Thank you. What a nice looking crowd out there. Thank you for joining us here for the State of the City. I would like to thank all of those who have helped introduce it and our sponsors, who make it possible to bring this to you. I would like to take a moment and also thank my family for being here and, yes, usually this is the time I get emotional; but, I will say that I am very privileged to have a supportive family. They certainly have to put up with a lot, having a mom as mayor or a wife as mayor. I have two daughters who are sitting in the Netherlands right now watching this be streamed live, and to my soul mate of 25 years; I appreciate your support and all you do.

The State of the City is certainly that opportunity to shine a spotlight on the accomplishments of the past year and discuss how we are addressing community challenges. Two thousand twelve was 'a time like no other' with once-in-a-lifetime events. We had progress in all five of the strategic priorities that we rolled out last year and we have exciting news for 2013. Indeed, it will continue to be a time of promise for Meridian.

I will share with you over the next 45 minutes examples of what we did in 2012 and the year ahead. I will discuss the five priority areas of safety, responsive government, places to go, jobs, and transportation. It is my goal that you walk away with the same confidence that I have – that we are focused on what is important to you and that we are taking great strides toward our vision of being a 'premiere place to live, work, and raise a family'.

Now, if accolades are an indicator that 2012 was 'a time like no other', I would say we had a great year. CNN/Money Magazine listed Meridian among the 100 Best Places to Live. America's Promise and ING listed Meridian for the fifth time among the 100 Best Communities for Young People.

These designations are not only determined by national data points, but also from citizen feedback indicating they love where they live and these folks aren’t afraid to tell people how much they love Meridian! As reflected in our continued population growth, we grew by 1,800 over the last year, totaling 78,000. New home building permits are up. Houses sold faster and time on the market for home sales reduced from 89 days to an average of 70 and the price that our homes sold for increased by 7.5 percent.

Building permits improved in both number and value. In fact, commercial permit values almost doubled from 66 million to almost 120 million. Scentsy's five-story new office building and campus complex is an amazing example of what
we have going on! We continue to grow to our plan – a sustainable growth, which is necessary for a prosperous community and for adding jobs that support our local economy. We added 1,400 new jobs over the last two years. Indeed, the energy is in Meridian!

We continue a long-standing tradition by past and current City Councils, Mayors, and city staff for having a budget in the black and saving for projects we need and only then building them with cash saved. Our City Council, Senior Leadership Team and Finance Department are good stewards of your money. Keeping your trust is important and critical.

Another important indicator of a great year is citizen engagement. This was "a time like no other"! Our citizens are amazing in their giving, volunteering their time, and their participation in community events and meetings like our Prescription Town Hall at Wahooz.

2012 was a good year, a great year. Let's hear directly from our Senior Leadership Team on what they felt their noteworthy accomplishments were.

[Video]

I am honored to work with this team and, not only that, I get to highlight their accomplishments today!

Last year I laid out the priorities for the next four years based on feedback we heard from you. These five areas are developed from listening to our community – they are what defines us and is necessary to being a 'premiere' place to live, work, and play. We are focused on our vision!

We have made great progress in these five strategic priorities. Indeed, 2012 was 'a time like no other'.

I will talk about each of these five priorities. And the first is:

**Safe Community** - We continue our focus as one of the safest cities in Idaho. We saw system improvements in almost every department as you can see. Police response times improved in every category. Better staffing coverage and crime tracking certainly contributed to this. We did see a slight uptick in our Fire Department responses and by coincidence it's the same uptick we had in the number of calls. Of course, we will be focused on turning that around.
There are several areas I do want to spend a few minutes on. The first of that is by our Impact Team. This team was established through a federal grant and their goal is to drill down into the root cause of our crime and increase the livability in our neighborhoods. Certainly over the last year we have seen tremendous success. They have served 38 search warrants, made over 300 arrests, recovered over $83,000 in stolen property and seized $273,000 in drugs. As a result, we have seen decreases in crimes against society and drug offenses as well. They have also improved the communications between residents and our businesses and, through crime prevention, they are reducing the crimes of opportunity and these problems are moving out of our neighborhoods.

