



Council President Pro Tem Kevin L. Faulconer

State of the District
District 2

April 27, 2009

Thank you, Fred, for that warm introduction.

I want to thank Fred, president of the Old Town Chamber.

I also want to offer a special thanks to the fine folks who run the Cygnet Theater Company and the Old Town Theatre. They are taking a break from presenting the play "Bed and Sofa" in this wonderful venue.

The Old Town Theatre is a centerpiece of this historic community, and I'm honored to be on this stage tonight.

I would like to welcome a couple of organizations and individuals who made this night possible: the Old Town Chamber; Boy Scout Troop 959; San Diego High School's Mariachi Juvenil and band director Mr. Paredes; and Pastor John Powell.

I need to thank my council colleagues who are here tonight. Would you please stand? Ladies and gentlemen: Todd Gloria, Carl DeMaio and Council President Ben Hueso.

I also want to thank council members Tony Young, Donna Frye, Marti Emerald and Sherri Lightner.

I enjoy working with all of you, and I'm looking forward to a productive year.

Several revered public safety chiefs are with us tonight, including Police Chief William Lansdowne and Lifeguard Chief Ken Hewitt. Would you please stand?

Thank you for being here. We're a safer city with you two in charge.

My mother, Kay Faulconer Boger, is with me tonight. Thanks for driving down mom. It's always great to see you.

I also want to thank my wife, Katherine.

Unfortunately, Katherine couldn't be here.

As many of you know, it takes two incomes to raise a family, and she, too, is working tonight.

So we'll have a lot to catch up on later when she watches this on City TV, and critiques my performance.

Katherine: You are my strongest supporter, my toughest critic and my most trusted advisor.

I want to say hello to our two wonderful children, Jack and Lauren, who are watching from home tonight. My kids refer to City TV as The Boring Channel – especially when daddy is on.

You know, my family isn't much different from yours.

We're watching what we spend and trying to survive this financial crisis while planning for our future and enjoying as much of San Diego as we can.

All of us are fortunate to live in such a beautiful city – a place that attracts tourists from all over the world.

But this isn't a city without problems.

It needs strong leadership.

Now more than ever.

As your Councilmember, my mission is clear: To passionately guard San Diego's tax dollars, protect our beaches and bays and provide effective, consensus-driven neighborhood and citywide leadership – transparently, ethically and with results for the citizens of San Diego.

It seems any discussion about a significant citywide project, plan or proposal involves our council district: District 2.

District 2 includes the bays, most of the beaches, the airport, the port and the convention center.

We also serve a dozen of the most wonderful neighborhoods that helped San Diego become America's Finest City – Bankers Hill and Park West, Downtown, Little Italy, Midway and North Bay, Mission Beach, Mission Hills, Ocean Beach, Old Town, Pacific Beach, parts of La Jolla and Point Loma.

That's quite a list.

Three years ago, I gave my first state of the district speech.

At the time, the depths of the problems at City Hall were surfacing: the costly lawsuits, the unfunded pension obligations, the delayed audit reports, the mismanaged and misused tax dollars.

We've started to rebuild San Diego.

We've made some significant reforms, and our progress has helped lay the foundation the City lacked. But we've only begun.

Plenty of hard work lies ahead.

The strains on our local economy are real, and the challenges we're struggling with are exacerbated by the bad decisions made by our predecessors on the City Council.

They left us with a ballooning pension debt, including a retiree health care obligation that now stands at \$1.2 billion.

Two weeks ago, the Mayor and the City Council took a strong step when we reached new labor agreements with the unions representing City firefighters, deputy city attorneys and white-collar workers.

When the City needed these employees to make significant concessions, they stepped up by agreeing to reduce their pay and benefits by 6 percent.

I'm incredibly grateful for their sacrifices. Moving forward, their cooperation won't be forgotten.

My fellow council members and I were forced to impose contract terms on two labor groups, and we did so as a unified council – with a unanimous, 8-0 vote.

We were determined to not repeat the mistakes of the past and to make the tough decisions to cut costs now.

These reductions, which take effect July 1, were necessary to close half of a \$60 million budget shortfall, and to avoid hundreds of layoffs and cutbacks to City services in our neighborhoods.

I strongly believe a solvent, fiscally-healthy city is not only good for taxpayers – it's also good for employees.

And let me tell you, I cannot say enough about our dedicated employees. They've seen us through some difficult times and many of them – our police officers, firefighters and lifeguards – put their lives on the line for us every day.

These are obviously tough times for them, and for a lot of other San Diegans.

San Diego is a city at a crossroads and, as Mayor Sanders said in his State of the City address earlier this year, there is no room for selfish interests.

