

CITY OF BOWIE

STATE OF THE CITY REPORT



JANUARY 26, 2011
MAYOR G. FREDERICK ROBINSON

Presented to the Greater Bowie Chamber of Commerce

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Bowie, Maryland
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Mayor G. Frederick Robinson

Good morning. Welcome to the annual State of the City Report. This marks the 22nd year that the Mayor of Bowie has come before the Greater Bowie Chamber of Commerce to deliver this report.

Thanks to all of you for taking time from your busy schedules to be here. Thank you also for your great tradition of cooperation with and support of our fair city. Your role in making Bowie one of the great places to live, to work, and to raise a family is noted and truly appreciated.

I would particularly like to thank Mr. Dusty Shrodes, for providing the venue for today's event. As most here know, Dusty is an incredible person and a great golf coach and as he continues to attempt to improve my golf game, he has become probably, one of the most effective, unlicensed psychologists in the community.

As we start the new year, with all eyes in Washington and in Annapolis and at City Hall on budgets, I am reminded of how Charles Dickens, began his A Tale of Two Cities – “It was the best of times, it was the worst of times.”

While his words described Paris at the time of the French Revolution, they are a fitting description of the economic climate of this country today. We have so very much to be thankful for, yet at the same time there are great challenges and there are so many who are struggling.

We are doing relatively well. We are the strongest, most diverse, most family-friendly community in the region. We are not immune to national and state economic woes, but we have been able to deal with most of the challenges associated with the current economic climate but, like you and your businesses, we are vigilant and keeping a very close eye on our bottom line.

Bowie is a strong, well-educated community of 58,000 residents, with high-end job skills. Our average age is 38, 10% of us are over 65, 63% of us are employed in private industry, 32% of us are employed by governments at all levels, and 5% of us are self-employed.

The median household income here is about \$99,000. The average house in Bowie sold for \$267,500 in 2010. Homes are selling faster now: in 2010 the average number of days a house was “on-the-market” was 87 days, down from 125 days in 2009 and from 135 days in 2008.

We have terrific parks, and recreational opportunities that range from athletic fields, a popular Ice Arena and a large gymnasium, to quiet parks that offer a pleasant place to relax or simply enjoy a good book.

We have a very active senior population that enlivens our community and our very well known Bowie Senior Center, where there are a wide range of activities for many of the folks who turned a large Levitt development into a true community.

We have some great museums that offer a glimpse back at a colonial mansion, at historic railroad operations, at radio and television history, and even a genealogy library, if you ever want to figure out where you came from.

We have over 90 restaurants in the city, numerous shopping options, first-class medical support, about 40 houses of worship, dozens of active scout programs, two very active Boys and Girls Clubs, a large senior sports program, a growing young adult sports program, and perhaps the busiest library in the county. Hopefully one day soon the new library coming to Hall Road will rival it in popularity.

There are men’s clubs, women’s clubs, music clubs, book clubs, Mom’s clubs, fraternal organizations, social clubs, political clubs, and I guess clubs to talk about clubs. If you are a joiner ... Bowie is the place for you.

This year is the 50th anniversary of Levitt Bowie. We will use this milestone as an excuse to celebrate all of Bowie –to look back at the early days of our fair city and examine how we’ve evolved as a community.

We have a stable community that prides itself on community engagement and a very strong sense of community spirit and community service.

The top ten employers in Bowie, in terms of numbers of employees, are: Prince George's County Schools, MedAssurant, Wal-mart, the City of Bowie, Giant, Target, Lowes, Macy's, Larkin Chase, and Best Buy.

There are over 1,000 employees at the Melford site - which by the way - just welcomed a new neighbor, the Prince George's County's 911 Emergency Center. The 911 Center joins nationally recognized companies with their corporate headquarters at Melford include Plan B Technologies, LogicTree, and Shoppers Food Warehouse, as well as the Center for Defense Analysis and the Census Bureau.

Hilltop Plaza is nearing completion of its renovations. A very vacant center two years ago is now a lively place with two good grocery stores - Aldi and Mom's Organic Market, and Walgreens is starting site work for their new store there as well.

Pointer Ridge Plaza has gone from an aging shopping center to a rebuilt retail center. The vacancy rate, which was once at 80%, is now down to a 5%; with Subway sandwich shop being the newest tenant to arrive.

In 2009 the City created a business incubator program to provide a focused effort and a physical location for new and growing businesses to get business advice and the assistance they need to flourish in these trying times.

With the help of city staff and a Board of interested business people, the Bowie Business Innovation Center, will open later this year at Bowie State University and will serve as a place to start and grow businesses that will ultimately expand in value and employment.

Bowie is one of only two cities in the entire state that can boast of a AAA bond rating. We have a strong reserve fund and we have a strong history of conservative and effective fiscal control and management that has allowed us to maintain a combined city/county property tax rate that is the lowest it has been since 2003.

