



Mayor Bob Foster
2009 State of the City Address
January 13, 2009

Good Evening

Thank you President Alexander for your hospitality and for the hard work of the faculty and staff of the University in making this event possible. Tonight is another example of the university-city concept brought to life.

Thank you to Long Beach Police Chaplain Beryl Nyre-Thomas for the thoughtful benediction.

To City Attorney Bob Shannon;
City Auditor Laura Doud;
and City Prosecutor Tom Reeves.
Thank you for being here.

I want to welcome and thank the City Council:
Vice Mayor Val Lerch,
Suja Lowenthal, Gary DeLong,
Patrick O'Donnell,
Gerrie Schipske,
Dee Andrews,
Tonia Reyes Uranga, and
Rae Gabelich.
And former Mayors Eunice Sato and Beverly O'Neill.

A special welcome to California's 35th Governor George Deukmejian;

Welcome members of the Long Beach Unified School Board.

Please also welcome the City Management Team:
City Manager Patrick West,
Assistant Manager Suzanne Frick;
Deputy City Manager Reggie Harrison.
Police and Fire Command staffs and
Department Heads.

Mayor Bob Foster
2009 State of the City

Thank you for the contribution you make to our city.

Also in attendance tonight are citizens serving on City Advisory Boards and Commissions. I want to thank you for the time and invaluable service each of you provides.

Thank you to First Lady Nancy Foster for being such a great First Lady and making such a contribution to our city, especially in the area of mental health where your honesty and courage have helped so many others.

And a very special welcome to my mother, Helen: Thank you for making the trip to be here and for all the help and support you and Dad have always given me.

To those at home watching via television or by web cast; and to each of you that have come to fill the Carpenter Center this evening, welcome to your State of the City.

We are embarking on a new format for this speech tonight. It's been a grand adventure thus far - Let's hope it works.

It is fitting that this speech, the people's speech, is being delivered on the flagship campus of California's State University system. A system founded on accessibility and promise.

For this year's speech, we asked for your ideas, your thoughts, your dreams for Long Beach. Some of you took a long-term approach, others were much more direct. Some were even personal and I'd like to share the summary of one with you tonight:

"Mayor Foster: please lose some weight."

I have taken that to heart and asked Nancy to help out. We have a good system: I watch what she eats and she exercises for me.

I used to be on the Miss Piggy diet, she urges you to never eat more than you can lift. It didn't work well.

Joking aside, I have shed 8 pounds - please don't say your government is not responsive.

Webster's defines a city as "an inhabited place larger than a town;" or "a municipal subdivision created by charter by a state".

I think we all can agree that our City is so much more.

Defined not only by its buildings but its character; Our compassion for each other, our willingness to work together, our future orientation; We are tied together not just geographically but psychologically and spiritually.

Right now, many of our friends and neighbors are hurting. Our fellow residents have lost jobs,

homes, retirement funds, college savings and many fear the future.

The distress is visible everywhere. But so is generosity and caring.

Regional food banks saw unprecedented requests for help this season and our community responded with an overwhelming outpouring of assistance. In partnership with Food Finders, we launched a city-wide collection drive that netted approximately 16,000 pounds of canned goods and provided nearly 34,000 meals to over 11,000 people in need.

When Councilman Andrews put out the call to help make the holidays a little brighter, the staffs at the Hilton and Hyatt hotels joined together to feed nearly 700 central Long Beach residents at King Park.

Please join me in welcoming, Food Finders Executive Director Arlene Mercer, Board President Donald Cochran, and the staffs of the Long Beach Hilton and Hyatt Hotels.

I am proud that our community's instinct is to help each other;
To go the extra mile in our charity, in our volunteer efforts;
To simply listen when people are in trouble.

Because I believe it is more meaningful to give in times of scarcity than in times of abundance.

When the global economy finally collapsed after decades of conspicuous consumption and structural excess we saw once again, how interconnected we really are.

The failure of the financial markets will be felt for years to come -- And those effects will be felt by everyone.

So what will we make of these unprecedented times? Will we have the courage to think for the long-term while faced with the pressures of the present? Will we succumb to despair or will we tap our reservoir of confidence? Will we have the courage not to act out of fear? Can we think more about "us" than about "me"?

We will have an immediate opportunity to test ourselves on those important questions with this year's budget.

Another generation, often called the Greatest Generation, witnessed deep economic distress and conflict on a global scale.

