drills. Two School Resource Officers, Cpl. Mark Fedder – Mishawaka High School and Cpl. Dan Huffmann – John Young Middle School. This year was our first time we organized a City Department-Wide mock drill at Mishawaka High School.



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- Conducted school traffic on a daily basis.
- Member of the NIT (Neighborhood Improvement Team) to help solve neighborhood problems (crime/non-crime issues).

Grant Summary

Another way that the Police Department is proactive in crime prevention is through State and Federal Grant programs. These programs reduce the opportunity for crime by targeting attitudes and practices of people while increasing safety and reducing vulnerability to crime. The following grants were awarded by the Governor's Council on Impaired & Dangerous Driving. All grants provided overtime pay enabling officers to work extra hours primarily focusing on seat belt enforcement zones, sobriety check points, and saturation patrols for impaired and dangerous drivers.

Mobile Data Terminals

In January of 2008 both the Mishawaka Police and Fire Departments implemented the use of Mobile Data Terminals in their vehicles. The Mobile Data Terminals can be used by First Responders to run several different applications including PMDC, NetRMS, Firehouse and ATM (Advanced Tactical Mapping).

Mobile Data Terminals inside the First Responders vehicles have provided the Mishawaka Police Department another very important tool in the prevention of crime in our City. These terminals consist of a Motorola model ML900 ruggedized laptop computer that connects to either a High Performance Data Network, which is a part of the City's radio infrastructure, or one of the secure wireless hot spots within the city. The laptop mounts into a docking station that is positioned to the immediate right of the steering wheel in the vehicle, which provides power for the laptop, the modem connecting it to the High Performance Data Network and a GPS antenna.



There are several different software applications that run on the Mobile Data Terminals. The primary program, PMDC (Premier Mobile Data Computing) is used for several different applications, the most important of which is the receipt of dispatch information.

Police, Fire and EMS personnel all use PMDC. The PMDC allows our city's First Responders to have at their fingertips all of the dispatch information that has been entered into the Computer Aided Dispatch (CAD) system by the dispatcher. This information includes: locations and types of an incidents, as well as any other information that has been entered about that incident, along with any history pertaining to a location that someone may be dispatched to.

PMDC also affords our city's law enforcement connectivity to other applications such as NetRMS, the Law Enforcement Records Management System, and Firehouse, the Fire and EMS reporting system. This connectivity allows First Responders "real-time" access to information they may need right from their vehicle. Additionally, law enforcement personnel can access State and Federal databases to run inquiries on license plates, people information, guns etc. Both Police and Fire personnel can access their respective Records Management Systems using this system. Not only does this allow personnel to search for information remotely, but it also allows a police officer or firefighter the ability to report on an incident right from their vehicle.

The Mobile Data Terminals not only allow First Responders the ability to have real-time information at their fingertips, but also allows for faster reporting, leaving officers more time to spend patrolling their beats. Also, Firefighters and EMS personnel now have access to information on such issues like pre-plan information and hazardous materials, which can speed up response times and keep all parties to an incident more secure. The MDT system also provides for secure transmission of sensitive data, such as phone numbers, hidden key locations, access and gate codes, etc.

The efficiencies realized by utilizing the Mobile Data Terminals allow Mishawaka's First Responders to increase both their capability and competency when on location by providing them information that can keep both officers and the public safe.



Crime Mapping

Crime mapping is another way that the Mishawaka Police Department is working to be proactive to crime. It has several applications that allow street officers, investigations and administrators the ability to pinpoint crime patterns in our neighborhoods. Crime mapping can also be used by officers to “paint a picture” to residents at Neighborhood Watch Meetings and other public gatherings so they can become aware of what is taking place in their neighborhoods

Training

Mishawaka Police officers received 8,573 hours in training for 2008, averaging approximately 83 hours per officer up from the 2007 average of 77 hours. The Training Division identifies the need for sworn officers to receive real life training. Officers are presented with situations that they will observe on a daily basis and are trained to deal and react with those situations by certified instructors. As of 2009 each officer must receive 24 hours of training as mandated by the State of Indiana.

On December 23rd the MPD conducted “real-life” school violence training sessions. Students from Mishawaka High School were involved in the scenario and members of Mishawaka School City as well the Mishawaka Fire Department, Mishawaka Street Department and Mishawaka Utilities all assisted in this training.

Other examples of training the MPD conducts are as follows: Building searches, re-acting to school violence and Simunitions (real-life training exercises), Combat Firearms Training, STOPS (Strategies and Tactical of Patrol Stops), Training Surviving Ground Assaults for Patrol Officers, Crime Scene Processing and Investigations and Drug Recognition.



Traffic Division

In June of 2008, the Mishawaka Police Department added one (1) officer to assist the Captain in the Traffic Division. The reason for the addition of an officer to the Traffic Division is to help alleviate the tremendous work load.

All of the crash reports that are generated are sent to the Traffic Division for review, approval and correction as needed and transmission to the Indiana State Police Records section. In 2008, there were a total of 2,382 crashes reported and sent to the Traffic Division for review. 920 additional case reports were assigned to the Division for investigation. That is a total of 3,302 reports received by the Division and does not include any additional reporting or supplementation done by the Division once the case is received.

While the number of serious injury and fatal crashes can fluctuate widely from year to year, the total number of crashes that occur in the City tends to remain fairly constant; however, the number of case reports assigned to the Traffic Division for investigation increases on average of 10% annually. The increase from 2007 to 2008 was consistent with that trend.

Residential/Business False Alarms

With the installation of the new computerized Records Management System (NetRMS) in 2008, the Mishawaka Police Department has been able to more accurately record all false alarms that officers are dispatched to. Two officers are sent to every False Alarm that comes in, which averages to one man hour per call. In 2008, the MPD was dispatched to 1,957 False Alarms for which 462 of those were "billable" per the City's Ordinance 93.53 (B) pertaining to false alarms. In 2008 the 462 "billable" false alarms generated \$11,550.00 in collectable monies for the City.



Uniform Crime Reporting (UCR)

In 2008 in addition to the implementation of the new Records Management System (NetRMS), the Mishawaka Police Department also implemented automated Uniform Crime Reporting (UCR).

This state-of-the-art automated reporting system will make UCR Reports more accurate and will increase efficiency in the compilation of data. While the manual compilation of a UCR report required Records personnel to count and classify each offense by hand, the automated UCR reporting system processes information and generates reports instantly.

This new form of Uniform Crime Reporting has impacted the crime statistics for 2008. Before this year, the statistics were somewhat subject to the interpretation of the Records personnel who was recording the crime, now the computer logs all the information is automatically processed and classified. The data gathered by the new system is also more accurate, providing our public safety experts with a better concept of what types of crimes have been reported.

To help you better understand the charts and graphs below, here are first a few points that I would like to make:

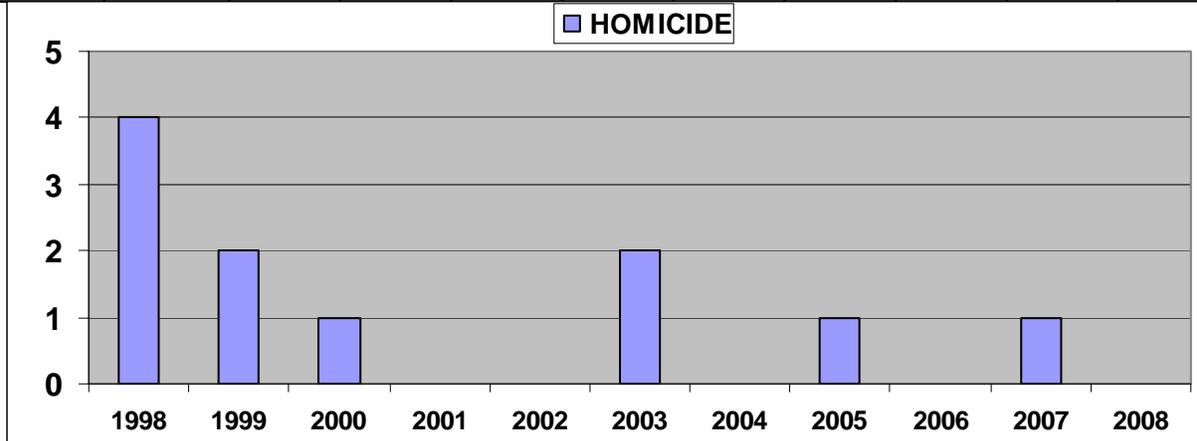
- No homicides were reported in 2008. Including the tragic death of William Fields that occurred in January of 2009, a total of only three homicides have occurred in the last five years.
- 16 incidents of rape were reported in 2008, this is below the ten year average of 18 per year. For comparison, 18 incidents were reported in 2007.
- Consistent with the down turn in the economy, burglaries were up in 2008. 500 cases were reported in 2008. This is 16% increase over the 10 year average of 422 cases per year. Although significant, this is still slightly lower than the number of burglaries that occurred following the last economic downturn that occurred after



the terrorist attacks of 9/11. In 2002 and 2003, 501 and 507 cases were reported respectively.

- Larceny is at its lowest level in the last 10 years with only 2,776 cases being reported. This is a 6% reduction from 2007.
- The number of assaults recorded in 2008 decreased significantly when compared to 2007. Only 811 cases were reported in 2008, compared to 1,452 in 2007. This represents a 44% reduction.
- Auto theft was up in 2008. A total of 206 cases reported in 2008 compared to only 158 cases in 2007. Although an increase, this matches the ten year average of 206 cases per year. Unfortunately, this also represents a change in the downward trend that has occurred consistently since 2002 and is also reflective of the downturn in the economy.
- 17 cases of arson were reported in 2008. This is 39% below the 10 year average of 28 per year. 25 incidents were reported in 2007.
- All of these statistics are even more dramatic when you consider the decrease in the number of incidents relative to the continued growth of the City in that same time. The US Census Bureau estimates that the City’s population grew by 4.9% from 2000 to 2006. Based on building permit data, the City has also added hundreds of millions of dollars of commercial development during the same time frame!