All that said, we are also a city facing financial challenges that we have not faced in a very long time. Because of the general state of the economy and the high rate of foreclosures in our area, we expect a decrease in the assessable tax base for the first time in 30 years. In fiscal year 2012, this will likely result in a tax revenue decrease of approximately \$1.5 million.

We have felt the effects of deep cuts in the highway user revenue that the state collects through gasoline taxes and other fees and shares with local governments. Since 2008, these cuts have amounted to a loss of \$6 million.

We are concerned with the number of people who are out of work. National unemployment numbers continue to push the 10% level, the state unemployment rate hovers at approximately 7.3% and the County rate remains at 7.6%. Bowie appears to be holding at 5.8%, clearly not great, but not as bad as in other areas.

Despite these challenges, we remain strong! I truly believe our team is prepared and capable of dealing with whatever we face. We have a balanced budget and we are in a position to respond to changing situations as they arise because we take nothing for granted. We often do as you do and play those “what if” games ... “What if this happens, how can we deal with it?”

I suggest to you that Bowie has assembled one of the most successful and effective management teams in the region. I would most certainly stack them up against anyone.

I am as proud as I can be of the quality of folks that have chosen to work for the City of Bowie, whether they operate a computer or a refuse truck, whether they plow through endless lines of financial transactions or plow our streets of snow. At every level and in every function, we have an incredibly dedicated and hard working group of employees. I believe the residents of this community are very well served by these folks.

The stability in our finances did not simply just happen. It is the result of serious effort and a long history of solid and strategic planning. We operate within a system of self-imposed rules most here would recognize quite easily.

Over the years we have learned much from our own study and from our relationships with our friends in the business community. We maintain our strengths by some common-sense approaches:

- **We take** a conservative approach to everything.
- **We believe** in strategic planning.
- **We are committed to following a set of sound and conservative fiscal policies, including the following:**
 - **Debt service cost** shall not exceed 10% of general fund revenue;
 - **All debt** must be repaid within a period not to exceed the life of the project;
 - **Tax supported bonded debt** will not exceed 0.8% of the assessed tax base;
 - Cost projections for **capital projects** will include long-term cost and operating expense cost estimates;
 - **We will not use borrowing** for current operations or for normal maintenance expenses;
 - **We operate on a system** of 5 year revenue and cost projections;
 - **We will only use one-time** or non-recurring revenues (such as grants or property sales) for capital projects and not for general operating expenses;
 - **We carefully track property assessments and** recognize the effect our self-imposed homestead tax credit buffer has on revenue;

- And most importantly, **we pay as we go, whenever possible.** This is one of the most important and fundamental building blocks of the city and I will not miss the opportunity to thank those that preceded me in establishing this practice. Our very successful equipment acquisition and replacement fund, which allows us to save for major purchases, has been in place for thirty years and it works.

We prioritize interests and expenses and to that end we maintain a rather simple way of doing business...we fund first what we need, we fund secondly what we want, and we fund last that which would like to have.

The reduction in property tax assessments was not a surprise, but it is a significant concern and will affect our budgeting next year. We will remain a priority-based operation.

We focus much of our effort on a set of core public services-- police, street maintenance, snow removal, refuse and recycling, recreation for the young and not so young, and code enforcement. These services reflect the community's expectations and the quality of those services continues to set Bowie apart from a great many other communities.

Despite current challenges, I think we can claim a fairly good track record of making things work. We recognize that the loss of state shared funds requires serious changes in our operations, so we continue our proactive efforts to seek grant funding to assist our operations.

To date, we have been very successful in obtaining almost \$2 million in federal, state, and foundation grants plus additional state funds for some capital projects.

These grants have allowed us:

- To purchase state-of-the art radio equipment and other technologies for the Police Department;
- To improve the energy efficiency of City buildings with "Green" technologies such as solar panels;

- To establish a pilot recycling program that uses larger carts to increase the volume and type of materials that are recycled;
- To provide significant support for improving historic Old Bowie; and
- To offer housing rehabilitation, including energy efficiency upgrades and appliances for seniors.

Obviously we will continue to explore all of these types of opportunities and more.

Here in Bowie we recognize the value of a strong sense of community ... we know it is not just a sense of good spirit, it is the basis of sound economic and business development as well. A well-run, high quality community that looks as good as it is strong, presents great investment opportunities and we will continue to do our part to keep Bowie strong.

On the very positive side we are concluding the construction of the new Bowie City Hall that I believe will be welcoming and efficient for those who will conduct business there.

This has been our largest single capital project to date and I want to publicly thank David Deutsch and his management team for their efforts in this regard. They have transferred a vision into an incredible asset that will serve Bowie for the next 100 years. Well done indeed! Look for an invitation this spring to our grand opening event.