Their character was forged in the Great Depression and honed in World War II.

We admire them today, not only for what they have physically left to us, but also for how they live:

They are self-confident without being self-righteous; Savers more than spenders;
Investors more than consumers;

Self-reliant rather than entitled, hard-working and future oriented.

Much of what we enjoy today and much of what our commerce depends upon came from that generation.

Our highways, water systems, bridges, flood control systems, and our accessible system of higher education were all built or greatly expanded by them.

They lived in a world of radical change but embraced enduring values; Ones that will serve us well in the coming years.

2009 will present us with a weak economy and a State Government fractured and in turmoil; Uncertainty will be the norm.

We already know that revenue to the City will decline, funds from the State will diminish, and Federal help will be short-lived and uncertain in amount.

Across the nation, business and government will have to make many changes to bring our economic house in order.

Here in Long Beach, the effects will be serious and the near future will be difficult. How will we cope with the economic downturn and what will it mean for our City's services?

First, we need some perspective:

When you include our enterprise funds: harbor, water, oil and gas, refuse and the airport, our total budget is \$3.1 billion.

Our general fund, however, is \$404 million; 2/3 or \$270 million of which is devoted to public safety. That leaves only one third of the pie, some \$130 million, for everything else:

\$130 million for all our parks, potholes, recreation programs, capital improvements, libraries, community events, elected officials, just to name a few.

Over the past three years we've taken over \$79 million out of the general fund, cut nearly 600 positions, eliminated scores of automobiles, and cut spending almost everywhere. And for the first time elected officials shared in the cost cutting.

But there is still much to do.

We need to do more of what we have done well these past few years like reductions to City bureaucracy and thoughtful review of how we deliver basic city services.

The challenge within our general fund is more than an issue of spending. It is an issue of revenue and, quite simply, we do not have enough funds to meet the needs of both our general fund and our capital improvement demands.

And we must continue to look at both sides of the scale: reductions and revenues,

Because a "100% cuts" budget is not the smart way to meet our city's needs.

We could shutter every library, eliminate the entire parks and recreation department with all its programs and reduce the public works budget and still not have enough to meet our capital investment needs; our streets, sidewalks, public facilities, and environmental systems.

That is not the Long Beach in which you or I want to reside.

Revenue matters. Therefore, business development matters.

While cities across California face the same challenges, few have our assets when it comes to growing our tax base.

We not only occupy a great location with terrific climate, but we are a low tax city. In a survey taken last October, we ranked 71st out of the 88 cities in Los Angeles County in property tax rates.

We have a very successful and now expanded Enterprise Zone to attract business with labor tax credits and investment credits.

And our Redevelopment Agency is a great partner in helping business come to Long Beach.

Even in these times of economic upheaval our efforts to build up the City's revenue base continue at a brisk pace.

We've added key retail locations with the new Best Buy in Marina Pacifica and opened the doors of a brand new Target in North Long Beach - and a green building at that.

Even vehicle sales are coming back to Long Beach. The new Autry BMW motorcycle dealership is now located on Spring Street.

Two brand new downtown hotels are under construction and a complete overhaul of the former Coast Hotel will add another marquee facility on the water.

Our Convention and Visitors' Bureau continues its outstanding work at showcasing the City as a top destination. Next month, Long Beach becomes the new long-term home of the T E D Conference, the premier gathering of the world's leading innovators and creative thinkers.

If you are that other person out there who doesn't own an iPod, the TED Conference means Bill Gates, Warren Buffet and Wired Magazine -- those are the types of folks that will move into our Terrace Theater once a year.

Long Beach has a rich history in the movie making business that dates back to the 1920's.

We will not only film in Long Beach, but once again become a center for motion picture and television production.

This spring will see the launch of Long Beach Studios, which will turn one million square feet of retired aircraft manufacturing space into the world's largest indoor soundstage - and create hundreds of new, high-wage jobs.

As for fostering a vibrant economy, there is no greater asset than the Port of Long Beach.

Goods movement is the region's largest source of employment, surpassing even mighty Hollywood; In many ways, it has become the manufacturing of the 21st century economy.

The Port continues to prove that you can do well by the environment and still pursue commercial activity.

And as part of its landmark Clean Trucks Program that bans dirty diesel trucks, the new cleaner diesel and LNG trucks will be sold here in Long Beach, giving us both cleaner air and more sales tax revenue.

