

STATE OF THE CITY OF WHEELING
State of the City
WITH MAYOR MCKENZIE



FEBRUARY 24
12:00 P.M.

2015

Welcome to Wheeling Island Hotel-Casino-Racetrack and good afternoon. Thank you for being here today. It is my honor to continue to serve as your Mayor of the City of Wheeling, and my privilege to deliver my 6th State of the City address.

I want to thank the City of Wheeling's Police and Fire Honor Guard for presenting our National and State Flags today.

I would also like to take a moment to honor Michael Lake – a father, a husband, and an active Wheeling firefighter who passed away just two weeks ago. He will surely be missed by all that knew him, particularly by his Wheeling Fire Department family.

I would like to recognize my fellow City Council members: Vice Mayor Gene Fahey, Councilwoman Gloria Delbrugge, Councilmen Herk Henry, Don Atkinson, Ken Imer, and David Miller. We are very fortunate to have members of council that work hard, care deeply about our city and are responsive to the citizens of Wheeling!

With us today is City Manager Robert Herron, who this morning, presented City Council, once again, with a balanced budget of approximately \$32,300,000.

Also with us is City Clerk Janice Jones; City Solicitor Rose Humway-Warmuth; acting Finance Director Jill Willey; Economic Development Director Nancy Prager; Public Works Director Rusty Jebbia; Human Resources Director Leslie Waechter; Police Chief Shawn Schwertfeger; Fire Chief Larry Helms; Marketing Specialist Allison Skibo; and many other city employees who have joined us today. I, along with City Council, appreciate your hard work and dedication to the citizens of Wheeling.

I welcome other elected officials here today. We appreciate and recognize your dedication to our City, County and State.

On a personal note, I want to thank my family, especially my wife Carrie, for her continued support that enables me to be your Mayor.

Let me begin with a statement I made last year:

“We will continue to look for ways we can right-size city government. Over the past few years, we have reduced personnel through attrition. We will continue to look for ways to shrink our workforce by reviewing efficiencies of services and departments. Employee costs – like pensions – continue to grow. These serious

issues, like all other tough issues this Council has dealt with, need to be addressed now so they're not passed on to future generations.”

After hearing that statement last year, some may have felt we weren't serious about making dramatic and substantial changes to how city government operates in Wheeling. Today, I can tell you that we did reduce our workforce across all departments; we realigned operations in our city; we decreased the Business and Occupation Tax; we changed the sales tax; and, for the first time in 30 years, we can assure our police officers and firefighters that they will have a pension when they retire.

I want to personally thank the Wheeling Fire Department for working with City Council on a real plan to move forward on funding and getting all new firefighters and police officers into the New State Retirement Plan.

When the administration first sat down to work on restructuring the city, one gentleman said, “If we are truly going to make a real change for our city long-term, we have to FIX our pensions. No matter what else we do, without fixing the pensions, we will not be able to continue to operate our city.” That individual was Vice Mayor Gene Fahey. He knew that if we were going to make significant changes to our city, we had to first deal with our pensions, or we would be forced to make additional cuts in the future. So this year, the city will place \$6 million into our pensions. In the chart above, the difference between the old plan in red and the new plan in blue is illustrated. The cost-savings to the City over the next 35 years is millions of dollars. Due to the fact that we DID make the pension adjustments under Vice Mayor Fahey's leadership, the city can truly move forward with long-term plans. Thank you, Vice Mayor Fahey.

One department that has had to make substantial changes is the Wheeling Police Department. I want to personally thank the men and woman of the Wheeling PD who continue to work hard, train hard, and serve the people of our city with excellence. We have top-notch officers working in Wheeling. This past year, Sergeant Dave Drahos received one of the most prestigious awards in US law enforcement – the Top Cop Award – for his actions in October 2013 at the US Federal Building, and Sergeant John Schultz received the P.R.O. of the Year award through the state of WV. These are just two of more than a dozen honors the Police Department earned in 2014.