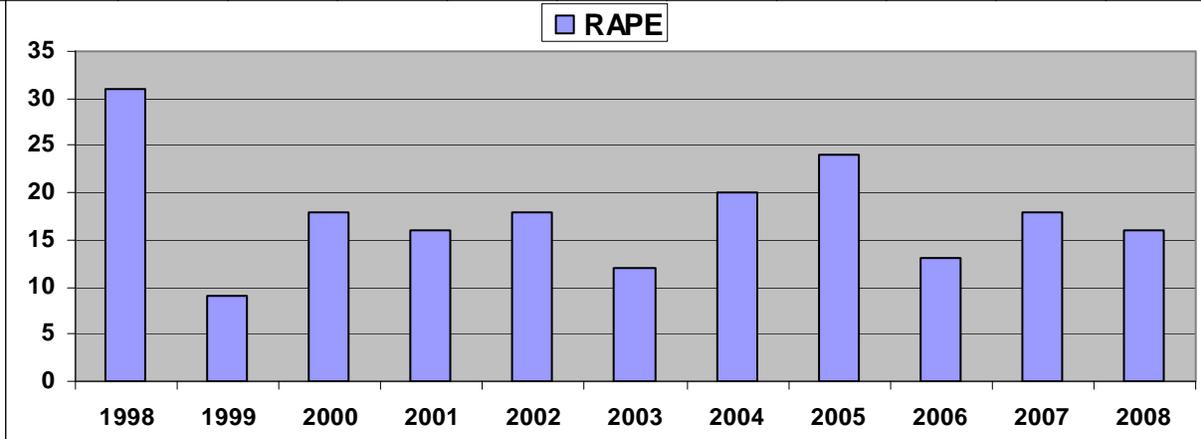
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
HOMICIDE	4	2	1	0	0	2	0	1	0	1	0



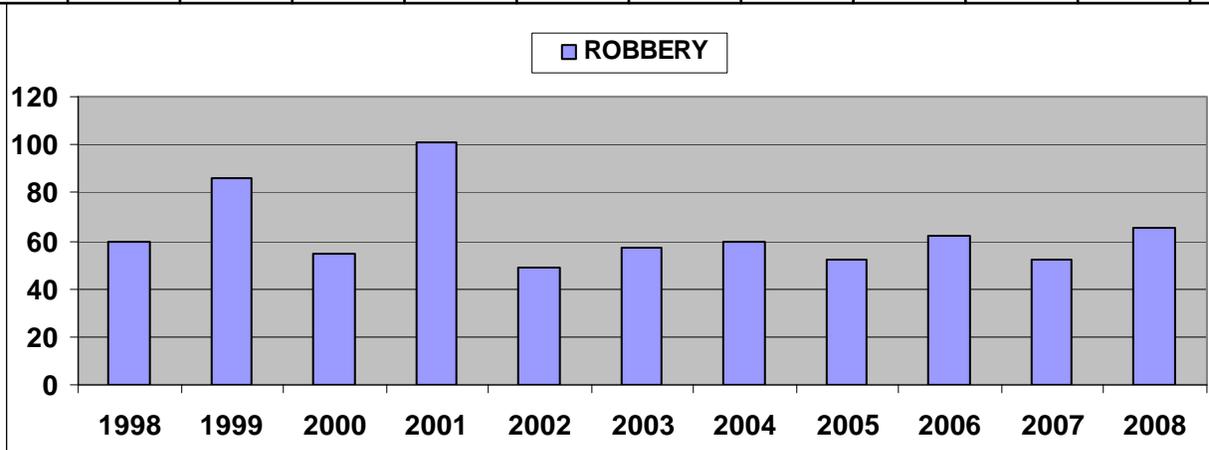
Working together to build the “Best Hometown in America” by delivering exceptional city services, promoting safe and clean neighborhoods, elevating the quality of life, and inspiring pride in our community.



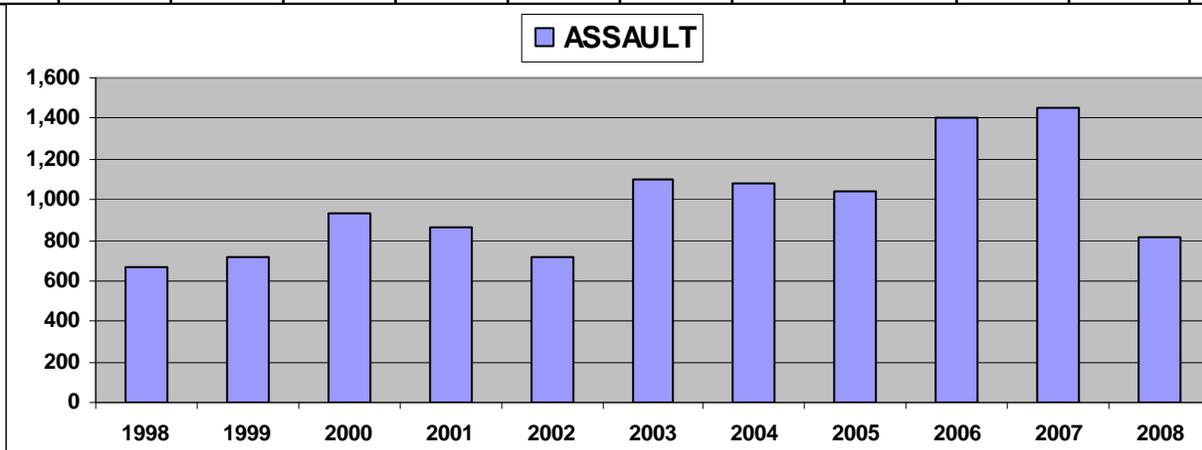
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
RAPE	31	9	18	16	18	12	20	24	13	18	16



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ROBBERY	60	86	55	101	49	57	60	52	62	52	65



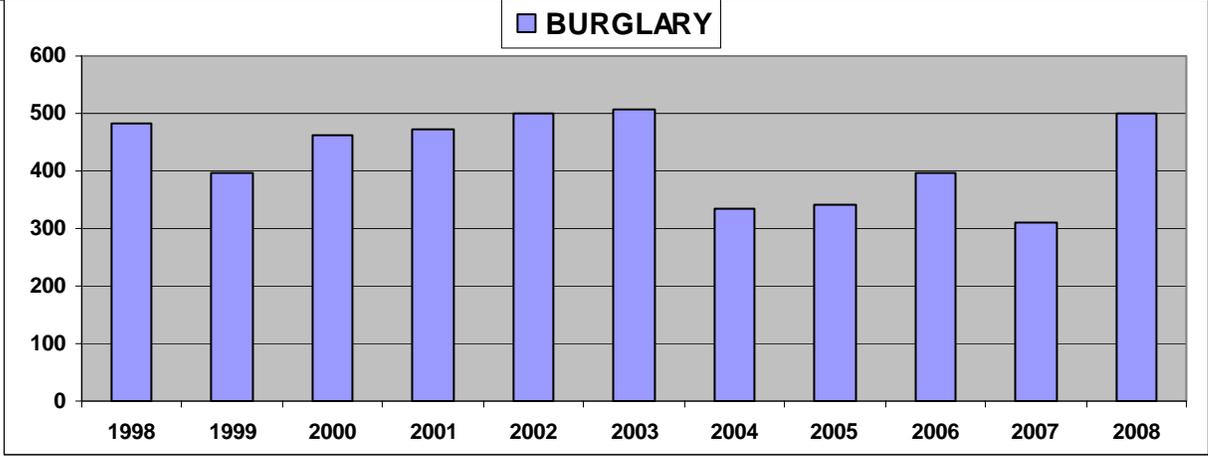
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ASSAULT	667	721	931	861	720	1096	1080	1044	1403	1,452	811



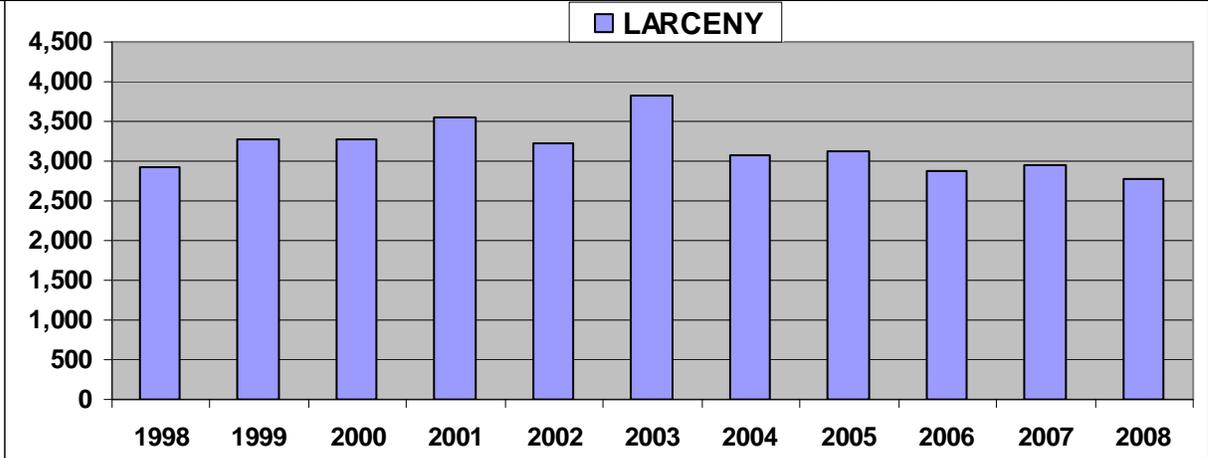
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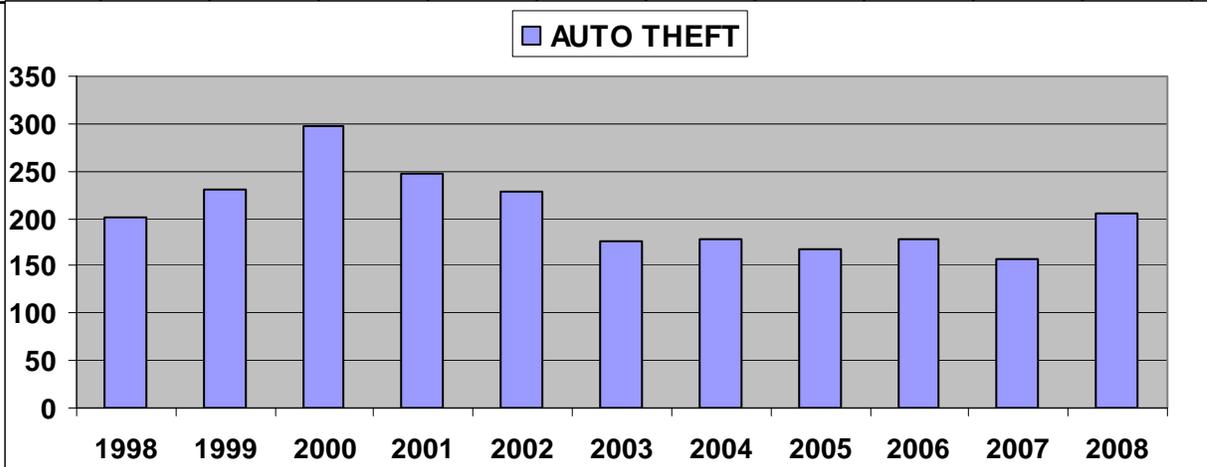
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
BURGLARY	483	396	462	473	501	507	336	342	395	309	500