The port's Clean Air Action Plan is a model for ports around the world. Between clean trucks, creative incentive programs to burn low-sulfur fuel in ships, and green dockside handling equipment, the Clean Air Action Plan aims to reduce pollution by nearly 50 percent over the next five years.

It will be good for business and our health and it's simply the right thing to do.

But the Port is also under competitive pressure from other ports that seek to divert cargo away from us and to the East Coast or foreign shores.

And we should never take such a tremendous natural asset for granted and must always strive to improve our port to enable more efficiency, productivity and environmental enhancements.

Let there be no mistake;

We've also made significant progress on changing the way we conduct our own business as a City;

And the results are becoming easy to see.

We've improved our attitudes about service;

We've made sustainability a priority.

We've learned how to manage without excess levels in our bureaucracy;

We've succeeded at doing more with less by asking "why?" instead of accepting the way things have always been.

In short, the culture change so badly needed in city government has taken root.

The Department of Planning and Building has continued to evolve into an office that focuses on facilitating economic growth and working in partnership with residents and business.

Take a drive up Atlantic Avenue and Long Beach Boulevard or drive down Anaheim Street to see that pro-active attitude in action.

The Redevelopment Agency has become much more of a partner with the city, paving the way for developments such as the New Court House and the Ronald McDonald House.

The Public Works Department has a new spirit and its creative juices are flowing.

For example, rather than taking the usual 3 or 4 months to repave the 1.5 miles of 7th Street from Redondo to PCH, the intersection was closed for just two weekends and the work finished completely, resulting in less disruption for business and residents in the area.

We've become the greenest big city in California and finally, a Tree City USA.

We added the Dominquez Gap Wetlands, giving us flood protection, wildlife sanctuaries, and bike and walking paths;

We acquired 3.5 acres of park space at Del Amo and the 710 freeway and 23 acres at Drake Park near the 710 freeway.

All this in addition to the Seaside Park and the Livingston Park Tot lot expansion, the latter funded in large part by \$167,000 in donations from the community.

These successes in business development and in quality of life initiatives are the result of many people working together. But these achievements are made possible by our enhanced public safety.

For it is the first job of any government - and you cannot have a productive society if people are not safe.

Overall, crime is down again across the City, to the lowest levels in 34 years.

In particular, gang related murder dropped 36% and gang related shootings are down 16%.

And while we should be proud of those statistics, I will repeat what I have said many times before: Each time one of our young people is gunned down, part of our future dies with them. It has to stop.

In complex fire fighting environments and difficult urban emergency response, the men and women of the Long Beach Fire Department continue to willingly place their lives at risk in order to save others.

2008 was an epic year for requests for mutual aid from jurisdictions across the state. California was again under siege by savage wildfires and again our Long Beach firefighters helped save lives and property with a skill and dedication second to none.

And late last year, Long Beach Firefighters even rescued the Police Department helicopter from a hangar full of foam.

Frankly, this City is blessed with the best and most dedicated police and fire units in California - please join me in thanking them for their dedication and service.

2008 saw a major change in the way our city looks at salaries and benefits. For the first time we embraced the concept of total compensation.

We now compare our pay with other cities and include all salary and benefits, health care, pensions, everything.

We now have a platform from which to make informed decisions about public employee compensation.

We used this information to provide fair compensation to our employees and to make changes in our benefits. Our city employee contracts aspire to reach the median; neither the top nor the bottom.

And frankly, we may not be able to achieve even that.

Public pensions are a source of much debate; and rightfully so. And much of the regulations governing them are set forth under state law.

As of this year, the City has rolled back pension benefits for new employees and will implement a creative program to trim costs even further if an employee leaves city service before they retire. However, pensions are a real source of public cynicism. There is a general belief that public employee pensions are too rich or that employees do not contribute their fair share.

More work needs to be done to assure the public that it is getting its monies worth;

Quite candidly, there has got to be some give;
Equitable and sustainable public payrolls are in the best interest of both the taxpayers and employees.

And along those lines, we must continue to consider reforms to the civil service system. Long Beach is the only city in California that has both a civil service and human resource department. And we should ask "why?"

We all know that 2009 will be a difficult budget year and many sacrifices will have to be made to finish the year in balance.

While our focus continues to be on the general fund, no part of city government should be immune to the realities we face.

Yet that can happen when our enterprise funds, departments such as Harbor, Water, Oil & Gas, and Refuse, even the Redevelopment Agency, have their own source of revenue and are structured to run as a business.