The men and woman of our public safety forces have tough jobs, even more so today than just a few years ago. That's why we need to make sure that our officers and firefighters are adequately paid for the services they provide. Our taxpayers invest thousands of dollars in every officer and firefighter through

training and equipment only to lose many of them to higher-paying positions in other cities or to different careers. City council, we are challenged to find the resources to pay our officers and firefighters a livable wage to ensure they stay here and continue to serve our community.

A few years ago, I started a tradition of recognizing an individual that plays a key role in our community. Anyone who knows Rich Lucas can see why he has been selected for the 2015 Wheeling Community Spirit Award. Originally from Wellsburg, Rich built a life in Wheeling. He has served as President and CEO of Main Street Bank for nearly 15 years. He is also a founding director, helping to open the first new bank in Ohio County since 1964. Rich stays active in the community through a variety of board memberships, including his new role as Chairman of the West Liberty University Foundation Board.

Rich is an avid hockey fan. He supports the Wheeling Amateur Hockey Association, both personally and professionally, with Main Street Bank continuing its partnership with the organization. Through Rich's strong leadership, Main Street Bank has become a reliable, active business and supporter of our community. Rich Lucas, thank you for investing in Wheeling. We are proud to honor you today!

Rich, I know you remember better than almost anyone how close we came to losing the Wheeling Nailers a few years ago. Thankfully, with the help of several community partners, Wheeling was able to keep the Nailers, and this past October, Wheeling Nailers' Governor Don Rigby announced that the team agreed to a three-year extension with WesBanco Arena and the City of Wheeling. The deal guarantees that the Nailers will be in Wheeling through the 2017-18 season. That's excellent news for this city. Nationally, the Wheeling Nailers are the oldest surviving minor league franchise below the American Hockey League, with unbroken franchise continuity since 1981. As an ECHL affiliate of the Pittsburgh Penguins and the Montreal Canadiens, the Nailers have more players in the NHL than any other ECHL team. If you haven't seen the Nailers play yet this season, I encourage you to come watch a great game of hockey.

New energy production is a real game changer for the US economy. The energy industry is creating opportunity for regions of our state to renew themselves, including Wheeling and Ohio County. One study estimates that production of shale and oil could create up to 1.7 million new jobs nationally. Many of those jobs are right here in the Ohio Valley. The challenge now – how does Wheeling get long-term employment opportunities? I believe we must

continue to create an environment where companies want to invest and locate their offices and operation centers. Although the industry is currently under pressure from reduced oil prices, this is only a short pause in the growth that we'll be seeing for years to come. It's possible to create a new opportunity for Wheeling to be the center of this industry moving forward.

One company that chose Wheeling and has been invested here since the 1800s is Warwood Tool. Founded in 1884 by Henry Warwood, Warwood Tool offers their clients more than 700 American-made products. And about a month ago, Warwood Tool announced that it would be changing ownership for ONLY the 6th time in the company's 161-year history. I'd like to welcome Michael Carl, Phillip Carl, and Logan Hartle who are here with us today. These gentlemen have something very unique in Warwood Tool, as the business is older than the state of West Virginia and has ties to both World Wars and the Industrial Revolution. Gentlemen, I wish you continued success as you begin a new era of ownership.

This past November, West Virginians experienced a historic election. For the first time in over 80 years, Republican legislators lead both the State Senate and the House of Delegates. Regardless of political affiliations, we can agree that this change in leadership has created an opportunity for cities across West Virginia to have a powerful impact with the Legislature. City councils, mayors and administrators must be more influential in the legislative process through lobbying efforts. It's important to be seen and heard in the legislature. We need to stress an important fact: strong cities equal a strong state!

As a former State Senator, I know the importance of communicating with city leaders. They have invaluable ideas that the legislators often need and may not otherwise consider. I know first-hand that elected officials want positive, working relationships with local leadership to help guide them on vital issues concerning city government policies. Currently, the municipal league has an aggressive agenda, with issues including the Public Service Commission, home rule, taxation, pensions, economic development, and many others. It's important for the City of Wheeling to continue to have a voice in Charleston, play an active role in the legislative process, and foster ongoing communications with our state representatives.