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
LARCENY	2,91	3,28	3,280	3,55	3,21	3,81	3,07	3,12	2,88	2,95	2,77



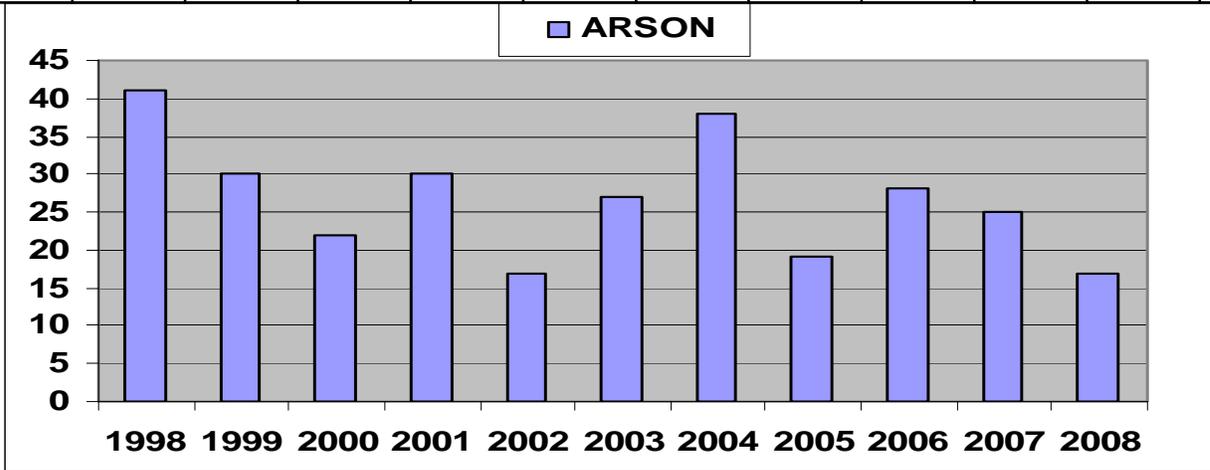
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
AUTO	202	230	297	247	228	176	179	168	178	158	206



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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ARSON	41	30	22	30	17	27	38	19	28	25	17



Fire Department

Our Mishawaka Firefighters are committed to protecting the citizens of our community through fire prevention, education, and suppression, and providing professional emergency services essential to the health, safety, and well being of our community. They do this each and every day actively participating in our community, by serving as role models, and striving to effectively and efficiently employ all of the necessary resources to provide the necessary services deemed by the people they serve.

As a community we are grateful for their service. Our Mishawaka Firefighters, as the Mishawaka Police Department take a proactive approach to fighting fire through fire prevention. Our firefighters work year round within the community to continue to develop and strengthen fire prevention programs that benefit the citizens of Mishawaka.

Firefighters Lieutenant Brian Linson II and Firefighter Derron Hess, continued their work in scheduling our public education classes. The Survive Alive House had 54 groups go through its facility. In addition Little Red gave classes to another 27 groups. Assemblies and tours amounted to another 19 groups. In total 3,202 people took advantage of our public safety message. As always the fire department would like to

thank Peggy Marker for all of her help in scheduling the tours at the Hannah Lindahl Children's Museum.

During the first week of school in August the department once again participated with the Police Department in the **“Cool Your Engines”** program. Fire Apparatus was scattered throughout the city with banners proclaiming the theme. Stations were also decorated with information about the campaign. We look forward to a long partnership with our



police department to spread the message. We received much positive feedback from the motoring public. We attended the press conference at Battell School on Broadway with Mayor Rea and various Mishawaka School City representatives to get the message out.

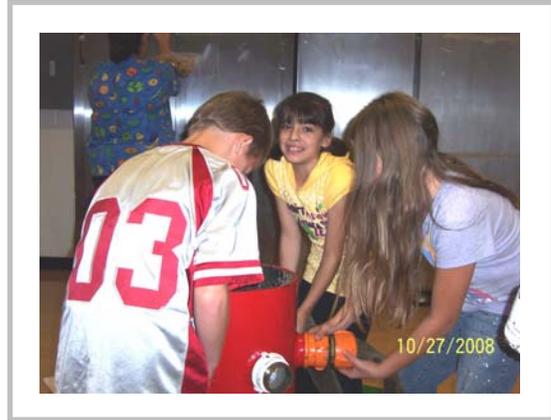
The Mishawaka Fire Department also participated in career day held at Mishawaka High School to explain what a firefighter does in the fire service of 2009. Hopefully in years to come we are able to recruit members from the students of today.

Our Prevention Bureau works to educate businesses located within the City of Mishawaka on fire safety thereby increasing their safety. The bureau conducts numerous safety talks, safety fairs, extinguisher demonstrations, emergency planning and preparedness, and building exit drills.

The Prevention Bureau was able to obtain in 2008 a live fire extinguisher training system. This “intelligent” training system is the safest and most state of the art system on the market today. This system enables us to prepare our City of Mishawaka employees, and employees of businesses located in the City in the proper use of portable fire extinguishers should the need arise. Thanks to the donations from Golden Living,

Wal-Mart, Bayer Corporation, Lowes of Mishawaka, Patrick Metals, and Nyloncraft no City funds were needed for this purchase.

We are excited to report that in 2008 we expanded our “Fire Safety Obstacle Course”. During fire prevention month in October we were able to take our program to Disney School, Liberty School, and Battell School. This program provides the students with a better understanding of fire safety and fire prevention. We have combined it with physical fitness and how it relates to student’s everyday lives. In the three schools 51 classes were given, and we able to deliver our fire safety message to 1,125 students. We also worked with the Penn Fire Territory to help deliver this program to Elm Road School. This helped us reach another 450 students in 21 classes. We are hoping to include even more School City of Mishawaka classes for 2009.



The Fire Prevention Bureau continued the smoke detector giveaway program. These free detectors are reserved for elderly and low income families that may otherwise not be able to afford them. If needed, we will also install them for the homeowner. It’s just one more step in keeping our community safe from fire.

Training

Once again 2008 was a very successful year for training for the fire department. Firefighters averaged 163 hours per man for the year. Enclosed is a breakdown of the different categories that firefighters trained in. Thanks to the efforts of Assistant Chief Talbot and Captain Bryon Woodward training for the department has



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increased every year. We hope to take the training to an even higher level in 2009 with a couple of additions to our training program.

The fire department upgraded all of its training records to an electronic format by utilizing the training module in the “Firehouse Software”. We are now able to track and query records on all of our training programs. This is increasingly necessary as we come into compliance with government mandates on what training becomes needed to be eligible for Homeland Security grants and programs. Without compliance valuable resources will not be made available to our department. In times of decreasing resources on a local level, greater reliance will be placed on joint cooperative efforts locally, regionally, and nationally.

As part of the Department of Homeland Security mandate all first responders must become certified in the National Incident Management System (N.I.M.S.). The system allows responders to emergency scenes to work in a system using common terminology. Firefighters, Police Officer, elected officials, etc. all are required to become certified in different levels of N.I.M.S. as part of their responsibilities. All members of the fire department have received certification in N.I.M.S. levels 100, 200, 700, 800. Most senior officers have also received N.I.M.S. 300 and 400. Compliance is mandatory for any assistance from the D.H.S.

For 2008 the training committee has set two hours of training per day as the minimum that we will accept. In addition officers will be required to obtain an additional 50 hours per year. The committee is also seeking to rotate a different specialty certification each year. The certifications will be offered in house and on duty for everyone interested.

Leadership Symposium

This was the third year of our very successful Mishawaka Fire Department Leadership Symposium. Our working relationship with Bethel College continues to grow