While only one supports the general fund directly, each assists in City operations through separate, complex arrangements that are based on their respective bottom lines.

Often, when these funds are faced with reduced revenue their immediate response is to reduce their contribution to the City.

Put in business terms, they lower their earnings per share.

Private business would never first reduce shareholder earnings when faced with declining revenue;

It would work to preserve shareholder earnings by reducing expenses.

Ultimately, contributions to the city may have to be reduced, but there should be a focus on improving efficiency and productivity first.

The City Charter has it right, there should be enterprise funds outside the general fund.

But I will continue to ask these businesses to remember that we are one city.

As most of you know, infrastructure is a deep concern of mine. It is the one of the essential elements for any city to thrive.

We've made important improvements in our physical assets.

We used \$7.6 million of state Prop 1B funds to add to our resources and repaired or replaced 20 miles of streets.

We fixed 10 miles of sidewalks, upgraded 200 catch basins, 10 miles of water line and a mile of sewer line.

We now fill potholes within two weeks and filled 47,375 of them over the course of last year.

We are doing what we can to fix our city.

However, much more needs to be done.

Instead of 20 miles of streets we need to repair 50 miles per year; at our current rate of repair, we will never catch up.

We have no funds for fire stations, park and recreation facilities, libraries, and the very important

storm drains to improve our coastal water quality.

Once we know what, if any, projects can be funded by the federal government, and the recently passed County transportation measure, we will have to assess how we can develop a long-term infrastructure program.

Infrastructure enables commerce, helps create jobs, and keeps our economy moving.

We will not be a first class City without a solid infrastructure, and we will need to find a way to pay for it.

This coming year will require imagination, creativity, and sound management.

We have a unique opportunity to become more efficient and more focused on our core services.

We will need to take bold steps to reform and rethink our programs;

We must eliminate the vestiges of any entitlement culture within the city bureaucracy.

This will be uncomfortable.

But 2008 serves as an example.

We closed a \$17 million budget gap while still fully funding our public safety requirements, keeping a vibrant parks and recreation function, and improving the efficiency of our public works program.

We have and will always have a balanced budget. In fact, we closed fiscal year 2008 with a surplus of \$4 million.

And you should know that the council has already set those funds aside in a budget stabilization fund.

We asked for and received efficiencies from every part of the City, including public safety, because no service should be free from improvement.

So, we have difficult times to deal with.

We may be uncertain of our resolve and question our path. We may despair that our future is not as bright as our past. Will we act out of fear? Will we retreat in the face of that challenge? Will we think more about "me" than about "us"?

Part of the answer lies in a return to the values and of that Greatest Generation.

The purpose is much beyond any one of us.

It is to build a well functioning city, leave our physical structure better than we found it, and demonstrate the character that will be an example to future generations.

That is our responsibility and our duty to our children and grandchildren.

The enhancement of our character and physical structure will define us in the future.

Difficult times and situations can make you better. You often hear the phrase "that which doesn't kill you makes you stronger."

Well, that never made much sense to me.

A more appropriate comment is from Winston Churchill who said, "in life nothing is more exhilarating than being shot at without result."

That's what weathering the economic crisis will feel like.

Drawing on the example and strength of that Great Generation, we must act out of confidence not despair; invest more than we consume; focus on the long term not the immediate.

We need to summon the best of what that generation leaves us.

As bad as the 1930's were, and we are not in that condition, our culture and country not only survived, but thrived;
And so will we.

Remember *Webster's* definition:

I think we all agree we are much more than those words on a page.

We have challenges and obstacles to our improvement, but we have a great spirit.
We have achieved much in the past year to make us a better city.

We are a tolerant City.
We are a generous City.
We are a caring City.

We are a City which calls out to a new generation of people who want to work, live and play in a community with those attributes.

We need to call upon our spirit to help our fellow residents to succeed in their lives.

The attributes of tolerance and kindness are part of our character. Think about how difficult it would be to acquire those attributes if we lacked them!

The economic challenges we face pale in comparison.

We have created a special place right on the Pacific Ocean.

A welcoming and inviting place where people feel free to express themselves, become entrepreneurs and create;

To raise families and help one another live healthy and productive lives.

In the midst of so much uncertainty, one thing is for sure: A city without character can never thrive, no matter how rich or successful.

Considered that way, what lies before us is a far simpler task.

Thank you.

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