Safe drinking water is paramount to a safe community and the next area I would like to focus. During the split corridor phase two we discovered a wooden pipe that you see here on the screen. We also unearthed the history behind it. Our first potable water system was in 1909 and it was due to typhoid fever. Our Village Council at the time decided to pass a bond in December of 1909 which started our first potable water system. Ironically, they also built a water tower; the company that built that water tower was the company that 64 years later built our city icon that we have today.

Our Public Works continues to carry on their efforts, although today we pay cash. Last year we installed 9.6 miles of pipe that create 462 miles of water system delivery.

The next area is in **sidewalks and lighting**. We had eight projects, but I do want to highlight one particular one and give a special thanks to Ada County Highway District. This was on Central Drive and we had kids that tend to walk in that area with learning disabilities. This improvement was initiated by that group. One of the students fell -- almost into the lane of traffic. They brought some letters up to my office, which, in turn, we turned over to Ada County Highway District in mid-September. By the end of October that improvement was done. That shows you that your voice counts. Every voice counts.

One of the lighting installation projects we had was near Meridian High School where kids walk to and from school. This increased the safety in that area.

We also have not lost our focus on the Rails with Trails program and we continue our efforts with YMCA to keep safe routes to school a priority. We will be working with them to know where the improvements are needed in 2012.

I will also highlight that not only safety on these trails and roadways, we made improvements for driver safety through our police department and the Mayor's Youth Advisory Council in working with the state legislature. Last year the
legislature did pass the texting while driving law, and I think it's worthy of giving applause on that one.

Last fall we worked with the Idaho State Police on community outreach. Here is an example of what we did.

[Don’t text and drive video of Ken and Mayor]

That was a fun one.

Our next area is **Responsive Government**. Communication is important and we had a communication citizen group that really focused on this and gave us a number of recommendations on what we could do to improve our communication with you. One of those we have already initiated is in our City Hall. Barb Hatch in our Police Department organizes citizen volunteers that staff a front kiosk. I know that we have a group of those volunteers here. They are citizens just like you that will welcome you when you come into the door of the City Hall, answer your questions, and help you find your way to where you're trying to go.

We have also updated our website and search engine, making it easier to find information in your e-government so you can find forms online and do your business from the comfort of your home.

E-Cite is an example of what our IT Department and Police Department are doing in working together. Nobody enjoys getting pulled over. Most are in a hurry. Now we can get you on your way. Sgt. Gonzales, he was awarded an Idaho Transportation Department grant for e-ticketing. Certainly our IT Department wrote the software and the grant bought the hardware for our police cars. E-Cite allows officers to scan driver's license, saving time on the roadside, so then, our police officers and drivers can get on their way. It saves time by everyone in our Police Department who ever touched a piece of paper, recorded it, or had work related to this. For these efficiencies, we eliminated the need to hire additional personnel and we no longer have a backlog of data entry.

**Our Budget.** Our City Council is very conservative on our budget and conservative on the outlook. They also keep an eye to potential threats. Uncertainties right now in legislative changes and costs that are sometimes pushed down to the local level by other agencies are some of those threats. Those include the personal property tax, county courthouse fees, and perhaps dispatch fees. If all of these went into effect, the legislation passed, the court decides we owe, and we need to pay dispatch fees, that could mean 2.2 million dollars to our annual budget. Now, that means -- this is not to get overly
dramatic - but we have to consider what 2.2 million dollars annually to our base budget will mean. That could mean 25 police officers. That's the total budget for our criminal investigation department. It's also the equivalent of two fire substations or our parks maintenance department. Those are the kind of topics and issues that our City Council tackle on an annual basis.

We had another citizen group that looked at city services, like I just mentioned. All of our services, police, fire and parks, but they also looked at representation. Just like our city to the west, we are looking at expanding. Asking our citizens if they want to expand representation of City Council seats from four to six. We will be seeking public comment on February 19th. If we do move forward with this, there would be a vote of the public in May. If approved by the citizens, that they would like to see six city council seats, those elections will be held in November.