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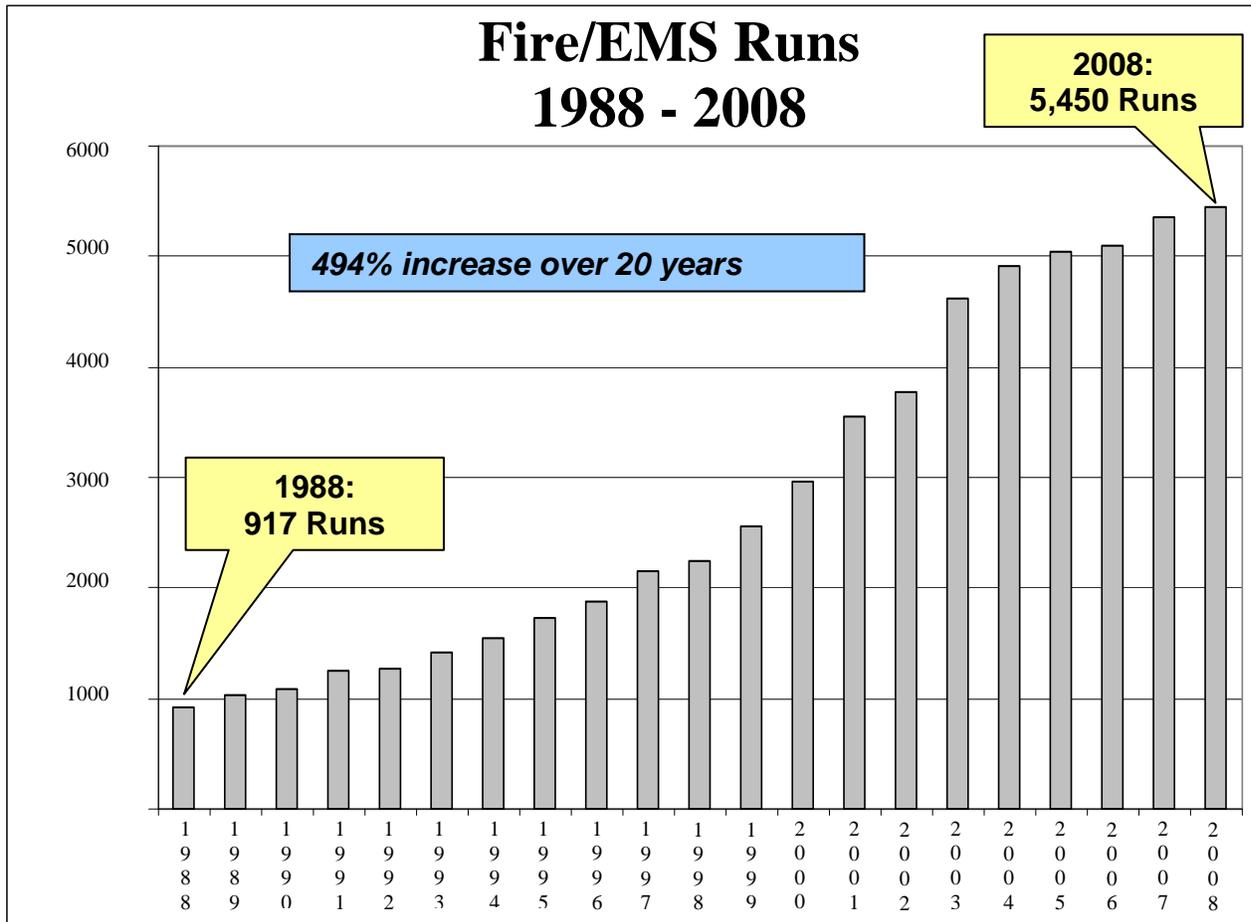
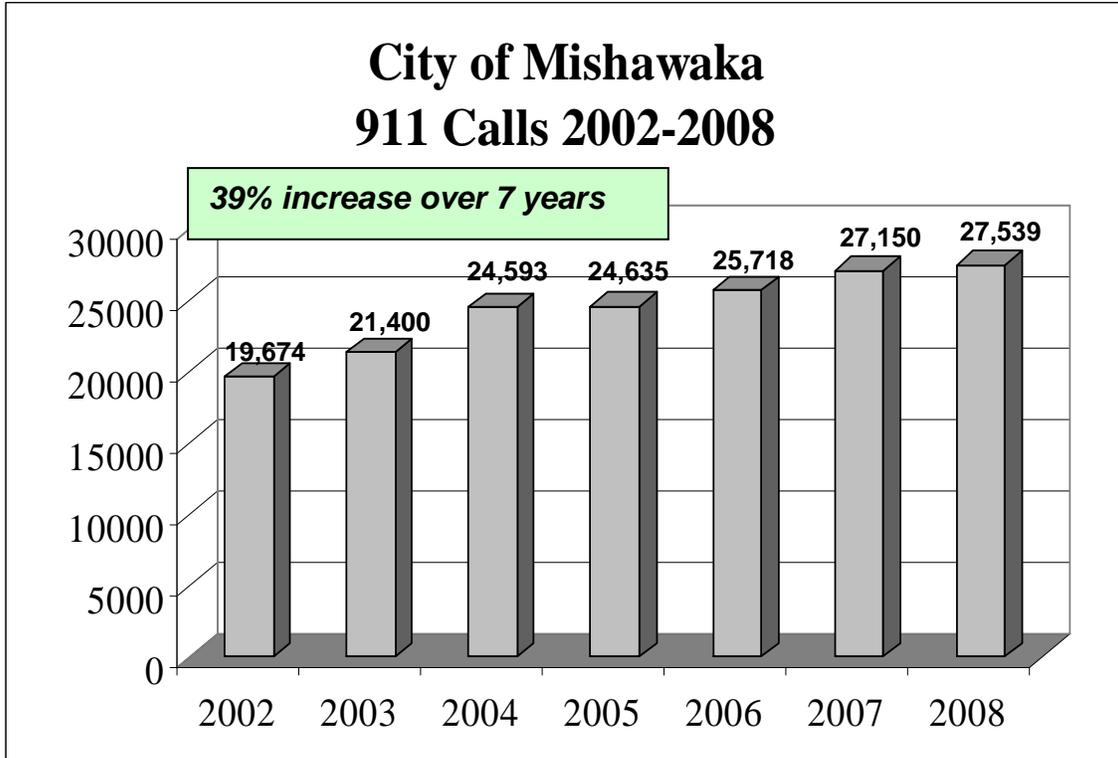
and prosper. A special thank you goes out to Captains Bryon Woodward and Raymond Schultz for all their hard work and dedication to put the symposium together. Working closely with Lisa Greco from Bethel we have one of the premier training opportunities for firefighters in the entire Midwest. Over a three day period leaders from today's fire service present the latest in fire department training. Sponsors make this a free class to all participants with only minimal investment by the City of Mishawaka.

This year's presenters were Division Chief Eddie Buchanan who presented his "Leading with Attitude" presentation. Day two was "Civil Liability, 5 Concurrent Themes to Success, Customer Service, Progressive Discipline, and Ethical Decision Making" by Gordon J. Graham. Mr. Graham is a practicing attorney at law as well as a retired California Highway Patrolman. Day three was a presentation by Editor in Chief of Fire Engineering Magazine Chief Bobby Halton.

Fire Data

Run volume for the fire department, including fire and E.M.S. incidents increased in the year 2008 to **5,460** from its 2007 level of **5,382** a **1.5%** increase from 2007. Total percentage of call volume has remained fairly steady with the E.M.S. incidents combined making up 77% of our run total. This compares with 78% in 2007.

In 2008 the department responded to 33 commercial fires, 42 residential fires, 7 garage fires, and 11 apartment complex fires. One of the biggest increases was residential fires up from 26 in 2007. Commercial fires were also up considerably from 16 in 2007.



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EMS Division

In 2008, the EMS Division of the Fire Department expanded on its long-time tradition of proctoring and mentoring EMT and paramedic students by becoming a member of the Fisdap (Field Internship Student Data Acquisition Project) organization. Since April of 2008, when the Mishawaka Fire Department first joined with Fisdap, we have averaged 216 hours of EMS student proctoring per month.



In July of 2008, the MFD began the process of joining the Saint Joseph County EMS Committee. The Emergency Medical Services of the Fire Department had previously operated under the medical control of Saint Joseph Medical Center in Mishawaka. After much effort and with a great deal of help from the dedicated EMT-Basic Advanced and Paramedics the conversion to the Saint Joseph County EMS Committee was completed by December 31, 2008. Our paramedics are now certified in a minimum of Pediatric Advanced Life Support, Advanced Cardiac Life Support, Prehospital Trauma Life Support, and CPR

Mishawaka Fire Department-EMS Division was the first local EMS provider to have 100% of its front line ambulances equipped with the necessary equipment to provide Therapeutic Hypothermia to post-cardiac arrest victims. Therapeutic Hypothermia has been one of the only proven interventions to improve survival after an out-of-hospital cardiac arrest. On September 17th, this training proved to be very beneficial, as Mishawaka Fire was the first in the area to use Therapeutic Hypothermia on a 52 year-old female Mishawaka resident who suffered a heart attack as she was washing her kitchen floor. Two weeks later this resident was able to shake hands with the paramedics who saved her life.

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The members of the EMS Division each average 56 hours of specific medical continuing education training in order to maintain their paramedic certification and to increase their knowledge base. On the third Wednesday of every month a meeting is held at Castle Manor, Merrifield Park at 6pm. These meetings are a joint training venture between Memorial Hospital of South Bend, St. Joseph Med Center of South Bend, and Mishawaka Fire Department to provide quality improvement and continuing EMS education. The members of the EMS Division also participate in many fire suppression training activities. There are now six fully cross-trained personnel assigned to EMS division.

Neighborhood Improvement

Code Enforcement Milburn Area Improvement Drive

In an effort to further elevate the quality of life in Mishawaka's neighborhoods the Department of Code Enforcement has developed a yearly initiative to work together as a team to make a noticeable impact on the overall appearance of one neighborhood. In 2008 the Milburn Boulevard area was chosen because it is largely residential, densely populated and its boundaries are clearly defined.

In this initiative in the Milburn area, code officers initiated 666 public nuisance type cases with 637 being closed which is a 96% completion rate. Code Officers opened a total of 97 cases on substandard structures and closed 65 of them which reflect a 67% completion rate. More of these substandard cases will be closed when the spring arrives and property owners can once again begin to work on their projects.

Merrifield Avenue and Third Street

In 2008 the Department worked with willing sellers to acquire the five properties located at the northwest corner of East Third Street and South Merrifield Avenue. The 854 E. Third Street site was a vacant commercial/ retail property that had been denied a

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rezoning request, and was a blight on the surrounding neighborhood. It was acquired in January for \$41,000. Four nearby properties were acquired in August. The building at 858 E. Third Street was a blighted five-unit apartment building. The Redevelopment Commission was able to acquire it for \$98,000. When the Commission purchased 862 E. Third Street for \$18,000, it had been used as a barber shop (Merrifield Barber and Style Shop). A vacant beauty salon at 119 S. Merrifield Avenue (Chantelle's on the Avenue) was purchased for \$53,500, and the neighboring duplex at 121 S. Merrifield Avenue was acquired for \$63,500.

After commissioning environmental inspections and removing asbestos, the buildings were used for the Police Department's K-9 and SWAT training programs. All five properties at this corner were demolished in December, with grading and reseeded anticipated for Spring 2009. The cleared lots will be used for future First Time Homebuyer Program lots, but in the near future will be utilized as a staging area for local infrastructure improvements.