Lately, it seems there's constantly change underway in Wheeling. Have you noticed all the great public and private projects in progress? We have the Market Plaza renovation investment of \$1 million; Heritage Park and Sculpture Garden on 11th & Main Streets, renovation of the former Fort Henry Club, the rebuilding of the flood wall on Wheeling Island, and ongoing investment at West

Virginia Independence Hall. The Capitol Theatre has been transformed since we were there for last year's lunch. The beautiful façade renovation and variety of improvements inside the theater were made possible by Wheeling National Heritage Area and the Convention & Visitors Bureau, along with the generous contributions of the Hess Foundation and the Gary West family.

Other great investments include Welty Trust improving the Good Shepherd Nursing Home and the soon-to-be Welty Village. Altenheim is building beautiful single-family retirement housing. Today's host, Wheeling Island Racetrack & Casino, is renovating their hotel. Carenbauer Distribution expanded their operation. The Diocese of Wheeling-Charleston invested millions in the former Wheeling Catholic Elementary and saved a historic structure by converting it into a chancery. By the way, we congratulate Bishop Michael Bransfield today as he celebrates his 10th anniversary as Bishop of the Diocese of Wheeling-Charleston. We've seen Wheeling Jesuit University grow with investments in the Bishop Bernard Schmitt Field, new graduate student apartments, and a move to the Downtown Stone Center with their physical therapy program and clinic, allowing for other expanded programs on campus.

Over the years, I have spoken many times about change. I believe that if you are not in motion, you will get run over, so we are going to keep Wheeling moving forward. In 2014, two organizations had a change in leadership: The Wheeling Area Chamber of Commerce welcomed President Erikka Storch. Erikka is not here today because she is also a West Virginia Delegate working for us in Charleston. West Virginia Northern Community College also has a new president, Dr. Vicki Riley. WELCOME. I want to thank past-president Martin Olshinsky for his incredible leadership and the investment the college has made in Wheeling. The corner of 16th and Market looks great! President Riley, our community looks forward to West Virginia Northern's continued role as an anchor in Downtown Wheeling.

Shifting our focus up the river, the new \$31 million water treatment plant will soon be completed, on budget and earlier than planned. This facility has the newest technology available to ensure the water you drink is safe and clean. Not only will our residents benefit, but the new plant will support our future generations.

Also this year you will see more than \$1 million in new paving and slip repairs throughout the city. Bridges and waterlines will be modernized and replaced; dilapidated buildings torn down and neighborhoods cleaned up. Council and the administration have continued to make cuts, responsibly manage

finances, and successfully guide us through one of the greatest recessions in modern time. We made tough decisions and have lived within our means. Now, with the change in our tax structure, we can reinvest in our city to make improvements that have been needed for years.

Exciting renovations have begun at WesBanco Arena. The \$6.4 million investment has already allowed for the installation of new electronic ribbon boards and a four-sided video board. Soon, all the seats will be replaced and new box seating created. Press area and ADA improvements will be made, along with concession upgrades. Most notably, the entire front of the Arena will be updated with an all-glass façade, creating 7,500 square feet of new convention space. The addition will enlarge and modernize the facility and make WesBanco Arena the largest, most versatile convention space in the Ohio Valley. These enhancements will help us keep and attract new shows, conferences and events. Tickets sold to more events means more people in our restaurants and hotels, spending more money in our city. I believe the investments at the Capitol Theatre, Heritage Port and now WesBanco Arena will help to attract new businesses and spur further investment in downtown Wheeling.

For the first time in a long time, I'm really encouraged by the amount of interest in our downtown area. While I'm not at liberty to disclose details at this point, I can assure you there are several substantial opportunities in the works. Keep your eyes on Downtown Wheeling in 2015.