We need to make our foundation stronger. We need to finish the job we started.

And we need everyone's help – labor, management, residents and the business community – to get there.

As your District 2 councilmember, I'm here tonight to assure you I'm going to do whatever I can to make sure we stay the course – to make sure taxpayers are getting as much value as they should from their hard-earned tax dollars.

The strides we've made, the commitments I've seen from our Mayor and from my council colleagues, and the passion residents and businesses have for this fine City give me hope.

I'm confident we'll finish what we've started.

I realize the decisions and the solutions won't always be easy, but if we continue to make the right choices now, we will leave no doubt about San Diego's future.

Leadership

There are a lot of important issues at City Hall. I have tried my best to pick my spots and my battles.

When I do decide to take on a challenge, the stakes are high, and it's important to win.

Last year, there were three significant proposals on the ballot that were important to District 2 and the City as a whole.

I campaigned hard for each proposal, and voters supported all three: The Mission Bay Park measure; alcohol-free beaches; and strengthening the City's audit functions.

On Mission Bay Park: I care deeply about the environment – and in District 2 that starts with our beaches and bays.

Three years ago, I ran on a platform that promised voters I would fight to ensure lease money generated in Mission Bay Park stays in Mission Bay Park, rather than being siphoned into the City's general fund.

Protecting our beaches and bays is not a Republican or Democratic issue.

It's simply the right thing to do.

Councilmember Donna Frye and I drafted the Mission Bay Park ballot measure last year and strongly encouraged voters to support it. In November, 67 percent of them did.

Mission Bay is the largest man-made aquatic park in the world and a San Diego treasure. But, unfortunately, improvements have been few and far between.

The ballot measure, which takes effect in July, changes that.

It gives the City the permanent revenue source Mission Bay needs to address a backlog of improvements.

Fifteen years ago, the park's Master Plan identified more than \$300 million in public improvements – most of which are still outstanding and include:

- The restoration of navigable waterways
- Wetland expansions
- Erosion stabilization
- And completion of bicycle and pedestrian paths

From now on, we're going to do what's right when it comes to Mission Bay Park, and I will continue to lead that effort.

Alcohol Ban at Beaches

I couldn't fight for Mission Bay without addressing the problems alcohol was creating at our beaches and bays.

This wasn't an easy decision for me. But I knew what the right choice was.

So I stood up, along with many of our neighbors, lifeguards and police officers.

Alcohol is prohibited along the coast of most Southern California communities, meaning San Diego's beaches had become a magnet for troublemakers.

The San Diego City Council, as many of you know, enacted a one-year trial alcohol ban that took effect last year.

It was important to see what the effects would be.

The effects were positive and dramatic.

The City Council decided to let voters have the final say, and in November voters made the positive changes permanent, keeping our beaches and bays alcohol free.

Our beaches and bays are safer, cleaner and more family-friendly.

No longer are we seeing the volume of cans and trash left behind weekend after weekend, and alcohol-related incidents in beach communities were down 20 percent last year over an eight-month period ending in September.

During that period, police department calls for service in our beach communities fell to a five-year low.

Response times to the most serious of those calls – emergency calls – dropped by a *full* minute last year, and alcohol citations decreased not only at the beaches but also citywide.

Because of these positive changes, the San Diego Police Department has been able to save money during busy holiday weekends when our beaches are the most crowded.

Take the July 4th holiday, for example.

The department used 36 percent fewer officers in beach communities last year compared to 2007 – meaning it saved tens of thousands of taxpayer dollars.

And the department did so without compromising the safety or enjoyment of nearly 1 million people who visited our coast over the Independence Day holiday weekend.

I want to thank the police officers, firefighters, lifeguards and neighbors who stood with me to bring this positive change to our beaches and bays.

Prop. C/Audit Committee

Like our beaches and bays, the fiscal health of the City greatly impacts the neighborhoods that constitute District 2.

This is why I fought so diligently for the passage of Proposition C.

Without a fiscally sound City, we can't repair roads, maintain our parks or police our neighborhoods.

Proposition C, which voters overwhelmingly supported last June, laid the groundwork for a series of significant reforms the City needed:

- It strengthened the City's Audit Committee, which now includes three public members who bring independence, experience and technical expertise.
- It removed the City Auditor from the Mayor's Office. The auditor now is completely independent of management and reports directly to the Audit Committee. No longer will management be in charge of auditing itself. As Ronald Reagan famously said: "Trust, but verify."

It has been my privilege to serve as chairman of the Audit Committee since it was established in 2007.