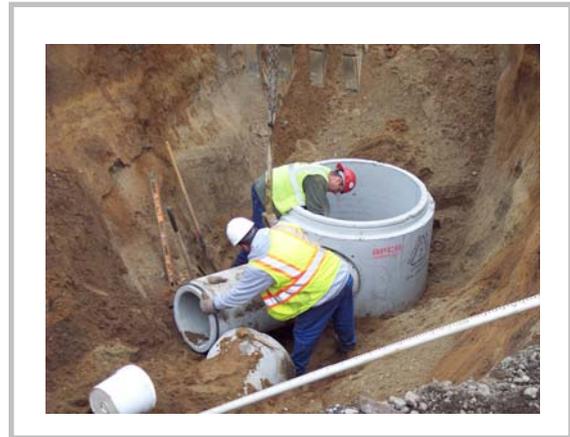
Milburn Boulevard Area Sewer Improvements

Prior to beginning the latest design for the upgrade to Mishawaka's wastewater treatment plant, the Federal EPA and Indiana Department of Environmental Management (IDEM) required monitoring, testing, and preparation of a Long Term Control Plan (LTCP) to complete this work. The city retained the consulting services of

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the Greeley–Hansen engineering firm from Indianapolis, Indiana. The LTCP defined the most cost-effective and beneficial improvements to the wastewater treatment plant and wastewater collection system, as well as problem areas within the collection system that could potentially reduce combined sewer overflows.

One problem area identified by the LTCP was the Milburn Boulevard Area bounded by Logan Street, Ironwood Drive, Dagoon Trail/Panama Street and the St. Joseph River. The Milburn Boulevard Area encompasses 348 acres containing approximately 1,300 residents. In 2005 the City employed the consulting services of Lawson-Fisher Associates engineering firm,



from South Bend, Indiana to prepare a Master Plan of this area. Preparation of the Milburn Boulevard Area Master Plan in 2005 was one of the most comprehensive evaluations of an existing combined sewer system ever undertaken by the City of Mishawaka.

Lawson-Fisher Associates' findings were presented at a public meeting in September of 2005. The Study identified nine specific sewer improvement projects, each estimated to cost approximately 2.2 million dollars and be completed within a single (one-year-long) construction season. Updates to the entire area could be completed by 2015 if provided adequate funding.

It was determined that wastewater funding would be utilized to construct these sewer improvement projects, but since they are not classified as neighborhood improvement projects, every street would not require improvements in order to accomplish the goals of the plan. Another important aspect of the improvements was that Milburn residents would not be charged additional costs to fund the project.



Instead, monies collected from all sewer ratepayers throughout the city would generate the required financial support.

During 2006 the engineering and wastewater department staffs worked to identify a comprehensive list of wastewater collection system projects, establish a priority for construction, and estimate costs and a tentative construction schedule. Upon analysis of available funding sources, it was determined that to have adequate funding for design and construction of at least two phases of improvements to this area, it would be necessary to sell revenue bonds from the wastewater utility. A two-step rate approved in 2004 to fund the plant expansion authorized an increase in sewer rates effective in July of 2006. Revenue from this increase would support a sale of \$8.5 million in bonds. Proceeds from the bond sale were available in December 2006 to enable the preparation of construction plans for the sewer improvement projects.

In January of 2007, Lawson-Fisher Associates was selected to prepare design plans for Division "C" which included Meridian (between Sixth and Panama) and Panama (between Hendricks and Logan) Streets. In May 2007 the City selected the consulting firm of DLZ Associates from South Bend, IN to design Division "A" which included Lincoln Way West, Dale, Meridian and a portion of Sixth Street. This project was identified as the first for construction since it included the major 60" storm sewer outlet from south of the Norfolk Southern Railroad to the St. Joseph River. In addition to the railroad, permits from the Corps of Engineers, Indiana Department of Environmental Management and the Indiana Department of Transportation were necessary to obtain approval to discharge storm water to the river.

Following bid opening in June 2007, a wetland was identified on the river bank which, if mitigated, could have delayed construction by more than a year. In order to begin construction on this project, it was determined that all bids would be rejected and the project redesigned with a new outlet on Alabama Street in order to avoid the wetlands. This redesign was completed and rebid in September 2007, whereupon C&E Excavating, Inc. from Elkhart, Indiana was found to be the lowest bidder. The final



permit to discharge to the river in Division “A” was received in December 2007; construction commenced in March of 2008.

The Division “A” Project included 60” storm and 18” underdrain sewers installed within Alabama Street from Sixth Street north to the St. Joseph River and 48” storm and 18” underdrain sewer within Sixth Street from Alabama to Meridian, including curb and street restoration. The installation of these sewers required multiple large diameter borings within Alabama. Specifically, a 72” boring for casing the 60” storm pipe within Alabama from the south side of Lincolnway (SR933) north to the St. Joseph River for the stormwater outfall. There are two borings under the Norfolk Southern Railroad right-of-way as it crosses Alabama. They are one 72” boring for casing of the 60” storm pipe and one 24” boring for casing an 18” underdrain pipe. The initial boring under SR933, Lincolnway, was completed by May of 2008.

The second boring location under Norfolk and Southern Railroad for Division “A” was begun in June of 2008, and the smaller diameter underdrain was successfully installed. However, the process of constructing the larger diameter boring encountered a great difficulty with the soils onsite. C & E Excavating was forced to stop the boring process late June 2008 and mitigate with the Railroad a procedure for grouting to stabilize the soils under and adjacent to the tracks. They provided the plan for the railroad’s review in early July 2008 and received Norfolk and Southern approval mid September of 2008 for the soil stabilization process which included grouting with over 150 small diameter angular and vertical borings for injection points. The stabilization procedure was completed in late October 2008 allowing the 72” diameter boring to resume, and was completed mid November 2008. Even with numerous delays, the project was 90% completed before it was shut down for winter. The final connections and restoration in Alabama are scheduled to be completed in Spring of 2009.

In addition, the State informed the City in June of 2008 that a maintenance project would be performed for Lincolnway (SR933) from west City Limits east to Capital Avenue during summer of 2008. Consequently, the City declared an emergency



and moved the order of construction for the Lincolnway section of Milburn Improvements to begin in July of 2008 as apposed to 2009 in order to take advantage of cost savings provided by the State's street restoration of Lincolnway. This emergency project included portions of a new sanitary sewer and storm sewer within Lincolnway from Byerly Court east to Redick Street. The work was completed by R & R Excavating by the end of July 2008 in advance of the State's restoration project, which was completed in August of 2008.

The beginning of construction for Division "C" (Meridian – Panama) was intentionally staggered with Division "A" due to the storm and underdrain system that connects to the river, which was constructed as part of Division "A". Division "C" Project began construction in September 2008 and completed one third of the project before preparing for winter shutdown. This Project installed underdrains, new storm sewer and inlets, new water taps, street patch with surface from curb to curb, curb and sidewalk. Initially this project was to include sidewalk and curb replacement for the side that was excavated. However, once it was apparent the mature trees and remaining curb and sidewalk were in too poor condition to allow proper drainage of the new street, the scope of the project was modified to include all curb, sidewalk and selective tree removal. This change will ensure that the improvements installed will be the most efficient ones possible. The construction will resume Spring of 2009, with completion anticipated in summer of 2009.

The schedule for future phases is currently beginning with the design of a phase one year and preparing projects for construction during each subsequent year. It is estimated that at least eight construction projects, each costing approximately \$2.5 million, will be necessary to complete the entire area. In order to provide funds to complete this multi year project, several additional wastewater rate adjustments will be necessary.



Maplehurst Avenue Improvements

In 2008 engineering completed the design and construction of storm sewer, street, curb and sidewalk improvements in the Maplehurst Avenue as the third phase of improvements within the Borley Avenue Improvement area bounded by Merrifield Avenue, Byrkit Avenue, Jefferson Boulevard and McKinley Avenue.

This project begins at intersection of Borley Avenue on the south and extended north to McKinley Avenue a distance of approximately 2,300 feet. The improvements include installation of 2,438 linear feet of storm sewer, 4,600 linear feet of two foot wide concrete curb and gutter, six foot wide sidewalk on both sides, concrete drive approaches and construction of a full depth asphalt street 32 feet in width.

R&R Excavating of Mishawaka, Indiana was awarded the contract in the amount \$658,467.87 on July 29, 2008 with work commencing in mid September. The majority of the work was completed in 2008 with installation of sidewalk, pavement surface and sodding of disturbed areas remaining to be completed in the spring of 2009.

Public Works Projects for 2008

North West TIF Area

<u>Project</u>	<u>Completion Date</u>	<u>Amount</u>
Main St Underpass at CN RR Retaining Walls & Approaches	Aug 2009	\$14,000,000
SJPMC Lift Station Building and Site Work	Nov 2009	\$1,350,000
Douglas Road Improvements, Main Street-Fir Rd, Phase II	Aug 2009	\$2,275,000
Douglas Road at Holy Cross Parkway Traffic Signal	Aug 2009	\$425,000
Grape Road at University Park Dual Left Turn Lane	May 2009	\$1,150,000



<u>Project</u>	<u>Completion Date</u>	<u>Amount</u>
McKinley Avenue Signal Modernization, Logan - Division Street	Nov 2009	\$1,850,000
Mishawaka Avenue – Elizabeth to Main Street	Aug 2009	\$225,000
Riverwalk, Phase IIIB (Logan Street to Lincoln Park)	July 2008	\$750,000
Church-Main Reconstruct Bridge to First Street	Sep 2008	\$1,250,000
<u>South Side TIF</u>		
Bremen Highway Gateway Master Plan	Aug 2009	\$150,000
Bremen Highway at Meijer Dr. Right-Turn Lane	June 2010	\$350,000
Twelfth Street Improvement Environmental Study	Aug 2009	\$75,000
Lynn Street, Borley to McKinley Avenue	Nov 2009	\$725,000
12 th Sanitary Sewer Relocation – Capital/SR331 Project	Nov 2009	\$975,000
Lincoln Inn Relocation of Sanitary Connection/SR 331 Project	Nov 2009	\$35,000
LWE at Capital Lift Station/SR 331 Project	Nov 2010	\$2,500,000
<u>Long Term Control Projects (LTCP)</u>		
Milburn Area – Div. “C”, Meridian/Panama	Aug 2009	\$2,000,000
Milburn Area – Div. “A”, Phase I, Alabama–Sixth Street to River	Jun 2009	\$2,700,000
Milburn Area – Div. “A”, Phase III, Sixth – Panama to Alabama	Nov 2009	\$600,000
Milburn Area Design/Construction – Div. “F”, Eastern Streets	Aug 2010	\$5,500,000
Milburn Area Design/Construction – Div. “B”, Southwest I	Nov 2009	\$2,150,000
Milburn Area Design – Div. “E”, Dale/Panama/Delaware	Aug 2009	\$258,200
Master Plan Study of LTCP elements south of River	Aug 2009	\$375,000
Third Street Interceptor, Merrifield Avenue to Church Street	Nov 2010	\$7,525,000
Third Street Interceptor, Church to Spring Street	2012	\$10,750,000
Interceptor, Norfolk Southern Railroad north R/W - Merrifield to Roosevelt	2014	\$11,625,000
Storage at Capital Lift Station/SR331, Laing Park	2015	\$2,225,000
Storage West of Spring Street in Third Street	2017	\$8,275,000
18” FM Connection, South Side of River to Interceptor	2014	\$4,875,000

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CELEBRATING

1833



2008

175 YEARS



Building Community

For 175 years, the City of Mishawaka has prided itself on our government's ability to provide exceptional services. As we continue to move forward in our pursuit for excellence, we would like to share with you some of the projects our employees undertook this past year to help the community.