The last area in responsive government that I want to cover is in "The Meridian Way." Customer service certainly defines the perception of the quality of service that the city provides and city employees recognize that it’s more than just answering a question. Attitude is just as important as a timely answer. What sets us apart is an attitude of genuine care and engagement. That is the culture that we aspire and we are seeing some great examples of that.

Mike Losh in our Water Department went out on a service call. He helped the clients or the customer find the water leak and, then, he came back during his lunch and he helped put a pump in their water meter that had flooded. They defined his customer service as “outstanding”

We also look at outcomes. In our utility billing department you can imagine on cut-off day the opportunity to get customer comments is great. It used to be in the past we had more negative comments than positive. Now we are not only getting more comments, we are getting more positive versus negative. We would like to see that 'The Meridian Way' transcends into our entire community.

An example of this is a recent Facebook post that we did. Shelly Houston in my office talked to the woman who told her about a ‘carload of boys’. This carload of boys came upon this woman who was shoveling her neighbor's drive. After she finished that she was going to do her own. The boys got out of the car and asked her if they could help. They not only finished that driveway, they shoveled hers and, then, the rest of the block. We need to hear more about good news like that. That post got over 10,000 likes and 800 shares. People want to hear good news.
I have the fortune of seeing the good in the youth in my work with the Mayor's Youth Advisory Council and at this time I'd like our youth to, please, stand up to be recognized. Now we will show you what they have been up to.

[MYAC video]

Our future is certainly in good hands and I would invite you to Prom for Parents. I am actually really looking forward to it. So, please, join us there.

That falls into **Place To Go**. Not only Prom for Parents, but certainly some of our areas to go are truly fun. I would say in places to go, I will highlight our parks first. Truly there is 'a time like no other' in this category. The opening of the Julius M. Kleiner Park is second to none. It's not just the $25 million gift that we celebrate, it's the park itself. The park brought in amenities new to our park system. It brought in the Senior Center and the Rock of Honor that is now fully paid for. They recently wrote off the debt. We owe a lot to Gene Kleiner and the heart he has for not only that park, but this community.

This park opened to great fanfare and appreciation was shown across our community. We saw events like Ribfest, which was a two day event, and an estimate of over 25,000 people attended. This park has been discovered. From the first event, Luke and Adrean Cavener's wedding, where they ran up the hill, to this winter where we had snow and we saw masses of kids sliding down the hill. This park creates magic and it will create memories for decades to come.

Next we are looking forward to Aldape Park, another unique park donation of over 50 acres. In October we held a groundbreaking ceremony to celebrate the construction of a six acre pond on the site, which is now complete, and that's just one of the amenities that we anticipate in this park. Planning is yet to begin, but it will be a nature park, another one of its kind to the Meridian park system.

Next in places to go is in our lifestyle. We just keep getting more choices in entertainment, in restaurants, and in shopping. Look at the list of those businesses just opened in 2012. Everything you need right here at home.

Now, let me take a moment and talk to you about what we are looking forward to in 2013. You have seen the first phase of the The Village at Meridian, which is more of a power center. Phase two will be the lifestyle center, which will be an outdoor mall. Watch this and you will see why I'm so excited.

[Water Feature video]
The best is yet to come. In fact, that was in Farmington, Utah, and we will have 20 more water nozzles in the fountain that will outshine what you just saw. So, we are very excited about that.

They are also giving a sneak peek of some of the stores and restaurants that you can look forward to and they will be making announcements as they roll them out. They expect to open in the fall.

We are seeing a lot activity. This lifestyle center is going to be one of its kind; over 500,000 square feet of entertainment, shopping, and restaurants.

Because of the success of one of our well-known restaurants, Gino’s in northwest Meridian, we have caught the attention of restaurants from casual dining to the higher end dining and the list of choices are only going to get better.

Which is a great segueing into our downtown as a place to go, the place of center. That list is growing in our downtown. From the announcement of Valley-favorite Flying Pie Pizzeria on the south end of our Main Street, to proven Meridian favorite Kahootz on the north side, Downtown is a growing culinary experience. We see others expanding; like Pie Hole. They are going to expand to 1,600 square feet in our downtown with rooftop dining.

