

State of the City Address

28 January 2010

Mayor Roger Tobler

Introduction

Ladies and gentlemen, my fellow Council members and City staff, invited guests, and fellow residents of Boulder City, good evening. It is my honor and my privilege to stand before you tonight to present to you the state of our great City. It is my hope that in the next few minutes, I will be able to share with you my vision for Boulder City—to help you review with me all we have accomplished, examine carefully the challenges we face and look forward with you to all that 2010 has to offer.

Council and Staff Recognition

Let me begin by recognizing the efforts of the good men and women who sit behind me tonight. While you may see them twice a month on BCTV or recognize them as they work and serve in the community, a great deal of time is also spent behind the scenes representing the City in a variety of capacities.

Mayor Pro Tem Duncan McCoy serves on:

- the Board of Directors and Legislative Committee for the Nevada League of Cities, and
- on the Southern Nevada Water Authority Board.

Council Member Cam Walker serves on:

- the Boulder City Community Educational Advisory Board
- the Clark County School District Oversight Panel,
- the Las Vegas Convention and Visitors Authority,
- the Southern Nevada Regional Planning Coalition,
- the Nevada Development Authority, and
- as an alternate to the Legislative Committee of the Nevada League of Cities.

Council Member Travis Chandler serves on:

- the Public Agency Compensation Trust and
- the Southern Nevada Work Force Investment Board and
- as an alternate for on the District Board of Health.

Council Member Linda Strickland serves on:

- the Southern Nevada Criminal Justice Advisory Council,

- the Nevada Public Agency Insurance Pool Board of Directors, and
- the Southern Nevada District Board of Health.

And as your mayor, I am pleased to serve on:

- the executive board of the Civilian Military Council,
- the Regional Transportation Commission and
- the Regional Flood Control District Board of Directors.

Having our elected officials participate in these boards and community coalitions is important, as it allows us to build relationships, safeguard our interests and look for ways Boulder City can participate in regional decision making.

We are also pleased to have several notable members of our community and region here tonight, including...

- State Assemblyman Joe Hardy
- Former State Legislator Gene Segerblom
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In addition, our capable City Manager, Vicki Mayes and several other key City Staff are here, and we thank them for their continued dedication and efforts in behalf of our community.

You may have noticed that our setting and format for tonight's State of the City Address is a bit different than what we've done in previous years. There are several things I plan to discuss this evening that will be better understood if they're presented this way. To make this possible, I extend my thanks to Rose Ann Miele and the staff here at the Boulder Creek Golf Club and to the Chamber of Commerce for providing tonight's setting. I also appreciate the work of Eric Hawkins at H2 Outreach for his assistance in preparing tonight's presentation.

However, it really won't matter too much how nice the setting is, because I've gotta tell you, giving this speech is one of my favorite things to do. In fact speaking in public at all makes me feel about like this poor guy! There's just nothing that can make this easier!

I hope you'll also enjoy the bits of humor in tonight's discussion. They're there intentionally, and in case your sense of humor is different from mine, I've colored the funny slides green! Feel free to laugh, even if it's at me!

A Bit of History

I'd like to get started this evening by sharing with you a bit of history from our great community. The photos you see here on the screen have been taken by a number of individuals over many years, and are a good reminder of how much we've changed since our City was founded.

And yet, there are many things that I am proud have NOT changed. Boulder City has been my home since 1969, when I moved here at age three with my family. It was a wonderful place to grow up, and as I have left for a time and then returned, it has been an equally remarkable place to raise my family and run a family business. Through the efforts of hundreds of individuals over many decades, we have created and maintained a unique, small-town lifestyle that we all love.

However, as always, we have shared our borders with much larger communities in the Las Vegas Valley, and are never immune to what occurs there. Now, our financial situation is not as bad as some of our metropolitan neighbors, but this close relationship has brought both benefits and challenges.

Overall, we have protected the lifestyle and sense of community we desire. Our challenge now and in the coming years is to do some important things that will preserve what we love about Boulder City through this time of difficulty and change for our nation, and for our region in particular.

We're not the only ones who love Boulder City, or that recognize its unique character. Over the past few years, our community has been featured in several regional and national publications as a great place to live, work and retire.

Sunset magazine recognized Boulder City as the best "exurb", or small community outside a metropolitan area in its list of best places to live in the West.

Money magazine feature Boulder City as number six on its list of 25 best places to retire.

Bike magazine and other similar publications regularly feature Boulder City and the trails in Bootleg Canyon as a premier recreation area.