Everyday I marvel at the dedication and commitment of our employees, and I cannot begin to tell you just how proud I am to work along side them to serve you. As Mayor of this great city I strongly believe that our dedication to service and support of social issues within our city will help us build the "Best Hometown in America".

Mayor Jeff

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CELEBRATING

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2008

175 YEARS



Lieutenant David Ray and firefighters collected \$7,166 for the **Jerry Lewis Labor Day Telethon** as part of the **Fill the Boot Campaign**. The Labor Day Telethon

donations for Muscular Dystrophy is yet another opportunity for our community to make someone's difficult situation a little better. As always, a special thanks to the area businesses



A bright spot in the year was the July **Garbage Open**. This long standing tournament has continued to grow over the past two years. The junior tournament was again sponsored by local businesses in the Mishawaka area. Not to break from tradition, the all-you-can-eat hotdogs

COMMUNITY

The month of June meant another "**Par for the Cause**" at Eberhart. Year after year, this event has become bigger and more publicized. Due to the increased



popularity of the event, funds raised from the event also saw a noticeable increase. After 527 holes of golf played this year, over \$45,000 was raised for the Regional Autism Center at Logan. This brought the 3 year total to over \$100,000.

2008 marked the fifth year of the Department of Planning and Community Development's **First Time Homebuyer Program**. The goal of the program is to strengthen and improve Mishawaka's neighborhoods by making homeownership a reality for low to moderate income households. Construction began in July of 2008 and by November, four new homes were completed and occupied by Mishawaka families.



SERVICE

The Mayor's Youth Council continued to play an active role in the community, demonstrating that Mishawaka youth are more than capable contributors to our community. In 2008, they prepared over 350 books every month as a part of the **Books for Babies** program, on behalf of the Mishawaka PTA Council. The books were distributed to medical centers throughout the region.



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SERVING COMMUNITY

In 2008, the Department of Planning and Community Development coordinated the 2nd annual **Summer of Service (S.O.S.) Program**. The objectives of the Summer of Service Program are to encourage youth volunteers to connect with the community, beautify the city, and touch the lives



of Mishawaka residents. S.O.S. 2008 included many local faith-based organizations and Builders of Hope who collaborated together

on repair projects on two homes in the Mishawaka community.

During the 2008 Christmas season, City Hall once again hosted a **Giving Tree**. The tree provided City Hall staff an opportunity to give some added warmth to less fortunate members of Penn Township, as City employee's donated hats, mittens, and other winter-gear.



2008 saw the formation of the **CAPS** program (Citizens in Alliance with Police) in an effort to reduce crime and vandalism in our downtown city parks and overall



make the City parks a more enjoyable experience. The program relies on volunteers to patrol the downtown parks including Beutter, Central, Battell, Merrifield and Kate's Garden. The volunteers are supplied with additional training in first aid, City ordinances and City history. Our CAP volunteers patrol the parks in a specially equipped golf cart and wear identifying clothing to aid park goers in spotting our volunteers in the parks.

Since the CAP Program has been enacted, officials have received nothing but praise for their efforts. Calls relating to minor incidents in the parks have been reduced during the time when volunteers are present their which in turn frees up Mishawaka Police Officers to concern themselves with more pressing matters.



In 2008 the Mishawaka Parks and Recreation Department hosted the **NFL Pepsi Punt Pass and Kick Contest** and the **MLB Aquafina Pitch Hit and Run Competition**.

Both of these events are geared toward teaching boys and girls teamwork, athletic skills, and an appreciation of football and baseball



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In 2008, Mishawaka City employees participated in the Relay for Life at Mishawaka High School. M a y o r s R e a ' s "Mishawalkers" relayed for 24 hours to help raise money for the fight against cancer.



TEAMWORK

The City of Mishawaka again collaborated with the St. Joseph County chapter of **Habitat for Humanity** to build new homes on City properties that were previously considered blighted. The City demolished and cleared two such lots this year, on West Sixth Street and East McKinley Avenue.



The City demolished a dilapidated, vacant structure on the West Sixth Street lot, and granted Habitat for Humanity \$13,800 from HOME Partnership Act funds to help build the new home, which was then turned over to a family working with the organization.



Similarly, the City helped to clear the former structure at 300 E. McKinley Avenue, and granted Habitat for Humanity an additional \$15,000 in HOME funds to help cover the construction costs. Habitat for Humanity routinely involves students and other volunteers from local organizations in the projects sponsored by the City, allowing the program to create meaningful opportunities for the community to come together and support its less advantaged members.



IT Director Tim Calderone led Cub Scouts Pack 404 in the completion of several projects throughout the area. With Tim's guidance, the Scouts took part in a clean-up of Lange Park,

OUTREACH

Early each December, employees of the Parka and Recreation Department and the Electric Department work together with the Mishawaka Business Association to present **Hometown Holidays**. Hometown Hoildays is a holiday celebration in downtown Mishawaka for Mishawaka residents, culminating with the lighting of the Mishawaka Christmas tree.



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2008

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In 2008 the **EMS Division** of the Fire Department expanded on its long time tradition of proctoring and mentoring EMT and paramedic students by becoming a member of the FISSAP (Field Internship Student Data Acquisition Project) organization. Since April of 2008 when the Mishawaka Fire Department joined with FISSAP they have averaged 216 hours of EMS student proctoring per month.



Every month in 2008, employees from **Utilities Business Office** lent a helping hand by supporting the food pantry.



They also contributed their time and efforts Toys for Tots during the holiday season. They found both of these programs rewarding, while also

giving them the opportunity to give back to others in the community.

COMMITMENT

In its 26th year of operation the **Needy Family Project** was able to provide a happier holiday season for 11 families and 27 children. The program is funded by firefighters passing the hat for those less fortunate. This year's donations were \$4,389. The program wouldn't be possible without the generous donations of local Kroger's and Meijer's.



In 2008 the **Wastewater Division** continued its relationship with the Notre Dame School of Engineering. Treatment plant staff opened the doors of the wastewater plant to allow a Wastewater Design class access to a real-world facility. Mishawaka presented a lecture to the class at the beginning of the semester and then hosted a tour of the treatment plant. The Design Class split into two groups, one looked at ways to increase energy efficiency and the other developed a computer model of the treatment plant. This was a wonderful opportunity to share our experiences with young engineering students and for plant staff to become energized by their enthusiasm. Mishawaka looks forward to continuing its involvement with the School of Engineering.



PRIDE

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2008

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DEDICATION



D.A.R.E. classes given to Mishawaka School City and private schools in the area. D.A.R.E. Instructor, Lt. Tim Williams.



Many Mishawaka Departments help food and clothing drives throughout the months of November and December to benefit Stone Soup and the Northern Indiana Food Bank.

Cpl. Dan Huffman taught G.R.E.A.T. (Gang Resistance and Training) classes to John Young Middle School students. These classes are geared toward educating the students on ways of resisting joining gangs.



DUTY



The Mishawaka NET attended over 50 special events in the City of Mishawaka and St. Joseph County. Events such as Bike Rodeos for the kids, reading to elementary kids, safety talks, special group or club talks, Gun Buy Back Program and parades.



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Looking Ahead to 2009

It has been a great privilege to stand before you this evening and review the State of our City. Though this report is the shortest of any of the State of the City reports I have given, please understand that is more of an exercise of the time we had to prepare the information and not representative of the activity of 2008. This past year has been one of our busiest ever and I am so proud of all that we have accomplished. Everywhere I go I hear from our citizens that they are excited to call Mishawaka home. They can choose to live anywhere in the world and the fact that they have chosen to live here in Mishawaka is a fact that we must never lose sight of. Those are the people who have entrusted us with this awesome responsibility and it is for them that we labor each day. They expect great things from us and we are going to give them great things. They expect us to be good stewards of their dollars, they expect us to work hard and deliver great services, they expect us to be creative and innovative, they expect us to seek new and more efficient ways to deliver our services, and they expect us to be honest and for our work to be transparent. We will work hard to meet those expectations.

As we look forward, our top priority has to be our budget. Although challenging, Mishawaka has positioned itself to weather the fiscal storm and continue to provide outstanding City services. Unlike other local governments, I don't believe that we need to re-invent government. However, I do believe that these challenges will mandate continued changes and cuts. Those changes and cuts will ensure Mishawaka remains a competitive city. Whether we like it or not, we are in competition with other communities across the country when it comes to attracting new jobs, a quality workforce, new citizens, and investment in our community.

For us to be competitive, it is imperative that we control our processes and measure our effectiveness. Government doesn't often do that. In the past, we have reacted to requests filled with emotion, in the future hard data will be required. We must justify each expenditure, every employee, every piece of equipment, every service we deliver. Though we are not a business, we must operate more business like. We must

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have buy-in, from our citizens, from our management team, and especially from our employees. They must understand why they are performing certain tasks and we must measure the effectiveness of performing those tasks. Otherwise, they will never see the need to improve or achieve excellence. We have begun to implement many of these practices. For example, we have now closed the Battell Community Center on Fridays. An analysis of the usage of the center revealed that very few people visited the center on Fridays, making it difficult to keep it open. In addition, an analysis of usage at the Mary Gibbard pool revealed that on an average evening, four employees were on staff, and an average of two customers visited the facility. That is a business model that can not succeed, and therefore we have closed the pool in the evening. Other difficult decisions lie ahead.