It was my goal then and it will continue to be my goal to make the Audit Committee the primary driving force behind the financial reforms in our City and to make the committee a model for other municipalities across the country.

Ushering in a new era at City Hall means there's no room to repeat the financial mistakes of the past.

We have a duty to protect taxpayers' money.

In the past two years alone, the Audit Committee has established ground-breaking reforms that are among the strictest in the nation:

- We have completed six annual financial reports, bringing us up-to-date after a long and tumultuous period that left San Diego with little financial credibility.
- Catching up on these audits helped get the City back in the public bond market, meaning we now are able to address millions of dollars in overdue infrastructure improvements.
- And the Fraud Hotline was taken out of the Mayor's office and placed in the hands of the Auditor and Audit Committee. Substantiated fraud, waste and abuse complaints now are posted on the City's Web site along with quarterly hotline statistics.

I helped usher in a lot of these changes, and I will continue to push for financial reforms while I'm your councilman.

Building a Strong City

Building a stronger City means we have to continue to streamline our operations.

The City has reduced its workforce by 870 positions. And, according to City management, is saving about \$69 million a year through an ongoing effort called Business Process Re-engineering, a process that has employees rethinking how we operate.

The City has streamlined operations and, in doing so, has improved efficiency.

We will have an opportunity to save even more money when the Mayor brings a Managed Competition Guide to the City Council, something he expects to do later this year.

I believe managed competition works because of the savings and quality of service it can bring San Diegans.

In 2006, voters approved a ballot measure giving the City the authority to seek bids from private companies for certain services if savings could be demonstrated.

I'm confident our employees can win most of these competitive bids, and now they have the incentive to do so.

When you talk about closing a multimillion dollar budget shortfall, you have to consider multiple options.

Undoubtedly, the focus will eventually turn to revenue increases.

Let me be clear: We cannot ask taxpayers to support new revenues until we finish the work we've started at City Hall by cleaning up the financial mistakes of the past.

Putting San Diegans back to work is among my top goals in the coming year because I believe it's the surest path to economic recovery.

It's why I was proud to stand next to the Mayor last month to announce that a backlog of repairs would finally be addressed this year with \$103 million in infrastructure bonds.

The City will resurface 78 miles of streets, hundreds of sidewalks and nearly \$40 million will be spent to repair aging storm drains and community buildings, including replacing the roofs at the Ocean Beach and Mission Hills libraries.

Building Strong Communities

You can't build a strong city without healthy communities, which is why my staff and I are working every day to improve the great neighborhoods in District 2.

I need to take a moment to thank my hardworking team members, who I am honored to work with: Matt Awbrey, James Lawson, Thyme Curtis, Stephen Puetz, Chris Cate, Tanya Lundy, Tony Manolatos and my Chief of Staff, Aimee Faucett. I may be biased, but there is no better team at City Hall.

With their help, and yours, we were able to get a lot done for the residents of District 2 last year. And this year is going to be even better.

Here in Old Town – an important business and cultural area for San Diego as a whole – I'm excited to announce tonight that the Juan Street reconstruction plans have been fully funded, because the City is back in the bond market.

The plans include \$4 million to fix the road that connects Old Town with Mission Hills.

The work has been overdue for more than a decade, and I pushed hard since I was first elected to get where we are today.

Turning to Downtown: Some feel Downtown redevelopment is finished. I am not one of those people. In fact, we're only halfway there.

Plans for a North Embarcadero park have languished for 10 years. I helped jump-start this project, and it should break ground this winter.

When complete, 24 acres of new, tree-lined park space will transform the foot of Broadway at Harbor Drive.

And as a former volunteer member of the City's Park and Rec Board, I will continue to fight to build more parks Downtown.

The Centre City Development Corporation recently secured land between 13th and 14th and F and G streets in East Village, and is in the process of acquiring land at 3rd and 4th avenues between Beech and Ash streets.

Parks are important to every neighborhood, particularly in the City's urban core where green space is scarce.

I am equally committed to providing more emergency and transitional housing for the homeless Downtown.

We are currently accepting bids for a "one-stop" shop that will offer medical, job-training and housing options for our homeless population.

This can mean a safer and more pleasant Downtown experience for adjacent neighborhoods and visitors alike.

Turning to Mission Hills and Bankers Hill: We finished intersection upgrades last year at Washington and Goldfinch, work that had been discussed for years.

The improvements beautified a corner of Mission Hills and made it easier for people to get to and from neighborhood businesses.

I also supported the community's effort to form a Historic District last year. This district quickly became a historic preservation model for other San Diego communities.

