

State of the City Speech
Mayor Ann Schwab
January 26, 2010

As the City moves into 2010 we are faced with three significant challenges: Keeping the City's budget balanced, enhancing our Economic Development efforts and moving towards adoption of the City's General Plan update.

As we address these issues in the coming year, I welcome the spirited discussions that will certainly ensue, for it is through such a process that the best solutions will be found and the community of Chico will be stronger as a result.

Without a doubt, the global recession has had a significant impact on the City of Chico. However, this Council has taken steps to be well poised for the downturn and is prepared to react quickly to changes in the economy. This has been accomplished with leadership and hard work provided by Finance Committee members Councilmembers Wahl and Flynn and serving as Chair Councilmember Gruendl in partnership with the expert advice of our Finance Department.

Well over three years ago, recognizing the existence of a structural deficit, the City took steps to proactively address this imbalance and nearly eliminated it by reducing all department operational expenditures by 7.5% and by partnering with our employee groups and negotiating salaries to a 1% cost of living adjustment.

On the heels of resolving the structural deficit, this City Council faced the impacts of the global recession and adopted the Budget Contingency Plan with the purpose of establishing guidelines to respond to adverse financial and economic conditions that could negatively impact the City of Chico's fiscal health, as opposed to reactionary decision-making that could bring long-term, negative impacts to our community.

The guiding principle behind the Budget Contingency Plan is the ability to achieve the City's mission to protect and enhance our community's quality of life for present and future generations, through careful planning, fiscal responsibility and continuous improvement.

The primary goals of this plan are to:

- Maintain a balanced budget – primarily the General and Park Funds
- And Preserve the City's core services

Currently the City of Chico is weathering the worst financial storm of our lifetimes. In June 2009, this Chico City Council acted fiscally responsible and passed a balanced budget. Despite a substantial decline in sales tax revenues, this council has reacted quickly and has reduced operational expenses. Seven months into this fiscal year the City of Chico's budget remains balanced and is expected to remain balanced through the end of this fiscal year.

Realizing the need to not merely react to declining revenues, the City Council is committed to building the local economy through the creation of new jobs. New job creation is a high priority of this Council.

The City defines its role in economic development as: Assisting in creating the conditions that foster investment to occur within the community. We lead in efforts in setting the vision, ensuring adequate infrastructure and creating an effective regulatory process.

As stated in the City's Economic Vision, "Chico is the haven for innovation and entrepreneurship in the North State. As a university community Chico brings together the educational entities, the City and community resources to assist entrepreneurs and businesses to invest in Chico and create career pathways that yield a quality of life that includes economic prosperity. Chico is a magnet to individuals seeking an environment where you can live and work while enjoying unparalleled access to outdoor recreation and the social spirit of a vibrant community."

Last year, the City implemented an RFP process for economic development funding. This process enables the City to more closely align efforts and resources with our Economic Development Strategy and become more purposeful in our approach to strengthening Chico's economic base. For the current fiscal year, \$224,000 was awarded in three categories: Direct Services to Businesses, Tourism – Program and Services, and Tourism – Events.

At its January 2010 meeting, the Economic Development Committee, comprised of Councilmember Holcombe, myself and chaired by Councilmember Flynn, received mid year reports from the eleven organizations which were funded for the current fiscal year. Among the outcomes of the City's investment in tourism include the Chico Chamber of Commerce's placement of an article in Skywest Magazine promoting Chico's museums and the success of the Chico World Music Festival under the direction of Dan DeWayne, recently recognized nationally by the North American Performing Arts Managers and Agents for Excellence in Presenting the Performing Arts.

And we created jobs, real jobs. I'm pleased to report that through the City's investment in direct services to businesses, 3Core's marketing of the Chico Capital Access Program created 36 jobs, and NoRTEC's efforts resulted in 45 jobs in the Clean Energy and Allied Health Fields and established a Chico Innovation Center at the Hegan Lane Industrial Park.