I've honored several long-standing organizations in Wheeling, but it's important that our city is a place where new businesses can also thrive. In 2006, Williams Lea Global Managed Services chose Wheeling for their US operations, proving that you don't have to have roots here to be a valuable member of our business community. This past fall, Williams Lea, along with their company TAG, announced that it is expanding its footprint in Wheeling by 11,000 square feet to occupy a total of 50,000 square feet in the Stone Center. The addition of at least 100 new employees will make Williams Lea one of the largest employers in Downtown Wheeling, with more than 400 employees.

Director Sharma, Wheeling wants to thank you and your team for breathing new life into our downtown district. The growth of Williams Lea and the opportunities created by the other Stone Center tenants far surpasses the jobs offered by the former Stone & Thomas Department Store. Thank you for investing in Wheeling!

Business is alive and well in Wheeling, with 223 new business licenses being issued in 2014. Entrepreneurs are taking risks and being rewarded with a

supportive community. To name a few, Wheeling Brewing Company, Cookiepops, Happy Goat Yoga, Stadiums, Vagabond Kitchen and Second Life Arbor. Congratulations are in order for all the businesses that opened last year. While these names may not get the big write-ups or generate millions in revenue, they are investing, creating employment, and paying taxes. They are your neighbors, and they care about our community. Without these entrepreneurs, Wheeling wouldn't be the same.

One long-standing business that purchased a license over 100 years ago is Coleman's Fish Market. Everyone here is familiar with Coleman's, but you might not know Joe Coleman's story. In 1973, Joe was in Europe planning a tour of a lifetime, when a knock on his door changed the course of his life and Wheeling's culinary history. The knock revealed news of his father's heart attack, which derailed Joe's travel plans and prompted him to return to the U.S. Joe succeeded his late father as manager of the family business with admittedly no knowledge of what to do. Since then, Joe has certainly figured it out, and Coleman's has celebrated 100 years in Wheeling. Coleman's is one of the largest fish houses in West Virginia, with more than 200 wholesale customers in the tri-state area. Not bad for a man who didn't know what he was doing! Joe Coleman – we're proud of you and grateful to have your family's legendary fish market in Wheeling.

It's families who make a community strong. It's families who eat, shop, attend sporting events and support festivals in their community. One strong Wheeling family I want to recognize is the Schenk Family. The Schenks have made Wheeling a place of abundance due to their kind generosity. Wheeling is rich in nonprofit organizations and fortunate to have strong, community-focused foundations to support them. The Schenk family has been involved in giving of their resources in Wheeling since their success in the meatpacking industry at the turn of the century. In 1998, the family established the Albert Schenk III & Kathleen H. Schenk Charitable Trust. Recently, the Trust contributed a large donation to the J.B. Chambers Recreation Park in East Wheeling. They continue to support Wheeling Park systems, and they are participating in "The Power of 32" – a regional initiative to increase the financial, political, and intellectual power of our region. For these projects and so many others, we want to thank the Schenk family for their generous donations and support of our community.

The City of Wheeling attains revenue through four main sources: property tax, city fees, Business & Occupation Tax, and sales tax. By restructuring our tax system in 2014, the city has lessened the tax burden on our businesses with a reduction in the Business & Occupation Tax. I feel this reduction will help spur

growth and allow Wheeling to better compete with other communities in the Ohio Valley. Because of these changes, it's a great time to open a new business in Wheeling. The tax reduction will help in ways that enable the entrepreneur to hire more, invest a little extra or grant the business a little more assurance. Our city really wants you here, and we're finding ways to help. We are your partner and will help you grow your business in Wheeling.

It's interesting to note that Wheeling's B & O collection over the last 6 years has grown every year – even through the Great Recession. That is a strong indication of the vibrancy of our city and the health of our business community. This is a true reflection of commerce in the city of Wheeling, and ladies and gentlemen, it is strong.

People are investing in downtown and the surrounding neighborhoods and throughout the city. They're buying and remodeling buildings, volunteering for community cleanups, and serving on various City Commissions and nonprofit boards. It's refreshing to see new events, like Show of Hands and YWCA's Over the Edge, in which I must say Fire Chief Helms and I were brave enough to participate! We had a new scavenger hunt, Challenge Wheeling, the Community Foundation's Amazing Raise, and Augusta Levy Learning Center continues Dancing with the Ohio Valley Stars, where Police Chief Schwertfeger busted a few moves.