It protects the historic integrity of neighborhoods in Mission Hills, which is filled with architectural jewels that should be preserved to honor our past and retain something beautiful for future generations.

I fought against ill-conceived reforms to the Mills Act that would have severely weakened a property owner's ability to restore and preserve historical structures.

I'm also proud that I was able to secure funding for overdue updates now being made to the Uptown Community Plan.

This plan will guide development in Missions Hills, Bankers Hill and Hillcrest for the next 20 years. I know my colleague, Councilmember Todd Gloria, who represents Hillcrest, is equally supportive of this update.

In Point Loma and Midway: Two months ago, I voted against the so-called “Destination Lindbergh Plan,” which calls for spending about \$4 billion but does not address the airport’s fundamental problem – it has one runway and it's never going to have another.

I am extremely concerned about the impact the plan would have on residents in Point Loma and Mission Hills. And I will continue to oppose it.

Last year, we broke ground on the second phase of NTC Park. Phase I is already a big hit in Point Loma, and I can personally attest to that.

I’ve been there for more than a few “jumpy-themed” birthday parties – hosted by 3- 4- and 5-year-olds.

When fully completed this fall, this 46-acre park will be the largest bayside park built since Mission Bay Park.

Also in Point Loma, nearly a mile of Chatsworth Boulevard was repaved last summer, smoothing out busy daily commutes for thousands of drivers on one of the Peninsula's busiest streets.

You know it’s an important fix when your Pastor – whose church is on Chatsworth – thanks you for the work at the beginning of Sunday service.

I wonder what Pastor Powell says about me when I’m not at church.

This summer, we expect to break ground on a road construction project that will thin traffic at Midway Drive and Sports Arena Boulevard which, as many of you know, is among the most congested intersections in San Diego.

And this fall, residents and business owners will begin updating the community plan for Midway.

The plan is expected to help us decide how to write Sports Arena’s next chapter and reduce traffic congestion.

In Ocean Beach: The OB Library celebrated its 80th birthday in October; I want it to serve the community for at least another 80 years.

As many of you know, I fought to save this library last year when budget cuts threatened to close it and others, along with rec centers.

Libraries and rec centers are cornerstones of our neighborhoods, and I will continue to defend them.

Numerous Obecians – who are passionate about maintaining OB’s free-spirited appeal – also are working on the Ocean Beach Gateway Park at Sunset Cliffs and West Point Loma Boulevard.

Over the past three years, I have directed \$185,000 – including \$100,000 just last month – from state and federal grants that have been matched by the generosity of local residents and businesses. It is my intent to break ground later this year.

In Mission Beach and Pacific Beach: Ten million people visit these communities each year, pumping millions of dollars into our local economy.

Even with these huge numbers, index crimes in Mission and Pacific Beach decreased 14 percent last year from the previous year, and more families are enjoying the beaches.

Lifeguards are saving children from rip currents, not breaking up fights.

The residents and advocates in these communities have long impressed me. Without them, we would not have achieved all that we have.

Speaking of which – we replaced handrails on the boardwalk last year, and new lighting was installed at the tot lot in Kate Sessions Park.

And this summer, Beryl Street is going to be repaved, and we are nearly finished with replacing the worst of the aging light poles along the boardwalk.

Lastly, it’s hard to believe that Mission Beach is the only community in San Diego without a residential recycling program.

There’s no reason Mission Beach should be excluded from the City’s recycling efforts. The Mayor and I are working to change that, and we should have something positive to report in the next couple weeks.

As you can see, there’s a lot going on in our district.

No doubt, we’re facing tough challenges.

But I’m here tonight to tell you the state of our neighborhoods *and* the state of our district is strong.

Conclusion

As I look into the crowd, I see planning board members, community group leaders and business owners – people who invest so much of themselves in San Diego.

You are the folks who make this City work.

I believe all of us want San Diego to continue moving forward.

We want to see our city thrive.

We want this for ourselves, for our children and for our children's children.

By working together, we can get there.

One day we'll proudly look at Mission Bay, or our beaches, or Downtown, and we'll say: "Look at what we achieved."

I've laid out a lot this evening.

After you leave this theatre I hope you remember this:

- I am passionately dedicated to making government work for all San Diegans.
- I'm committed to protecting San Diego's beaches, bays, clean air and quality of life for residents, tourists and future generations.
- I'm committed to guarding San Diego's tax dollars and delivering outstanding city services.
- And, every day, I'm working with all of you – neighbors, families, community leaders and business owners – to solve problems and deliver results.

I hope you share the vision I have for this great city.

Thank you for joining me this evening. I appreciate the time you've given me.

Good night.