We will concentrate our 2009 efforts in a couple of specific areas. First, and my top priority, is gaining efficiency through an integrated workforce. My team has begun this process, and by January of 2010, I expect it to be fully implemented. In particular, we must integrate our basic maintenance responsibilities, like lawn mowing, snow plowing, and facility management and maintenance. Currently, each department really does their own thing when it comes to maintaining property owned by the department. That is not to say that a great deal of cooperation does not occur, however we need to better utilize the manpower and equipment. For example, in the downtown area, within one block, the Utility maintains the utility business office, police personnel maintain the police station, park personnel maintain the riverwalk area, and street personnel maintain part of the former Uniroyal property and other right-of-way. In addition, each facility really operates as its own separate facility. Consolidation or privatization of facility management may be options to consider. Our employees and management team will be critical to identifying opportunities to save. We must also consider seasonal issues, as some departments are busier in particular seasons than others. The plan is not necessarily to eliminate through lay-offs, it is my hope that many changes can happen through attrition. You will hear more about our plans for integration of the workforce as the year progresses. We know severe changes could happen in 2010. Our success with achieving this objective in 2009 will minimize the severity of those changes.

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As a part of integrating our workforce, we must also integrate our equipment and vehicles. In the future, we will think less of vehicles and equipment being assigned to a specific department and more of those being pieces of equipment or vehicles that can be utilized by any employee in any department. We have begun the vehicle integration, reducing our fleet and instituting fleet vehicles that can in essence be “checked out” when needed. This has worked well the first month during our pilot program, and we will see additional integration as the year progresses.

Our second priority has to be changes to our employee health insurance program. Unfortunately again our costs are skyrocketing, rising 23% this past year, and may approach \$10 million in the upcoming year. Employee health insurance represents 11% of our total budget. Much like I identified in my 2004 State of the City, we must undertake comprehensive changes. I recognize that the changes may not be popular with the employees, however we really have no choice. The employees have enjoyed three straight years of no increases (one decrease) in employee contributions, office co-pays, deductibles, or prescription costs. We are looking at some exciting options and I look forward to working with the different employee groups as institute changes.

Our third priority has to be customer service and how we interact with the public. I do think we take good care of our customers. This objective though is less about how nice we are, more about how we make information available to the public, how easy it is to find information, how easy it is to access our services, and how we eliminate process waste. Technology gives us a great opportunity to do this, ultimately better serving the public and reducing our costs. For example, we need better utilization of the City and Utility web-site. More and more people are accessing the web to pay bills, gather information, and basically interact with companies. We have not done a great job at that. In the future, you should be able to pay bills on-line, apply for a permit, rent a facility, send a request for service, maybe even access an on-line newsletter with up to date city happenings. The possibilities are endless and the opportunity is for us to better



become a 24 hour operation. We have made some good progress, but great opportunity lies ahead on this objective.

As we move through 2009, it also will be essential that we provide the quality services that continue to make Mishawaka the great hometown that it is. Quality of life things like the activities at our community center, Summerfest, concerts and movies in the parks, the expansion of the Riverwalk must be continued. We must also continue to deliver important neighborhood services like code enforcement, neighborhood policing, and leaf pick-up. From public safety to streets, parks and utilities, all are essential and are expected by our citizens. We will do our best to continue to deliver them.

Despite the difficult economic times, you will see some construction activity continue in and around the city in 2009. Some have been on the drawing board for many years and will finally come to fruition in 2009. These are some of the significant ones that I think will be remembered by future generations:

- a) Milburn Sewer Separation
- b) Complete Main Street Underpass, and potentially the widening of Main Street from Mishawaka Avenue to Catalpa.
- c) Riverwalk Connection- Kamm Island to Logan Street, behind the Wastewater Treatment Plant.
- d) Stimulus projects- Though we are not sure what specific projects yet, we intend to take advantage of this funding opportunity as greater Federal participation will allow us to leverage more local dollars for needed infrastructure projects.
- e) Continue to concentrate "neighborhood projects" in the older parts of town, first time homebuyer, rehabs, vacant house removal. Third and Merrifield as a target example.
- f) Continue economic development efforts. Work to partner with developers, new technology parks on the north and south side of the City should be pursued. Emphasis on the need to diversify our economy



As usual, a busy year lies ahead! I look forward to working with each of you as we continue building this great hometown.

Thank you for the opportunity to again be before you this evening to review the State of our City. I hope you will agree that despite uncertain times, the State of our City is strong and that we have positioned ourselves well to weather difficult times. Mishawaka will emerge stronger than ever and we will continue to realize our great mission like we have enjoyed these past 175 years, that is to build the best hometown in America, by delivering exceptional city services, by promoting clean and safe neighborhoods, by elevating the quality of life, and by inspiring pride in our community.

Stimulus Package

As a result of the negative economic climate, the Federal government is currently drafting and debating a financial stimulus plan which will extend aid to struggling communities and families across the nation. The stimulus proposed by President Obama and the United States Congress will have a direct impact on Mishawaka's citizens and city government.

The financial stimulus proposed in February of 2009 has promised direct aid to state and local governments in several forms. First, it will extend direct financial aid to our city to help meet the rising costs of providing essential public services, so long as it is used in an efficient and accountable manner in keeping with the plan's goal of preserving public sector jobs and services. Secondly, this financial boost will allow our state to create nearly 80,000 new jobs, as we strengthen our community through infrastructure improvement and development. Lastly, 95% of American taxpayers will receive a \$1000.00 tax cut.

The current stimulus plan promises aid for local governments like ours, which are simultaneously struggling to provide essential services and shrink their budgets. This aid will benefit the City of Mishawaka and its citizens in two important ways: by

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reliving some of the financial strain on individual taxpayers and our city government and by supporting our city’s commitment to increasing our levels of efficiency and fiscal accountability. As always, the City of Mishawaka looks forward to finding new and better ways to serve its citizens, increasing their quality of life through maintaining high standards in public service.

**City of Mishawaka
FHWA Stimulus Listings**

Project	Project Type	Funds Allocated
McKinley Avenue Traffic Signal Interconnect - Logan to	Traffic Signals	\$1,340,000
Merrifield Park Connector	Other Project	\$1,099,809
Pavement - Micro Resurface / Chipseal (100+ mi func	Pavement	\$750,000

**City of Mishawaka
American Recovery and Reinvestment Act
Clean Water Stimulus Projects**

Project	Description	Estimated Cost
Holy Cross Parkway Pump Station Bldg and Site Improvements	Building, pumps, backup generator and site work	\$ 1,250,500.00
Holy Cross Parkway Pump Station Forcemain, Phase II-B, Div III	700 LF of 24" FM - Frank Park to Park Place	\$ 365,400.00
Holy Cross Parkway Pump Station Forcemain, Phase II-C	1,240 LF of 24" FM - Park Place to Catalpa	\$ 625,600.00
Holy Cross Parkway Pump Station Forcemain, Phase II-D	6,350 LF of 24" FM - Catalpa to Pregal Drive	\$ 3,057,400.00
Holy Cross Parkway Pump Station Forcemain, Phase II-E	2,380 LF of 24" FM - Pregal Drive to Jefferson	\$ 1,115,700.00
Holy Cross Parkway Pump Station Forcemain, Phase II-F	2,550 LF of 24" FM - Jefferson to Mishawaka Ave.	\$ 1,275,300.00
Holy Cross Parkway Forcemain New River Crossing, Phase II-G	750 LF (2) 24" River Crossings & 580 LF Of 36" Gravity Sewer	\$ 1,952,500.00
Twelfth Street Sanitary Sewer Relocation	1,500 LF of 27" sewer relocation due to INDOT SR 331 Proj	\$ 975,000.00
Milburn Area Sewer Improvement Project Div. "B"	Southwest Ph. I - LTCP Element sewer separation & CIPP	\$ 1,950,250.00
Milburn Area Sewer Improvement Project Div. "D"	Southwest Ph. II - LTCP Element sewer separation & CIPP	\$ 2,912,485.00
Milburn Area Sewer Improvement Project Div. "E"	Dale Avenue - LTCP Element sewer separation and CIPP	\$ 3,356,844.00
Milburn Area Sewer Improvement Project Div. "G"	River Avenue - LTCP Element sewer separation and CIPP	\$ 3,477,050.00
Milburn Area Sewer Improvement Project Div. "F"	Eastern Area - LTCP Element sewer separation and CIPP	\$ 4,224,394.00
Milburn Area Sewer Improvement Project Div. "H"	Central Area - LTCP Element sewer separation and CIPP	\$ 4,522,970.00
Juday Creek Forcemain Replacement Project Phase I	Clay St. (Jefferson - Lowell) 1,200 LF 18" forcemain replacement	\$ 367,650.00
Juday Creek Forcemain Replacement Project Phase II	Clay St. - Corby Ave. LS 5,400 LF 18" forcemain replacement	\$ 1,737,500.00
Juday Creek Forcemain Replacement Project Phase III	Corby Ave. LS - Juday Creek LS 7,800 LF 18" forcemain lining	\$ 2,237,500.00
Northwest Trunk Gravity Sewer CIPP lining	Marion St. - Wilson Blvd. 3,000 LF of 36" sewer Lining	\$ 875,500.00
Total		\$ 36,279,543.00