All of these publications and many other online resources recognize that Boulder City is unique because of its

- Tremendous recreational facilities and programs
- Mild climate for much of the year
- Good schools with high parental involvement
- Convenient senior center
- Full service library
- Community hospital
- Golf courses
- Proximity to Lake Mead and Hoover Dam, and
- Easy access to the Las Vegas valley with its urban attractions and amenities

But perhaps one of the things that's difficult for people to communicate is the quality of life and sense of community—that character and charm that make this a special place to visit or live.

Economy in Southern Nevada

Now I have to tell you, as I begin this portion of my speech, that 2009 felt a bit like this...

Being a small town on the outskirts of a large metropolitan area has, as I mentioned, both challenges and benefits. Our community has certainly benefitted from the economic growth of the region during the previous decade. As 2008-2009 have passed, however, we have not been immune to the financial difficulties of our region or state.

Our economic stream has been heavily affected, and we're doing everything in our power to meet these challenges. These slides demonstrate how our revenues from consolidated tax, property tax, royalties and fees have all declined. We anticipate this trend will continue throughout 2010.

The only revenue source that has been unaffected by the economy is lease revenue, and new solar leases have bridged some of the gap in revenues. Even with these new revenues, it is becoming increasingly difficult to balance expenditures with revenues, and the General Fund ending balance will continue to drop to a projected \$2 million in this fiscal year.

Everywhere in the City, we are looking at ways to address this lack of funding. Before we see the economy recover, we'll need to work with organized labor to make further reductions. Operating budgets have been cut dramatically and virtually all capital expenses have been deferred. This means there really isn't anywhere else to cut, unless we reduce services. It is also unknown how much the bridge opening will impact our public safety services. The City, like every other municipality in our region, is in a very vulnerable financial position. Any changes in revenue, whether it be through a legislative change, the loss of a solar lease or further revenue declines could have a significant impact on City services.

Boulder City has applied for and received Federal Stimulus funds, which have been used to offset the costs of several key programs in our community. We appreciate the help of Senator Harry Reid and Congresswoman Dina Titus in securing these funds for Boulder City. We've applied for more funding in this coming year, and we'll continue to review our expenditures and sources of revenue on a constant basis, and work to balance what we can provide with what resources we have.

Energy Zone

I spoke a moment ago about the leases from the energy zone and their importance to our fiscal strength. This is an important area, and I'd like to spend a couple of minutes talking about this with you.

The energy zone in the Eldorado Valley is one great example of how the vision of former elected officials and community leaders is benefitting us today. As you look across that valley, that vision for a high efficiency, low impact resource for Boulder City is clearly visible. The leases and revenues from this portion of our city have a tremendous positive impact on our budget. Former and current City leaders have worked hard to plan for and address the many difficult issues associated with this area, and their hard work is paying off quite literally. My special thanks goes to Vicki Mayes and her staff, who have handled the negotiations, contracts and business transactions with a myriad of companies and regional agencies to make this possible. It has truly been a team effort of council and staff, and we thank all who participate to benefit our community.

To date, our efforts in the Eldorado Valley have been focused on solar energy. However, we are also open to the exploration of wind, geothermal and biomass fuel energy production in this area. Boulder City is leading the way. While other municipalities in the Southwest talk about alternative energy and debate its merits or feasibility, Boulder City has quietly moved forward to make it happen. I believe this will make a great difference in our future. It has already had a tremendous positive effect financially, and that benefit will increase over time. Energy generated in the Eldorado Valley currently is sold on the grid, but negotiations have been made in some current contracts and will be included in future agreements to provide energy directly to Boulder City at discounted rates.

The energy zone has promising potential to help pull our City out of debt and provide for our future, but we must protect the revenues from this resource and use them wisely. This means paying off debt, rebuilding the general fund ending balance, securing capital improvement funds and stabilizing energy rates, not increasing the size or complexity of government.

Utility Rates

As many of you are aware, energy rates in Boulder City recently increased dramatically. This occurred as a result of a 260% increase in the cost of wholesale power rates charged to the City by NV Energy. Prior to that, we enjoyed 20 years of no increases in energy rates from Nevada Power. Because of the drought and our increasing power needs, we've had to purchase additional energy beyond what our hydropower contracts allow. It's been a difficult issue that's occupied a lot of time and effort from Council and staff.

The purpose of our public utility in Boulder City is to provide electrical, sewer and water services for our residents. To do this, we must cover our expenses and use any profits to build up a capital improvement fund to pay for major infrastructure repairs or improvements.

The City Council has directed staff to review our power rate structure frequently to ensure that these current increases match the actual demands and capital improvement needs without unnecessarily raising rates.

Ballot Questions for Land Sales

As we continue our discussions on the future finances of the City, another option is to sell City-owned land. Two ballot questions will appear in November related to this option. Let me take a moment to outline what this entails and what it can mean to Boulder City.