Summers in Wheeling are full of events with something at Heritage Port nearly every weekend. Many staple festivals are slated again this year, including: BluesFest, Wine & Jazz Fest, Vintage Raceboat Regatta, Sternwheel Festival, the Chili Cook-off, and the new Mountaineer Brewfest. Centre Market offers the Wing Fest and is the place to be for First Fridays, especially in the summer.

Today, I'm pleased to honor Wheeling's very first festival. Over 30 years ago, the Upper Ohio Valley Italian Heritage Festival helped get our summers sizzlin'. Anthony Zambito, Vincent Colaianni, Anthony Iannarelli and Benny Battistelli gathered volunteers from the Italian-American Clubs in the area and formed a board of directors. Each of the four founders invested \$5,000 to get the first Italian Festival up and running. Since 1987, the Festival has generated enough profit to award more than a quarter-million dollars in scholarships. In 2001, the Italian Fest moved from Market Street to the waterfront so the full potential of the new Heritage Port could be realized. The decision to relocate proved to be excellent! Wheeling's very own Italian celebration is the second-largest Italian festival in the United States. To Kim Smith and the current board of directors, and a special thank you to Bob Gaudio, thank you for continuing this

great cultural tradition of food, music and heritage. The Italian Fest serves as an anchor event at Heritage Port every summer and helps support local students through awarded scholarship funds.

Wheeling is very proud of our students and local educational systems, whether private, public or parochial. One school in our community has successfully educated and shaped the lives of thousands of students for more than two centuries. The Linsly School, founded in 1814, is the oldest preparatory school west of the Alleghenies. The school's rigorous curriculum and 100% college placement record help attract students from around the world to attend the former military academy. Linsly complements the public and parochial schools in Wheeling to create an educational system that rivals cities more than triple our size. Congratulations to new Headmaster Justin Zimmerman, as well as his faculty and staff. We wish you all the best for another 200 successful years in Wheeling.

For the second time since I've been Mayor, Wheeling can boast that we have the best teacher in the state. Congratulations to Gail Adams from Wheeling Park High School. Governor Tomblin recognized Ms. Adams in his State of the State address as the 2015 West Virginia Teacher of the Year! Ms. Adams, your students are very fortunate to have you as their teacher!

In 2014, one local school received the National Blue Ribbon Award. Congratulations to Woodsdale Elementary School, principal Dr. Kim Miller, her staff and students, and Superintendent Dr. Dianna Vargo for Woodsdale's recognition as a High Performing School.

Other awards were earned locally in the area of healthcare. Wheeling Hospital and Ohio Valley Medical Center are nationally recognized for their specific cancer treatment facilities, safety records and excellent medical professionals. A community our size is very fortunate to have such quality healthcare. To the administration and staff of Wheeling Hospital and OVMC, thank you for caring for us!

As another positive indication of Wheeling's growth, one hospital reported a record year for births in 2014. Even better, we're seeing residents of all ages taking pride in Wheeling and choosing to be here. These are EXCITING TIMES for our city! There's a new enthusiasm, a new energy. It's noticeable and contagious. We're seeing young people make their mark on Wheeling. Not only are they moving back, but NOW, our young people are staying BY CHOICE. Pick up the latest edition of INWheeling Magazine or log onto Weelunk.com and see it for yourself. There are great things happening.

In closing, I want to say to my fellow City Council members and City Officials – I believe in us. I believe in all of you who are here today and our community as a whole. I believe in what we are doing together to make Wheeling better. Let's continue the good management of this city to better serve the citizens. We can't be afraid to try. We can't be afraid of change. For the first time in a long time, I believe our community is ready to embrace change. I'm already looking forward to what I'll have to report in next year's address.

Again, I say to our city officials and our community - this is our charge! Thank you for being here today and God bless the City of Wheeling.