We have added office space, the Compass/VRT Building has opened with 16,000 square feet of office and now you need a way to find it. This year we are adding wayfinding signs through MDC, the Urban Renewal District, and also a kiosk, so you can see where all of our businesses in our downtown are. Epic Sodas on 2nd Street kicked off MDC’s façade improvement program.

And right next to Epic Soda is the McFadden Marketplace. We have identified who the owner is and it’s now on the market. The bank building has been vacant since the 1940s and the market since the 1990s. We want to find a person who is going to love this building and we hope restore it. Right now it’s in bad shape and it’s ready to fall down. That’s why it’s boarded up and condemned. So, we are hoping that someone steps forward soon so we can keep it in our downtown.

There are also great events in our downtown. Public Works Week is one of those, and they are slated again for the first week in June. This is a great opportunity to see what our Public Works Department is all about and they take great pride in showing you. We also have Concerts on Broadway; Initial Point Gallery in City Hall rotates art exhibits once a month; and Meridian Business Day is an annual favorite. And, we heard you when the Winterland Parade was cancelled. We had a lot of community members that expressed dismay. Well,
it’s going to come back bigger and better with the Night Light Christmas Parade. So, stay tuned; we hope you get involved.

**Area Four – Jobs.** We saw increases in healthcare, finance and insurance, certainly retail and food services -- higher than the rest of the valley. There was a reduction in real-estate and government jobs. But what we are really excited about is the rise in manufacturing jobs. They increased by six percent and this growth in manufacturing is a lot stronger than the rest of the state.

Now, this was certainly exciting news to our business attraction group that is focused on replacing aging companies with start-ups, many of those in manufacturing. Citizen member Rick Ritter tells us that over 70 percent of the net new jobs are created by firms that are five years or younger.

The CORE, an industry cluster in our health sciences industry, is growing their membership and their level of participation. They established a Treasure Valley Angel Fund and have already made their first investment. They are focused right now on a Keystone Project, a project that promotes the commercialization of research and technology from the university and the private sector to create a med tech economy in Idaho. Their most recent focus is on an A&P lab to bring to Meridian at the Idaho State University campus. There is a new Ambulatory Surgery Center at St. Luke’s that is going up. Its 30,000 square feet and it will have two surgical suites with the capacity of six.

Now, we want to build on the success of The CORE in focusing on industry clusters. We are looking at the Fields District, building on Idaho’s core competency, which is in ag sciences and growing that industry.

We are also looking at the Public Safety District, which is focused on training law enforcement and first responders and supporting growing and related industry that draws people and investment into our community.

**Strategic Priority Area Five – Transportation.** Now, I have been known to kind of beat the drum on transportation and certainly on interchanges! I am very happy to tell you that Meridian Interchange is not only on the books, it’s funded and it is already gaining great momentum. They have a design firm already established and this is probably the look of the design as a SPUI that you’re going to see. We are also looking at the aesthetic design of the safety railing and how we want the gateway into our community to look. This is an economic opportunity for our community and we want to make sure that they do it right. We do have a task force that has been looking at this and seeking feedback. So, please, share your voice on this.
The Idaho Transportation Department will also be meeting with the north and southside businesses and property owners to keep them informed and to give them a voice as well. Early this summer we will have an open house to review final designs and detail the next steps moving forward.

Also if you drive in Meridian at all you have already seen that the Split Corridor Phase Two is currently under construction. They have closed Meridian Road between Cherry Lane and Pine and, by the way, the businesses along that road are still open for business.

We recently got a Facebook post that asked us: Why is this improvement necessary? Well, it is necessary for a number of reasons; first because we want you to spend more time at home than on the roads. There is a number of safety issues and congestion that it will relieve. This is a great improvement to that part of our town and it will also be part of an aesthetic improvement as you can see this rendering of what it will look like when it's improved. It has safety lighting and the MDC and the city partnered to put the historic lighting that will denote where our downtown core is and that you're entering somewhere special.

