

State of the City Address

July 4, 2011

Mayor Melinda Hamilton

Good morning, and welcome to our State of the City Celebration. Happy Fourth of July!

I'm honored to be here with you, our community members and special guests.

Before I get started, I would like to introduce my fellow Councilmembers, and some of our special guests in the audience.

(introductions)

On a day when we're celebrating the birth of our nation, it seems appropriate to also acknowledge our city, the level of government that most affects the daily lives of our citizens.

In this State of the City address, I want to tell you where we have been, where we are going and what lies ahead.

I am proud to say that in Sunnyvale, our past and current planning efforts gently ease us into the future because we take the future into account when planning the present.

Many of the things I will talk about are not new topics, but are the maturation of efforts we have *already* launched.

I am in my eighth year as a City Councilmember and my second year as Mayor. It is an honor and a privilege to serve the residents of my hometown, which continues to be a terrific place to live, work and play.

Our residents, staff and my fellow Councilmembers continue to make Sunnyvale a successful and wonderful place to work and live with an exceptional quality of life that rivals, no, exceeds most every other city in the U.S. More on that in a minute.

Of course, quality of life has always been important to our City.

Many years ago, before there were fashionable terms like “green” or “sustainable,” the City initiated practices to protect the environment and reduce energy.

Our City’s fleet of vehicles now features an ever-expanding number of alternative-fuel vehicles. Our trucks use low-emission fuels and our City operations have gotten smarter, to the point where several City offices have been certified as “green.”

I’m proud of our Horizon 2035 program, which combines efforts to revise the City’s Land Use and Transportation Element of the General Plan with efforts to create our Climate Action Plan.

We have a dedicated team comprised of city staff and community advisors that has been working steadily to create this new policy document to direct the City’s energy and water efficiency, land use, transportation and air quality. This is important for the here-and-now ... but it is equally important for our generations to come.

I believe, as an elected official and as Mayor, one of my chief responsibilities that I owe to our community is the stewardship of the future.

So many of my actions and actions of our Council are expressions of this responsibility.

When I look at Sunnyvale, I see that it is relatively easy to take care of the infrastructure. True, it is expensive and I’ll discuss our budget in a minute.

When looking at the human capital side of the equation, the less tangible but equally important element of creating a great community, it is not so clear. When we look to our children, are we really creating a better future through our current actions?

Their future depends on what we do right now, and what priority we give our children with our decisions today.

While there have been significant technological advances over the last century that have made our lives easier in a myriad of ways, we, as a nation, as a state, and as a City, have not fully understood the impacts of these advances on our society, ourselves and our children.

The rise of computers has led many to have a more sedentary lifestyle as the activities we choose for entertainment have shifted, and the proliferation of inexpensive processed food has had a profound impact on our eating habits. The choices we make for ourselves and our children today need to be made in a way that ensures the health and well-being of our future generations.

That is why I am a strong supporter of First Lady Michelle Obama's *Let's Move* initiative, a movement to end childhood obesity within a decade. I am proud to announce that Santa Clara County is the first county in the entire country to have all 15 cities and the county pledge to support this initiative and bring better health to our children, and, I suspect, the whole community in the process.

As part of the *Let's Move* project, Sunnyvale is also one of only 15 cities nationwide selected to host the United States Soccer Foundation's National Passback Tour at our Health and Safety Fair two months ago. The tour event provided children an opportunity to take part in soccer clinics that showcased the sport as a vehicle for healthy lifestyles.

Even on a day-to-day basis, the City is taking stronger steps toward helping our kids stay healthy and develop active lifestyles.

Just beyond our food service area is our Fun on the Run truck.

You may have seen this truck parked at the public safety building, giving a whole new meaning to "fun on the run," however ...

For several years, City staff has taken this truck to neighborhoods that may not have had as many opportunities for kids to get out and find organized play activities. We bring these activities to the kids to keep them active and challenged, and build healthy habits around getting regular exercise.

In the northern part of our City, The Columbia Neighborhood Center is deeply involved with other organizations in supporting healthy kids.

Supporters of the Children's Health Initiative work with our staff to help low-income families enroll in affordable health insurance; we're doing a "Soda-Free Summer" and we're incorporating "Potter the Otter Drinks Water" into programs. These books, for children 2 to 5 years old, promote drinking water over soda to promote healthier choices. As part of our healthier food effort today, we made sure to offer low-sugar beverage options at our lunch table.

Through Mayview Health Center, uninsured and under-insured kids have access to low-cost immunizations. The Family Harvest Program provides eligible families with more than 120 pounds of free food, produce, fruit, and dry and canned goods each month.

The list goes on, but I think you see what we are doing: investing in Sunnyvale's future by helping today's children. And that's one of the most important things we can do as a community.

