

It is a great honour and indeed with great pride that your City Council present the 2009 State of the City address.

We have seen the world change in the last 3 months and North Bay has changed along with it – albeit to a lesser degree. If this address were being given on October 5th rather than January 5th there would be a considerably different tone. It's hard to celebrate the wild successes, when we have people who lost their jobs this Fall.

From a construction perspective, 2008 was a spectacular year. Building Permits hit an all-time high again this year, finishing up at \$84.4 million, blowing past last year's record of \$77.6 million. North Bay continues to buck the national trends, by delivering year-after-year record numbers, which indicates that segment needs employees, both in the skilled trades and management capacities. And our residential housing sector will leave analysts befuddled. While Ontario saw an 18% decline in housing starts, North Bay saw an 11% increase. We had 90 new single family homes built, vs. 81 last year. Our infrastructure continued to be front and centre, with the new water tower construction on Airport hill, the upgrade and enhancement of several street programs, including Algonquin and Fisher, Oak and Gormanville, and the CP Rail underpass development along the waterfront, which will allow people to safely walk from the waterfront to our great downtown, for the first time in over 100 years.

North Bay was also a leader in environmental programs, again last year. When you drive up McIntyre Street, you can see the solar panels mounted on a side roof. The sun is generating electricity for us, which we sell on the grid, and this is a great example to our citizens of a program they can adopt for their homes. 2008 saw us purchase off-peak-hour electricity for our street lights, and we realized a \$50,000 savings. We also expanded our Blue Box program, which now takes even more recyclable products than ever before. And just this morning we took delivery of our first of

many hybrid vehicles. These are further examples of how we are implementing our Green Plan.

From a social perspective, we saw one of this Council's most innovative projects be completed. Where an abandoned CN Rail line once cut through the city, we now have 17 new 'starter' homes built on 3rd Avenue. This was a remarkable transformation of a neighbourhood, and fills a segment of our real estate market that was missing. Also, we saw the opening of our first Habitat for Humanity home. We look forward to the continued success of this and other community groups who are helping our housing needs be realized. And 2008 saw the construction of 18 social housing units on former CN land on 2nd Avenue. We also saw the opening our Multicultural Centre, and the opening of the region's first Mosque.

The number one story in 2008 was the E.coli outbreak. We were front and centre on this issue, in daily contact with the local owners, the corporate office, the Health Unit, and anyone else we felt could positively contribute to this problem. We saw some organizations rise to the occasion. The corporate office was unbelievably co-operative, the staff at the Health Unit worked to isolate the problem and get the facility re-opened quickly, and the staff at North Bay General Hospital identified this as an outbreak very early, and we believed saved lives. They say simply "that's what we do"; we say wholeheartedly "thank you".

We do indeed have much to be thankful for in 2008, but we also have a wonderful 2009 to look forward to.

From an economic perspective, we are forecasting a very robust construction year. With our lead employers Nipissing University and Canadore College embarking on \$50 million in new buildings, they will certainly start our year off with great promise. Imagine the jobs that will be created from those and the many other construction projects that are committed for 2009. Our Gateway

Industrial Park is virtually filled up now, with the addition of Atlas Copco and the about-to-be-opened Goodyear facility. So 2009 will see the planning and start of our new Industrial Park on lands we own at the Airport. This will allow for continued and planned growth in our industrial sector. Also, we have budgeted for the paving of our 10,000' runway. This is a program that your Council and staff have worked endlessly on over the holidays, and we look for positive news from the Federal Government in the next few weeks. That is but one of the many infrastructure programs your staff and Council will embark on in '09. We have approved a Capital Budget of \$50 million this year, as we continue to rebuild this city from the ground up.

We have seen layoffs in several of our local industries. And while everyone is wondering how we got into this mess, we've been working on a way out. North Bay has teamed up with the other 4 northern large urban municipalities, and several of our manufacturers, to form a beachhead in Alberta's oil patch. We will look to have a combined presence in Edmonton, where a sales team will solicit business for our idle manufacturers. The oil sector is still strong and the cost of equipment in Alberta is very high, due to the fact that the manufacturers need to keep up with the oil-type salaries. Our premise is that the required equipment can be made here, in Northern Ontario, with great quality, at a better price. This is one of the pro-active programs we will launch in 2009.

Our environmental leadership will reach new heights in 2009. North Bay is already well-known for our Green Plan – not just a lot of talk – a lot of action. This year we will begin the launch of our street light replacement program, where 5,558 new induction bulbs will replace the traditional high-pressure sodium bulbs. This will save tremendous energy and almost \$300,000 annually. Also, you would have seen the tender run for the major upgrade to the Recycling Centre. We will undertake major renovations to

improve efficiency to the facility, which will allow us to increase our Blue Box program to allow for virtually all products, including large-mouth plastics and lids. By increasing the capabilities we are reducing the amount of waste that will enter the landfill. That means that we will extend the life of the landfill by many years, and delay the \$30 million expenditure of a future Council. And our methane program should be set to fire up late this year. This is where we will use the methane created at the landfill to generate electricity. This is a very exciting program that the staff and Council have looked forward to for years, as we are the only community our size embarking on such a program. In fact it looks so positive that we are also looking at doing the same thing with the methane that is generated at the sewage treatment facility.

Our social programs will also take a front row seat this year. Through our DNSSAB, we will see the construction of 118 social housing units for the region. This is the largest construction project of this type, in the last 20 years. And we will continue to lobby the other levels of government for a greater financial commitment so this level of activity can continue in the years to come. Anyone who took the bus today would have noticed that the fares were reduced. This is one more of our programs to assist our community through these tough economic times. You will also see a continued commitment from this Council on our immigration attraction, as well as new physician attraction. We have 21 new doctors in the city, since our administration launched an aggressive doctor recruitment program.

We'll have many challenges in 2009. Our biggest challenge, as always, will be funding. The single largest issue facing all Northern municipalities is the clawback in our Provincial-Municipal funding. The result of the 2-year-long Provincial review saw uploading of social programs across Ontario, but a clawback of Provincial payments. Southern Ontario cities that weren't receiving the payments ended up with a true upload, as

there was nothing to claw back. Northern communities ended up with a wash. The problem is that the Province now feels their job is done because the Southern communities now have lots of money for infrastructure. We have NO new money, and will continue to fall further behind. This is an issue that all Northern cities have banded together to address, and will continue to unfold in the coming weeks and months.

The year was exciting. We have a new Customs Office, the North Bay Mall is back better than ever, you can now buy fresh Lake Nipissing pickerel from our Native neighbours, Nipissing University will ice a new hockey team giving us a higher caliber of sports, the Goulet Golden Mile has been acknowledged, Rolly Fisher and Veterans' Fields are newly sodded, streets are being paved, the downtown is rejuvenating, more houses are being built, as people keep moving in. That says a lot about the fine State of the City!

Thank you very much.