

## **2009 State of the City**

### **REMARKS ON THE STATE OF THE CITY BY MAYOR ANTHONY (TONY) SPITALERI SEPTEMBER 26, 2009**

Good morning, and thank you all very much for joining us here today. This past year has been, as everyone is well aware, a challenging one. We are in the midst of the deepest global recession since the Great Depression.

Unemployment is at historically high levels, the credit market is in dire straits, the housing market is crippled and taxable sales, upon which the City depends for much of its revenue, are weak, at best.

This is not your average recession. When we emerge from these dark times – and we will – we will not be looking out over the same economic landscape that existed before. This crisis will have a significant impact on the way we plan and do business for many years to come.

Thankfully, Sunnyvale has never shied away from a challenge.

It seems somehow fitting that we're gathered today at the site of the Sunnyvale Historical Museum. This building – and the museum it houses – embody the convergence of Sunnyvale's past, present and future.

Since the day this city was founded, nearly 100 years ago, we have proved again and again that we are capable of meeting any challenges that stand in our way.

In fact, we are not content to simply meet those challenges. We have a habit of solving our problems in such unique, creative and effective ways that we become an example to which other cities look for guidance and inspiration.

One of the strongest assets the City has today is, without question, our new city manager, Gary Luebbers. Gary hit the ground running when he joined us last December. He has brought with him a sense of excitement that has invigorated everyone who works with and for him. He seems to have an endless reserve of creative ideas, yet he manages to stay true to the City's core values.

The most notable of these, of course, has been the Sunnyvale Works program. Sunnyvale Works will enable the completion of more than \$60 million in already-

funded capital improvement projects on a highly accelerated schedule. Instead of waiting years to start these projects – all of which are already funded – we're getting crews out there now. Not only does this mean we'll get the benefit of improved streetscapes, utilities and other projects years ahead of schedule, but local businesses will benefit from the influx of workers who will shop locally, buy gas and eat in Sunnyvale restaurants.

Plus, this program does the seemingly impossible: It turns the economic crisis into a financial positive for the City. Because of the magnitude of the recession, construction projects are way down, and construction companies are eager to find opportunities to keep their employees working. We expect that bids on many of these Sunnyvale Works projects will come in at as little as 50 percent of original estimates, saving the City millions.

This program has caught the attention of other cities and agencies, who once again see that when you want to find creative solutions in government, you look to Sunnyvale. We have always prided ourselves on being a forward-looking, progress-oriented City.

Despite all the doom and gloom, there is real cause for optimism here in Sunnyvale. Our 20-year budgeting system has time and again allowed us to weather economic crises – or in this case, catastrophe – that has brought other cities to the brink of bankruptcy. Sunnyvale has been able to maneuver through these stormy times and continue to deliver the world-class level of service our community expects.

The budget we passed in June included strategies to bring the City's long-term financial plan into balance and ensure long-term financial stability. The City must work to improve operation efficiencies, making sure that we are using our resources as cost-effectively as possible.

The city manager has already begun reviewing every City department, and has identified efficiencies that, if implemented, could save the city as much as \$4 million per year. The City is also taking advantage of its history of prudent long-term planning, drawing judiciously from the Budget Stabilization Fund.

This is a fund the City has set up to sock money away during good economic times, and draw from during the tough times. Over the next six years, we will draw \$24 million from the Budget Stabilization Fund to help the City adjust to its new fiscal

reality. This isn't robbing Peter to pay Paul. This is exactly how the stabilization fund is intended to work, and it's one reason Sunnyvale is so well prepared to weather this crisis. It's also one reason Standard & Poor's recently upgraded the City's credit rating to triple-A, making us one of only 11 cities in the state to receive the S & P's highest rating.

The State of the City is meant to be a celebration, and I'm happy to tell you that despite the significant challenges we face, we still have much to celebrate. This year we instituted the paramedic blue ribbon committee, which has been meeting to review the quality of service our residents receive from our local paramedic provider, AMR, and looking at ways to improve upon it. Construction of the brand-new Target store is moving quickly, and is scheduled to open to the public on November 15, just in time for the holiday shopping season.

Work has also begun on a nine-month construction project on Murphy Avenue to improve the sidewalks and streetlights and upgrade the underground utilities. Remember that while you won't be able to park or drive on Murphy during the construction, you can still visit all of the wonderful restaurants and shops, and we encourage you to do that.

When you shop and dine in Sunnyvale, you're doing your part to boost our economy and keep us on the road to recovery. I've been meeting with leaders in our business community every three months as part of our ongoing Quarterly Roundtable sessions. This has been an excellent opportunity to connect with our businesses, hear their concerns, and learn what we can do together to keep Sunnyvale a great place to do business.

I also invite members of the public to share their concerns and comments with me. I have regular office hours every Monday from 1 p.m. until 4 p.m., and anyone is welcome to make an appointment to come in and chat.

I am proud to call Sunnyvale home, and I am grateful to have had the honor to serve as its mayor for the past two years. We aren't out of the woods yet, but we are moving forward. As we have done for nearly a century, we set our sights forward and see possibility, potential, and a bright, shining future.

Thank you very much.