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Accelerated Projects: City of Mishawaka				
Urbanized Area:				
Contact for this Information: Gary E. West, Director of Engineering				Total 100%
Des Number	Federal Project #	Project Description	LPA Sponsor	
		Lynn Street Improvements - Borley Avenue to McKinley Avenue Construction of curbs, sidewalks, storm sewer and asphalt pavement.	City of Mishawaka	\$975,000.00
		Main Street Improvement Project Phase I - Mishawaka Avenue to Battell Street Added travel lanes, storm sewer extension, curb, sidewalk and pavement.	City of Mishawaka	\$2,400,725.00
		Main Street Improvement Project Phase IV - Donaldson Avenue to McKinley Avenue Added travel lanes, storm sewer extension, curb, sidewalk and pavement.	City of Mishawaka	\$3,380,000.00
		Main Street Improvement Phase VI - Ardennes Avenue to Edison Road Add travel lanes, storm sewer extension, curb, sidewalk and pavement.	City of Mishawaka	\$1,690,000.00
		Main Street Improvement at Edison / Edison Lake Parkway - add center turn lane, right deceleration lane, extension of storm sewer, curb and pavement.	City of Mishawaka	\$562,000.00
		Main Street Improvements - Front Street to Bridge over Saint Joseph River Compleat reconstruction and alignment with added travel lanes, stom sewer, curb and sidewalk tying into the Riverwalk / Beutter Park Development.	City of Mishawaka	\$4,250,000.00
		Mishawaka Avenue Improvements - Main Street to Ann Street add travel lanes, storm sewer, curbs, sidewalk and pavement.	City of Mishawaka	\$550,000.00
		North side Traffic Signal Modernization - Upgrade traffic signals at 22 intersections to include led traffic signals, battery back up, emergency vehicle preemption, fiber optic interconnection, overhead signage and pavement markings.	City of Mishawaka	\$675,000.00
		Street Resurfacing Program / Reconstruction		
		12th Street - Byrkit Avenue to Capital Avenue	City of Mishawaka	\$145,000.00
		Fir Road - Jefferson Blvd to Day Road	City of Mishawaka	\$272,000.00
		Grape Road - Day Road to Edison Lakes Parkway	City of Mishawaka	\$175,000.00
		Jefferson Blvd - Division Street to Merrifield Avenue	City of Mishawaka	\$62,000.00
		Logan Street - 8th Street to Dragoon Trail	City of Mishawaka	\$75,000.00
		McKinley Avenue - Division Street to Home Street	City of Mishawaka	\$295,000.00
		Mishawaka Avenue - Division Street to Byrkit Avenue	City of Mishawaka	\$245,000.00
		Union Street - 7th Street to Dragoon Trail	City of Mishawaka	\$198,750.00
		Jefferson Blvd - Merrifield Avenue to Byrkit Avenue Reconstruct existing 4 lane road to 3 lane road with tree lawn, curb, sidewalk		\$820,000.00
		Thirteenth Street and Union Street Intersection Improvements	City of Mishawaka	\$95,000.00
		Twelfth Street - Capital Avenue to Blackberry Road	City of Mishawaka	\$242,900.00
		Subtotal for Resurfacing / Reconstruction		\$2,625,650.00

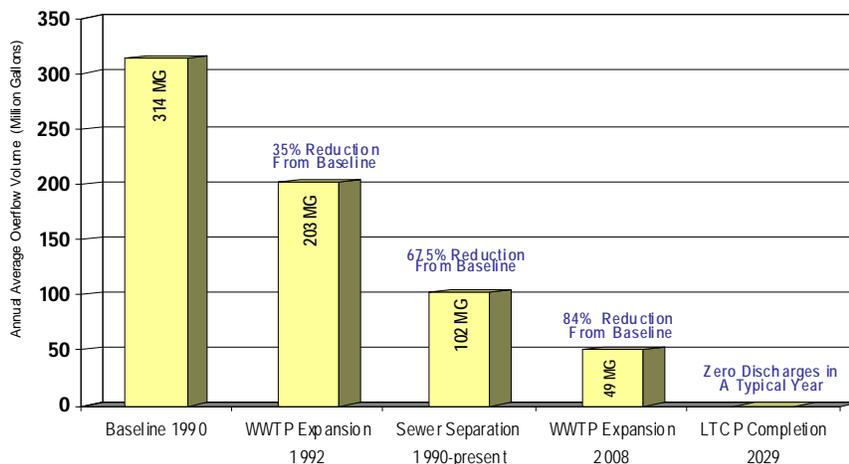
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CSO

Although great strides have been made in improving the water quality in the Saint Joseph River, much remains to be done. During wet weather, combined sewer overflows can discharge a mixture of stormwater runoff and wastewater directly to the river without treatment. Mishawaka is one of 100 communities in Indiana with combined sewer overflows. In 1990 there were approximately 350 million gallons of CSO that flowed to the river in Mishawaka. A combination of sewer separation projects and treatment plant upgrades has reduced this annual volume by over 300 million gallons per year. The reduction of CSO to the river during wet weather is a federal mandate and continues to be one of the City’s top priorities. Although the completion of the expanded treatment plant significantly reduces CSO volume, remaining overflows must be addressed. Federal law requires cities with combined sewer systems to eliminate CSOs if economically feasible. During 2008 the City continued negotiation with the EPA, IDEM and the Department of Justice over its CSO Long Term Control Plan (LTCP). The City submitted its final draft LTCP in October for review by the agencies. The plan as submitted will vastly reduce the occurrence of CSO, from the current average of 50 overflows per year to less than one overflow in an average year.

Effectiveness of CSO Control Projects



The final scope of improvements and implementation schedule for construction of the LTCP will be negotiated in 2009. The LTCP is expected to cost between \$140 and

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\$160 million and the city is requesting a 20 year implementation schedule. Consistent with EPA policy, once the LTCP is approved it will be enforced in a federal consent decree. The decree will require that the scope and schedule of the LTCP be met or the city will face stipulated penalties.

Currently the cost of CSO control falls completely on local communities. A series of rate increases will be necessary to begin the implementation of the long-term control plan. The City is already involved in an aggressive search for other funding sources that may lessen the impact on our ratepayers. These efforts will continue for the duration of the CSO control program implementation. We have met with Indiana's congressional offices to explore possible grants or earmark funding, and have submitted projects that may be considered for funding as a part of the federal infrastructure stimulus program. As always, we will seek low interest state loans if we must borrow to pay for projects.

Strategic Planning

At a time where government is in contraction mode, yet the demand for City and Utility services continue to increase, there is no better time to evaluate our performance and how we can better serve the public. We also know with continual changes in funding, technology, economic cycles, and lifestyles- government needs to adapt and change with the times. In late 2008, I initiated a strategic Planning Process with all City Departments and Mishawaka Utilities to identify ways that we can cut costs while also trying to maintain or increase the quality of service provided. This strategic planning process will help create the long-term efficiency, growth, and governing strategy of the City.

One of the key elements driving the process is the projected decreases in revenue based on state property tax reform. These reforms have placed a cap on property taxes and are projected to significantly cut the City's revenue in coming years, with close to 2 million dollars of impact projected for 2010. In addition to that tax revenue impact, the City's health insurance costs in the past year have incurred double digit percentage

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increases. The current recession has also had significant impacts on the regional economy with a spike in unemployment and a higher building vacancy rates. Commodities such as fuel and energy have also seen dramatic spikes and drops in prices over the past year. All of these elements contribute to difficult economic times for the City and our constituents.

Fortunately, the City has made tough decisions and cuts over the last few years and the challenges that we face, although significant, are not insurmountable. Unlike other communities in the region, we are not facing catastrophic cuts in services and personnel. However, unlike past years where we have been able to make cuts through attrition and cost saving measures, the coming shortfalls will likely require cuts in both service and personnel. This reality has dictated that as a City we go one step beyond and re-evaluate the services we provide. Specifically, it is essential that we look for efficiencies on what services are provided, how those services are delivered, and identify priorities for cuts and changes.

All of our 22 departments from utilities, police, fire, streets, parks and others all contribute to our quality of life. We are very proud of all our employees. By enlarge; we are efficiently providing quality services to our constituents. At the same time, we also know that difficult times demand that we search even harder for improvements and added efficiencies. Knowing that cuts are inevitable, this strategic planning process will dictate to a large degree what services will continue, what services will be added, what services will be consolidated, and what services will be eliminated. Consequently, decisions will also be made on what jobs will continue, what jobs will be added, what jobs will be combined, and what jobs will be eliminated.

To facilitate this process, a consultant (Deborah) from Memorial Hospital was brought in to work with department heads and key leadership positions. The process started with identifying the personality and leadership traits of each person. This exercise was important to identify the strengths, motivation, and communication skills of the team. Collectively, the group then developed “WIG’s” Wildly Important Goals.



The definition of a WIG is that “if this doesn’t happen, nothing else matters”. The three WIG’s that came out of the process were as follows:

- Develop an integrated workforce that crosses departmental boundaries.
- Take a creative and innovative approach to providing exceptional services.
- Address and prioritize spending cuts; stabilize funding.

Once these WIG’s were identified, the need was then to take the broader goal and identify the more specific lead measures necessary to implement the goals. The lead measures identified for each of the WIG’s were as follows:

- Each Department will identify a plan to identify and share common core functions (integrate the workforce) in early 2009 to assist in the preparation of the 2010 budget.
- Each Department will create an action plan (creative and innovative) to improve services in 2009 and assist in the preparation of the 2010 budget.
- Each Department will identify ways to positively impact the budget. This includes managing the approved 2009 budget, and developing ways to prioritize and cut the 2010 budget.

In early January, each department presented these issues and goals to its employees. Any meaningful change needs to have “buy in” both from top to bottom and from bottom to the top. This was accomplished with the understanding that those doing the work will likely understand best how things might be accomplished more efficiently. With this comprehensive input, each Department head then developed action items for their Department to implement the lead measures.

A good example of one of these action items is within the Sewer Maintenance Department. Tom Dolly, the Department Head, undertook an active role incorporating employees in the creation/brainstorming of action items. As part of this process, efficiency was realized by combining video and cleaning functions on certain jobs. Previously, each function was handled independently. This meant for each function there was one operator and one assistant. Now for the jobs that can be coordinated



together, only one assistant is required to assist the two operators. This efficiency provides additional man-hours that can be applied to another department service. Over time, this could also mean that these hours could be applied to another departments function, and that positions could be combined realizing significant personnel savings.

Every City and Mishawaka Utilities department created their own department implementation measures. As such, this process has already yielded a more efficient delivery of services. The challenge will be to convert these added efficiencies into budget cuts. The expectation is that a hundred of these smaller efficiencies, when collectively applied, will reduce the service and personnel cutting challenges of the 2010 budget while maintaining a high level of service.

In addition to department efficiencies, the process also revealed a number of issues/focus areas that cross departmental boundaries. Similar to the departmental process, each of the following focus areas will be evaluated and scrutinized in the coming months.

- Customer Service
- Fleet Management
- GIS
- Grounds/Facilities/Janitorial
- Employee Time Management
- Technology

Each focus area has an assigned “champion” with various department heads and key individuals providing input serving on the committee. The intent is that each one of these groups will come forward with recommendations. Each group will identify a plan to integrate the workforce, create an action plan to increase/improve services, and identify ways to positively impact the budget. The intent is to formalize recommendations in time to be implemented in the 2010 budget.