With five months remaining on these contracts, these organizations project to create up to 185 new jobs realizing an exceptional return on the City's investment, by using public dollars to spur private economic development to

create new jobs for this community, strengthening our economy and improving the City's fiscal health.

The third major initiative for 2010 is the update of the City's General Plan. This document will be the guide for Chico's growth in the next 20 years. Through a series of extensive public workshops, this Council adopted a land use alternative which emphasizes planned and balanced growth, placing the community values of economic development, protection of the environment and promotion of social equity at the forefront. The proposed updated plan emphasizes a compact urban form, protects Chico's natural setting and our agricultural Greenline by identifying special planning areas, taking advantage of new mixed use opportunities and recognizing the need for a strong local economy with diversified employment opportunities.

The next step in our journey to the future will be the release of the draft General Plan and EIR in March 2010. The project team will initiate a series of joint Council and Planning Commission workshops to discuss the new policy framework, receive feedback and lead the discussion during the adoption phase of the General Plan. Final adoption is anticipated in early 2011.

Strong leadership is needed to accomplish these challenges before us. I am confident in the commitment of each and every Chico City Council member to protect and enhance our community's quality of life through careful planning, fiscal responsibility and continuous improvement.

As the Councilmember with the longest tenure, Larry Wahl is a champion for Veterans issues, Butte County Library funding, Butte Humane Society and the Salvation Army. Committed to transparency in government, Larry does his homework and asks tough questions.

Jim Walker's background serving on the CARD Board and Bidwell Park and Playground Commission is evident in his tireless support of recreational uses of Bidwell Park. As the newest Councilmember, Jim is a hard worker who offers a unique perspective, seeks solutions and builds collaboration.

Named one of the Best Local Public Servants by the Chico News and Review in 2009, Vice Mayor Nickell presides as chair of the Internal Affairs Committee and represents the City on the Butte County Water Advisory Committee.

Chair of the Economic Development Committee, Mary Flynn, analyzes issues in accordance to their impacts, not only for today, but for the future. A Big Citizen Candidate for Big Brothers/Big Sisters in 2009, Mary is committed to supporting services for the youth of our community.

Passionate and strong in his leadership, Scott Gruendl chairs the Finance Committee and represents the City on the Butte County Air Quality Management

District. Possessing a keen grasp on issues, Scott is an eloquent spokesperson for issues affecting the community's quality of life.

As chair of the Homeless Task Force, Andy Holcombe's leadership was instrumental in a series of Town Hall meetings inspired by this year's University/Community Book in Common selection, *The Soloist* by Steve Lopez. Under Andy's leadership, our community is taking steps to understand homelessness and mental illness and finding solutions to improve this community-wide issue.

The work of the Council is enhanced by the members of City's Boards and Commissions. These engaged community members vet issues and arrive at solutions. In the face of reduced revenues, three of these organizations are taking innovative steps to identify non-traditional resources to continue their missions.

Celebrating their 20th anniversary, the Arts Commission is responding to limited City resources by forming a 502-C3 Non-Profit Corporation to pursue private funding, including endowments, to augment funding for projects which contribute to Chico's special sense of place.

The Bidwell Park and Playground Commission's volunteer program contributed 19,738 hours last year in Bidwell Park for habitat restoration efforts, trail maintenance, small construction projects and trash removal. As an example, Chico High School Horticulture Teacher Quinn Mendez and eight of her students are working with our Volunteer Coordinator to grow California native plants in their greenhouse to be used in the Park's restoration sites.

The Sustainability Task Force completed its Greenhouse Gas Emissions audit last year at a reduced cost through a partnership with Chico State. A generous donation from Waste Management is funding the development of our City's Climate Action Plan and just last week we received notification that our PG&E Innovator's grant application for \$400,000 moved to the final review stages. This funding support community outreach of the Residential Energy Conservation Ordinance through education and weatherization assistance.

These three bodies should be recognized and congratulated for their initiative in identifying and pursuing non-city funds to further their contributions to the community.