One of the greatest financial challenges facing Boulder City every year is the repayment of debt. This debt has been incurred over the years to provide needed infrastructure and construct community resources. Our debt payment amounts to approximately \$3.8 million this year from our general fund and utility fund, with that amount increasing in future years. Though our debt is below average for communities of our size, it's a burden we can no longer afford to leave unaddressed.

Like any family, business or organization, we've looked carefully at how to make our budget balance. There are options on how to do this. If you'll recall, we spoke about these in last year's State of the City address, and we need to follow those same principles moving forward. They include:

1. Reducing expenses – We're doing it. In 2009, the City reduced its expenses by approximately 1.3 million, and in 2010, an additional \$1.15 million has been cut. This means that over the last two years the City has trimmed more than \$2.45 million from its annual budget. Further cuts will impact needed services from the City.
2. Increase revenues – We're working on it. As I mentioned before, the energy zone in the Eldorado Valley can play an important role in this area. I'll speak more about how to increase revenues in a moment. Unfortunately, this often means increasing fee and rates—something we are doing everything we can to avoid, as we understand the people in our community are also facing tighter budgets.
3. Eliminating debt – We MUST make this a priority. The ballot questions regarding land sales are intended to help address this serious issue. If we continue to cover debt simply by using current revenue funds, rates will go up and services will be impacted.

It is very apparent that eliminating debt is the key. The sale of property by the City is one way to retire that debt and secure our financial future while still protecting our quality of life and providing necessary government services. I believe this must be done, however, in a responsible manner. Our goal should be to eliminate debt related to past expenses like the raw water line and Boulder Creek golf course and to provide funds for future obligations like the third water intake, NOT to increase the size of our City government. One benefit of the recent economic difficulties is that we've taken a hard look at expenses and programs, and I believe the result has been a more streamlined, efficient government that still provides what our community needs.

There are various ways of looking at how and when City land should be sold and where the money from those sales should be used. The City Council will study each option carefully, and will continue to evaluate the costs and benefits of any proposal. The following is an outline for what I believe is the best course for our City to free us from debt and maintain an attractive, vibrant community.

First, under current conditions, Boulder Creek golf course should remain open—but obviously, not at all costs. Just like other aspects of our budget, we have been trimming expenses and budgets at the Boulder Creek course to reduce its impact on City finances. But to close the Course now would create a huge eyesore in our community and destroy the very asset that could free our city from debt.

Here's what the City Council has approved and what will appear on the November Ballot:

- With a modest land sale we can reduce our overall debt and still have this attractive community resource.
- There will be two land sale ballot questions on the November ballot. One tied to residential lots and the other to commercial property lying between the Golf Course and Airport.
- The proposed debt elimination plan would take the profits of either or both of these land sales and have a lasting effect on our finances. Here's what's currently being envisioned:

- 10% of the proceeds to be expended from the capital improvement fund for public safety capital needs
- The remainder of the proceeds to go first to pay general revenue bonds of the Boulder Creek Golf Course, and any remaining proceeds to go to pay other capital debt obligations of the City.
- This sale would not occur until the economy is stable enough to provide for good profits for the City from the proceeds.

This will have both immediate and long-lasting benefits to the financial health of Boulder City. It will allow us to control our financial future and give us the resources we need by freeing us from the burden of debt and allowing us to rebuild prudent funding levels and secure our ongoing essential public services.

I encourage all Boulder City residents to consider carefully these issues in the coming election.

Bridge Opening

I mentioned a moment ago that proceeds from the land sale would go to fund public safety improvements. There's a good reason we need to strengthen our public safety in Boulder City. Later this year, the Mike O'Callaghan/Pat Tillman Memorial Bridge will open, offering a simpler, more efficient route across the Colorado River.

No one knows for certain exactly what impacts this will have on our community. Hopefully it won't be THIS bad, but we DO know that it will bring both benefits and challenges, particularly to the areas of Boulder City that border this route.

Our first priority has been and will continue to be public safety. We are pursuing everything we can and working to put plans in place to address the issues that will come from increased traffic flow and the return of thousands of large tractor-trailers each day through our community. Boulder City emergency crews will have the primary responsibility to be the first responders to any incidents along this route. For this reason, all the officers assigned to the Traffic Safety Bureau have been trained and certified in truck inspections so they are prepared for the increase in truck traffic we will experience once the bridge opens this year. (Sorry, Chief, I couldn't resist!) We need to ensure we can provide these services while still being available to meet the emergency needs within the community.

Improvements need to be made at the Buchanan/Highway 93 intersection. and might require some "creative" traffic signals, like this one!