As many here know the timing and the execution of this project have been not only effective, it has been outstanding. Original construction cost estimates of \$25 million became \$16 million as a result of our being ready to move at an opportune economic moment. A 20-year debt service that had been expected to have a 5% interest rate, came in under expectations at 3.5%. Again, this is a result of being ready and flexible ... and of course having earned that AAA bond rating.

I believe it was immortal football coach Vince Lombardi who concluded that "luck most often comes to him who prepares and works for it". A bit of good fortune for us ...yes, but also a lot of hard work!

We continue the growth of the Bowie Police Department, which is still moving toward our initial goal of 57 officers. With the anticipated hiring of four additional officers this fiscal year, there will be 52 officers in the Bowie Police Department. Depending on future budget issues, we can expect to achieve our full staffing goal in FY 13.

As we planned from the beginning, the department now has a Traffic Safety Unit, community police officers and we just recently created a Criminal Investigative Unit that will continue to grow as the agency matures in operation and experience, bringing a new level of protection and service to the Bowie community.

We anticipate that the next significant investment in the Bowie Police Department will be for computer aided dispatch and a records management system to assist us in the analysis of crime data. While this will also have a significant effect on improving local services, it is anticipated such an effort will cost approximately \$1.5 million in capital investment and approximately one half to \$1 million in annual operating costs.

As many of you know one of the most frequent complaints we have received in the recent past dealt with speeding automobiles in the city. Well, the Bowie Police Department has taken on that task in several comprehensive ways.

Routine patrol and radar enforcement have had some effect, but I would be remiss if I did not mention how the speed monitoring signs have also made a difference and just how effective the selected installation of a few speed monitoring cameras has been in reducing speeding in and around our schools.

During the first day of operation on January 17th, the cameras on Route 450 between Bowie High School and Saint Pius X Regional School and the ones on Route 197 near Rockledge Elementary took pictures of over 1,700 vehicles exceeding the speed limit by 12 or more miles per hour.

In June the cameras in the school zone on Belair Drive captured approximately 8 vehicles per hour exceeding the speed limit by 12 or more miles per hour. In December that number was down to 3 speeders per hour. Clearly the enforcement is working and motorists are slowing down.

We await county approval to install cameras on Old Chapel Road at Samuel Ogle Middle School and at Whitehall Elementary and on Racetrack Road near Yorktown and Grace Christian Schools as well.

Our energy consumption audit efforts not only reduce our carbon footprint; but actually save money as well. Our new, LEED certified City Hall building was built to incorporate some the very best energy features available, including lights that automatically switch off . That not only saves money, it saves the City Manager from doing his Lyndon B. Johnson imitation of going through City Hall and turning off lights.

So, our task is simple really... keep our focus on what our taxpayers really need and try to provide it most efficiently.

Rest assured though that the decisions we make are not done in a vacuum. Everyone that lives here, works here, or does business here has complete and open access to one of the most open and transparent budget review processes in the region. There will be five public budget worksessions, two public hearings, and hours and hours of public discussion before a final product is adopted in May.

We welcome your input. Interested observers are welcome to attend all these exciting public events but, if you prefer, you may view the proceedings on our government channel or at your leisure, as videos on demand, from our web site.

Speaking about the upcoming budget, let me address an area I believe of some importance to all here... While I recall an early grammar teacher's admonition to "always avoid always and never say never," as challenging as this upcoming year appears to be ... I do not anticipate a property tax increase this year.

We will make every effort possible to maintain core services and cut where necessary to balance the budget, which will likely result in a number of capital projects being deferred for some time.

That is not to say to our state representatives that we will not be arguing for restoration of our share of revenues, we will do that, while making the best of the situation.

It means particularly that we will be extremely active in pursuing restoration of Highway User Funds and we will also be pursuing a significant change in how those reductions are allocated to cities and to counties.

For us, the coming year comes down to this:

We remain in a strong financial position but our challenge is to keep us there.

We recognize the effect and likelihood of declining revenues.

We must **consider the long-term** impact of current decisions.

We will focus on essential core city services.

We will **defer** non-critical capital projects.

We will continue implementation of the Bowie Police Department.

We have cause for concern, but we also have cause to appreciate our history and our growth.

I am optimistic. I remain strong in my belief, strong in my conviction that we can deal with the challenges imposed by the general national economy and by the significant reductions in state shared revenues.

Just as a boat is most steady when it sailing ahead, rather than when it is floundering in still waters, we must and we will continue to move forward.

You would not expect less of us, our community would not expect less of us, and we do not expect less of us. As Will Rogers, the great observer of governments and of human nature once said, "The best way out of a difficulty is through it,".... We will get through this time and we will continue to grow.

Thank you all for your advice, your guidance, your patience, and sometimes your tolerance. Thanks again for your time. Thanks to Dusty for his hospitality.

Finally, as I end every event, I ask you to remember our young folks currently serving in the military forces of the United States, particularly those serving in harm's way; remember too, their families standing at the home front waiting for their safe and quick return.