As important as physical health is for our community, fiscal health is vitally important as well.

Since the nation's economy began to sink, cities all across the nation have had to struggle with survival.

You have seen cities declare bankruptcy.

You have seen cities lay off countless staff members and many have taken to outsourcing city services.

Sunnyvale has not been immune to these economic pressures.

While the City's history of sound financial management and long-term planning has benefited us greatly, we still have had to take bold steps.

Our city manager, Gary Luebbers, has had the tough task of trying to pare down City expenses while establishing the most effective and efficient staff size.

As City Manager, Gary works directly for the Council, and we have found Gary to be very focused and creative in finding solutions.

City staff has been greatly reduced. In 2003 staffing topped 1,020, and we are now down to fewer than 850, a reduction of nearly 18 percent. This is in spite of a 6 percent increase in Sunnyvale's population.

Staff personnel have been moved to more efficient groupings and the City departments have changed, with Community Services and Library merging into one department, Parks moving to Public Works and the creation of a new Utilities Department.

These changes are all designed to make the City more efficient.

But the really big problem we are facing is that we are still working to eliminate a structural imbalance in our budget.

Simply put, if you were to draw a graph of city expenses versus city income, you would see that expenses exceed income and, forecasting into the future, those two lines never cross.

We need to get income higher than expenses, and that means we need to enhance revenues, reduce expenses or, most likely, do both.

In the budget that my fellow Councilmembers and I passed just last week, we reduced a \$2.4 million structural deficit by \$2.1 million, leaving a \$300,000

annual gap. To do this, we have taken further steps to curtail costs. Our community will see real reductions in service.

Several programs that were subsidized by the City will need to become cost neutral – that is, participants will need to pay the full cost of special activities and programs.

Today's economic reality has created new rules for us all. Cities must focus on core services – public safety, drinking water and key infrastructure. These are the services that no one else will provide for our residents. After those elements are secured, then money can be spent on desirable services and programs. But we have been forced to take a hard look at how we spend our money to ensure we can continue to serve our community.

I have emphasized our budget dilemma because it is important for all of you to know the reality of what we have to deal with.

But there are some positive events on the horizon, and they are deserving of celebration.

The business climate is improving. Sunnyvale's reputation as the "Heart of Silicon Valley" is reinforced every day.

The *Financial Times of London* recently named Sunnyvale as *the* number one small city with the best economic potential throughout all the Americas. Sunnyvale ranked number 5 for quality of life for all cities throughout the Americas.

Many area businesses recognize this potential. Nokia moved into downtown Sunnyvale and created its new regional headquarters just a few blocks from here at Washington and Mathilda avenues.

Landmark companies such as Rambus, Motorola Mobility, Hewlett Packard and Microsoft have also joined the Sunnyvale business community by leasing office space at Moffett Towers.

We didn't need the Financial Times to tell us that we have economic potential, but it's nice to have the validation.

Of course you all want to know about the Sunnyvale Town Center redevelopment project.

We all know this project has had its problems and currently is under the control of a court-ordered receiver due to a loan default.

But despite these challenges, the project is moving forward.

Even after the courts took over the project, tens of millions of dollars were spent getting the office building ready for Nokia to move in last January.

The project receiver has been actively marketing the sale of the Town Center site to bring in a new developer.

Nokia's presence, along with Macy's, the new Target store, Broadcom, and a newly redesigned Murphy Avenue streetscape have all created an extraordinary level of interest among potential developers.

We remain confident that a new developer will come in and complete the Town Center project, creating the jewel of downtown we know it will become, and generating more than one-and-a-half million dollars in potential sales tax revenue to the City's general fund every year.

When I look back over my term as Mayor and as a councilmember, there is a lot that I am proud of. I've already mentioned some of them, including the Let's Move and healthy kids initiatives and the fact we are much closer to finishing Town Center.

But I am also very proud of what I have done to represent and work with our community members.

Through very strong support of our neighborhood associations program, I have engaged a much broader swath of the community with City government.

I have worked to make government workings as transparent as possible, including webcasting all City Council and Planning Commission meetings.

Not only are all the meetings on TV and the Web, but all these meetings that have been webcast are available online in an archive that allows you to go back and view what was said and what was decided.

I would also like to take a moment to thank my colleagues for all their hard work. Politics is a team sport, and nothing gets done without the support of a majority of the team. The residents of Sunnyvale have an excellent team working on their behalf.

In summary, although these are economically tough times for all cities, Sunnyvale is staying true to its traditions of providing sound leadership, dedicated staff and fiscal responsibility.

We're going to see changes as belts continue to tighten, but we will also see great success.

Sunnyvale remains a well-managed city with a bright future, and I am proud, as Mayor, to know that our actions are preparing a healthier and more active future for our children to lead us forward.

Thank you very much.