In truth, some changes have been made on Highway 93 through the Hemenway Valley, and additional improvements are planned for the coming months. We have been and will continue to meet with the Nevada Department of Transportation, Bureau of Reclamation and National Highway Administration to discuss these needs and concerns. With the limited resources NDOT has been willing to offer, however, this may be the end result!

As most of you are aware, I believe we need to pursue the eventual development of a bypass highway around Boulder City, and we'll continue our fight for this project. However, in our current economic climate it will be difficult, and results are unlikely in the near future.

Public Safety

As I have mentioned, public safety is a priority that remains at the forefront of our efforts as a City. The men and women who serve our community are skilled and dedicated, and we are grateful for the services they provide.

During 2009, our fire department responded to nearly 2,000 emergency calls, and nearly 1,600 of those calls were for emergency medical services. Their average response time on those calls was about seven and a half minutes.

To help respond with those calls and the increase in calls anticipated when the bridge opens, we rely upon our full-time firefighters and reserve firefighters. During 2009 several City employees participated in National Incident Management System training and in the near future will participate in a table-top exercise to put this training to the test. In addition to training, additional equipment for evacuation & shelter, hearing impaired communication and video conferencing was obtained through Federal Emergency Management Agency grants.

Finally the Fire Department conducted a reserve firefighter training academy and continued their efforts to improve the department's public education and inspection program.

Our police department also made significant changes in 2009. During the year, the Department completed the implementation of its electronic citation program, which streamlines the paperwork and reduces errors in reporting of violations and incidents. They extended their efforts to interact with our citizens by holding monthly "Coffee with the Chief" meetings. They celebrated one year in their new dispatch center with no technology problems. The department began the remodel of portions of the old Senior Center, which will be used to provide additional office space. They welcomed the addition of a new canine officer—Charlie. Both the dog and new canine vehicle were paid for by drug forfeiture funds. A new crime scene investigation vehicle was also obtained and put in service using these funds. Federal grant monies were secured and used to purchase license plate reader systems and laser radar systems to improve traffic enforcement. Finally, the department began policing the 85,000 acre desert conservation easement in June.

All of these changes and improvements were made while meeting their budget for the year.

Community Changes

As you look around Boulder City, you will notice there are some changes from the way it looked a year ago. The new reader board at the intersection of Highway 93 and Buchanan was constructed, with new

landscape. The downtown area continues to renew itself, adding attractive art and sculptures. The public restrooms at the LA Water and Power Building were completed.

As we can afford to make them, more changes will come. Our goal is to provide an attractive, efficient business corridor through the City that serves our residents and welcomes our guests. Having a healthy business climate in Boulder City provides services and goods to the community, and also utility revenues that help keep costs low for everyone.

All across our community, small improvements have made a combined large impact on our quality of life. Here are just a few examples:

Our Parks and Recreation Department worked in partnership with the Bureau of Land Management, Bureau of Reclamation and the City of Henderson to complete and open all Boulder City segments of the River Mountain Loop Trail. The last segment of the trail to be completed is in the area of Lake Las Vegas and is currently being designed by the City of Henderson. Once completed, the trail will be approximately 35 miles long.

Due to budget cuts in landscaping funds, the Public Works Department worked with volunteers on community cleanup days and on adopting different parks and streets throughout the City. We greatly appreciate the hard work of these volunteers in keeping our community beautiful.

Our airport continues to increase its services and sophistication, with the opening of the new Papillon terminal building, repaving of the southern runway, construction of new aircraft parking areas and additional security and fencing.

These and many other efforts were completed last year, and have greatly enhanced our community. As always, we want to care for the resources we have and add beauty and services for our residents where we can.

Conclusion

My friends, Boulder City is a wonderful place. We have a rich history and a bright future. I am pleased to see that—more often than not—we are pulling together during these difficult times to find innovative solutions and wisely address new challenges. This spirit of cooperation and community are what make this City a great place.

Boulder City is filled with organizations like the Rotary clubs, the Chamber of Commerce and so many more whose mission is to serve. And there are so many around us who need that service—in our schools, hospital, community events and most importantly, our homes.

Though we are living in difficult times, my hope and vision for our great City extend well beyond the current struggles, and I know the men and women who serve in our City share that vision. I invite each of you to be part of the solutions we must develop to meet the challenges we face. Look around you for opportunities to participate and help. Make your voice heard as you vote, attend community meetings and share your time and talents.

I am hopeful and optimistic about our future. I hope you are, too. I recognize there are challenges to be addressed, but I truly believe they can be overcome. Our wise choices today will set a course to guide this great City both now and through the coming years. I hope you will join me in making that vision a reality.

Thank you.