My last part of transportation is our downtown streetscape. Transportation includes creating an environment that we want people to go. Streets are one of the biggest potential assets in our downtown, but many of them are substandard and improvements are varying from block to block. So, our City staff, MDC, the Chamber, and business stakeholders are working together to identify cross-sections and where those improvements need to be made. They are going to be looking at bicycle and pedestrian safety and how they circulate in our downtown. They will explore parking alternatives for providing business with more street presence and place making on being more accessible to those businesses with outdoor dining opportunities and for our citizens creating a walkable and safe environment.

Meridian has experienced significant progress in all five of these areas. Indeed, 2012 has been 'a time like no other'. I shared our actions, challenges and successes in our strategic priority areas. We have momentum and energy towards being that premiere place to live, work and raise a family. Let me recap the highlights.

We are focused on response times in emergencies, because we know that every second counts. Our impact team is drilling into the root of crime and working with our citizens to rid our neighborhoods of 'the root cause'.

We are continuing improving our communication outreach to keep you informed and to provide opportunities to have a voice in your future. We maintain our
focus on stretching every dollar, while evaluating potential threats to the service you expect and to the budget bottom line.

The opportunities to enjoy Kleiner Park, to shop, dine and for entertainment at The Village at Meridian will continue to grow and get more exciting every day.

And downtown, which is a major priority, is developing as that “place to go to” for cultural and culinary experiences. The energy is building in our downtown.

Our employment picture is getting even better. We are seeing successes in our health science industry cluster, The CORE; and developing The Fields and Public Safety Districts concepts with strategic strategies to grow these industries and jobs.

Key road projects are underway that will make an enormous difference. We appreciate all of our transportation partners, realizing that it's not just about roads, but also looking at alternatives ways to move people.

Now, I have shared what we collectively are doing to move that needle, to be that ‘premier’ place. Our youth have shown us much in their actions. They are not only about talking about the change they wish to see, they are the change and they are building a legacy.

I would like to introduce to you two individuals that have already built their legacy.

We had a veteran with a dream, a vision. We had a Boy Scout looking for an Eagle Scout project. Their individual paths crossed -- one focused on a memorial for veterans and the other focused on naming the veterans. The rest is history. Today we have the Rock of Honor. This is a memorial to the veterans of Meridian that paid the ultimate price of protecting our freedoms. These two individuals, John Burns and John Skogsberg, are our Legacy Award winners.

Would you two come up. Now, see, they thought I just invited them to say the Pledge of Allegiance. So, John and John, it is certainly my honor to recognize you with a small token of our appreciation and for setting a legacy that our citizens will enjoy and learn from for decades.

[Legacy Award]

Now, this was their legacy. What will your legacy be?

Here are your opportunities – my final remarks – and my call to action.
In Safe Community - help us keep Kleiner Park safe and beautiful through our
citizen park patrol. Or put an end to bullying. Talk to your kids, your neighbors;
don't accept bully behavior. Not in our schools. Not in the workforce. Kids are
not the only bullies.

Responsive Government - I ask that you engage. Come to our Coffee with the
Mayor, or our Town Halls. Share your thoughts on wide ranging topics from
controlling prescription drugs, to downtown street design, or expanding the
number of seats on City Council. Get involved.

Places to Go. Come to our downtown. This is the heart of our community. We
want you to discover it. If you currently come to our downtown once a month,
come two times a month. Eat and get your hair cut, or attend an event. If it's
once a week; go twice a week. Tell a colleague. Bring a friend.

In Jobs. Help us make our efforts better. Get involved in our industry clusters.
Share your break-through idea; support education. They are training our
workforce that retains and attracts jobs.

In Transportation. Get involved and provide your feedback in the early stages
regarding the interchange design. Grab your family and ride the bike lanes or
take a stroll along our pathways and trails, then, work with us on the next
improvement.

This is how you can build your legacy right here in Meridian. 2012 was ‘a time
like no other’ with great successes and outcomes. This momentum is propelling
us to reach new heights and opportunities in 2013. Join us as we turn this
promise, this energy, into reality. I look forward to working with you. Thank
you.