Just as members of the Council, Boards and Commissions are committed to the improvement of our community, the City boasts countless examples of partnerships between city government, private business and non-profit organizations dedicated to Chico's success.

This month, 200 students from California State University, Chico partnered with suppliers, subcontractors and sponsors, and the Chico Redevelopment Agency and built two homes in one week for victims of domestic violence during the Catalyst Blitz Build 2010. This project could not have been possible without the selfless community giving demonstrated by Gage Chrysler from Modern Building Inc, Pat Conroy of Conroy Construction Inc. and Howard Slater of Slater & Son Inc. who provided leadership, guidance and resources.

This spring a new partnership will be introduced. The City of Chico, DCBA, Chico Chamber of Commerce, the Jesus Center, Torres Shelter and 6th Street Drop-In Center will partner with Chico State and CAVE to form Chico Ambassadors, a program focusing on the power of University students to make a positive impact on their community by providing a affirmative presence in the downtown area to enhance the local tourism and shopping experiences. Volunteers will interact with the Downtown Chico neighborhood through assisting visitors with directions and information; providing referrals and outreach to the homeless community; and serving as the eyes and ears for public safety in promoting Chico's safe sidewalks program.

Our community is strengthened through our spirited public process. We are a passionate community, with firmly held beliefs, at times in opposition to one another. Instead of building community, so often we engage in conversations that are destructive. Rather than taking the time to truly understand each other's point of view through thoughtful dialogue, we engage in "Drive By" debates. Short, one-minute sound bites that don't address the significance of an issue, and don't promote a deeper understanding of each other, which is crucial to build a stronger community.

I propose we, as a community, take steps to listen to one another's opinions, consider the merits of a proposal, deliberate thoughtfully, make careful decisions and in the end respect our differences as we connect with our common values. While we will not always agree on issues, it is important that we understand one another and believe that we are all working for a better Chico. As we face our challenges, it is of utmost importance that we face them together and build our community rather than weaken it. In the words of Winston Churchill, "If we are together nothing is impossible. If we are divided all will fail."

We can accomplish this in two ways: the Chico Great Debate and through a series of community conversations to identify our common values, our Chico values.

The Chico Great Debate is an ongoing, cooperative project between the City of Chico and Chico State to create a public space for civil discourse. The founders of the Chico Great Debate are dedicated to restoring civility, reason, and rhetorical argument into our public forums. Seeking to reinvigorate the public sphere as a healthy site of democratic practice, The Chico Great Debate

presents contentious issues in an arena that follows orderly rules of speaking and listening. This project aims to “lead by example” and ignite a revived interest in our national tradition of constructive, civil discourse and argument.

This semester's Great Debate will focus on the “legalization of marijuana.” A topic of great interest to the public which will most likely be a statewide initiative on the November Ballot. The date for this Chico Great Debate is set for April 29th and will take place right here in the Chico City Council Chambers.

As Mayor, I keep a card in front of me on the dais with the words “Listen, Consider, Respect, Civility”. I first wrote these words down so I could remind those participating in Chico City Council meetings about our meeting decorum guidelines. However, I’ve learned that these words, “Listen, Consider, Respect, Civility” are of much greater value to remind myself of my promise to you, the residents of Chico, to be fair in my decision-making. “Listen, Consider, Respect, Civility” are my Chico values, values which guide my decision-making.

I would like to know what your Chico Values are. This spring, I propose that we hold community conversations to identify our Chico Values, the values that will not only guide us, but will keep us connected to one another, to preserve our heritage as we move forward together to solve our problems and keep Chico a vibrant, special place to live.

I look forward to the opportunity to serve as your Mayor as we move into 2010. With your support as a strong community, together with hard work, we can commit to keeping our budget balanced, creating new jobs and fostering investment within the community so that we can continue the City of Chico’s mission to protect and enhance our community’s quality of life for present and future generations. We must work together as we face these challenges. “If we are together nothing is impossible.”

Thank you.