

2017 STATE OF THE CITY ADDRESS

March 7, 2017 | “Serving the Community”

Presented by Mayor Vincent Yu

INTRODUCTION

Good evening, fellow residents and guests. I am Vincent Yu, Mayor of Temple City, a wonderful place that we all love to call home.

I want to start by introducing my fellow Council colleagues: Mayor Pro Tem Cynthia Sternquist, Councilmember Tom Chavez, Councilmember Nanette Fish, and Councilmember William Man. Next, I want to acknowledge our City Manager, Bryan Cook, his staff, volunteers, and so many community partners and sponsors for their contributions to the City’s success.

I am happy to report that this has been another great year for Temple City. On behalf of the Council, it is our honor to serve this community. We take great pride in serving you, the community of Temple City, as representatives worthy of your trust. By your votes, you have elected us to make important decisions that affect your lives, and we take this responsibility very seriously. Our top priority is to work for you. Your concerns are our concerns, and we will do everything we can to address them in a balanced way.

Tonight, I would like to focus on public service in an array of topics: community well-being, new amenities, planning, economic development, finance, citizen outreach, public health and safety, and infrastructure. We will also hear from a few of our residents and community partners.

COMMUNITY WELL-BEING

Temple City is a great place to live, to raise a family, to shop, and to do business. The spirit of community is particularly evident when people gather at city events

such as the Easter Egg Hunt, Halloween, the ever-popular Lights on Temple City, and the recent Lunar New Year celebration. The success of these events affirms our commitment in providing Temple City with more diverse programming. We see people from all walks of life embracing Lunar New Year or cheering as Santa Claus rides down Las Tunas during Lights on Temple City. These are testimonies not only to our diversity, but also to our acceptance of others no matter what they believe or where they came from.

Temple City is a good model of interconnected cultures. As American demographics evolve, so will our traditions. By hosting these events, we are enriching cultural experiences and diversity to an even deeper level. Here, I would like to thank the Temple City Chinese American Association for again co-hosting the very popular Lunar New Year event.

Last summer marked the 20th series of Concerts in the Park. Other cities typically provide only three or four weeks of concerts—but in Temple City, we welcomed performers for 11 straight weeks. The scale and success of the series had a lot to do with our sponsors, who covered nearly half of the performance costs. Our concertgoers, about 1,000 to 1,500 people per show, came from all over San Gabriel Valley. It was a wonderful sight to see lawn chairs covering most of Temple City Park and along Las Tunas.

To attract more diverse audiences, we booked musical acts ranging from big band to classic rock, country to disco, so that all of our guests would hear something they enjoyed. We hope to expand on this enthusiasm with this year's concert series, which begins June 14th at Temple City Park. We are looking forward to delivering another stellar installment.

NEW AMENITIES

According to the U.S. Census, there are more than 1,100 veterans of the U.S. Armed Forces living in our community—and we couldn't be prouder that these veterans call Temple City home. This past year, we wanted to find a way to thank and remember them for their service. Through the vision of Mayor Pro Tem Sternquist and Councilmember Fish, we designed a touching Veterans Memorial, which was dedicated on Veterans Day before an enthusiastic crowd of supporters.

Located in Temple City Park, the memorial was built at a cost of \$190,000. Recognizing the contributions of veterans everywhere—especially those here in Temple City—helps forge an unbreakable link to the past to remember the sacrifices of those before us, and to support those who are in service today. In these uncertain times, more than ever, we owe our freedom and security to these men and women.

We continue to make improvements on Temple City's greatest amenity, Live Oak Park, which serves not only our 36,000 residents but also our neighbors in surrounding communities. While the park can still meet community needs, ever-growing demands on its facilities have created challenges. We must make sure the park is being used as efficiently as possible, so that the park is available for everyone.

A few years ago, the City developed a Parks and Open Space Master Plan; one of the community's top requests was for new walking trails. In December, we opened a half-mile rubberized walking trail for all to enjoy at Live Oak Park. This was a very smart investment because while the cost of the trail was \$320,000, the County of Los Angeles provided 80 percent of the funds. That means for every dollar the City spent, the County added four more.

Since walking and biking paths were identified as top needs in the Master Plan, we will continue to explore opportunities for new paths, especially along the County-owned flood control channels that cut across town. And of course, we will continue to look for grant funding options.

Another challenge we face is the high number of people using Live Oak Park, especially the demands on its athletic fields, which have made scheduling and maintenance particularly difficult. To help coordinate use of the fields among our many athletic teams, we have formed our first Youth Sports Committee. The group will meet quarterly with our parks and recreation staff to find ways to accommodate everyone.

The City will soon look into the programming of additional revenue, approximately \$200,000 annually, from the recently passed County parks bond, also known as Measure A. We will focus on how to use the money that best meets recommendations identified in the Master Plan, as well as to develop a long-term funding strategy for the improvement of park facilities. This is a rare funding opportunity, and we couldn't be more thrilled. We will soon host a community forum on how best to use these funds.

Finally, Temple City Library will soon get a much-needed remodel. This past year, the Council designated two million dollars for the improvements, which will be matched dollar for dollar by the County of Los Angeles. This is not just another smart investment on our part to leverage our dollars with outside monies—it is also a result of hard lobbying efforts by Mayor Pro Tem Sternquist who has invested many hours as a county library commissioner. The proposed project, which should break ground next year, includes a 1,400-square-foot expansion to accommodate a new family and children's section. It also entails a complete interior renovation and reconfiguration of the existing library building. Let's learn more from Mr. Munir Bhatti with Friends of Temple City Library.

[VIDEO]

Munir Bhatti, please stand so we may thank you for your ongoing commitment to Temple City Library.

PLANNING

The percentage of seniors in Temple City significantly exceeds that of most cities in California. By 2027, about 40 percent of our population will be over 55, making serving our senior population a major priority. To better serve them, we are currently in the process of setting up a committee to develop a senior master plan. It will be designed to address senior service goals in the areas of health, housing, leisure, and transportation. We are calling upon members of the community with an interest or expertise to help shape the plan. This effort will be completed by the end of the summer.

Another significant community development project in the past two years was the work of the General Plan Advisory Committee—a group of residents and local businesses—in completing the city’s General Plan Update. You can think of the General Plan as a blueprint that guides the city’s physical development over the next 30 years.

As part of the General Plan Update is a rethinking of how the space near the intersection of Rosemead Boulevard and Las Tunas Drive will be used. This area falls under the Crossroads Specific Plan, which calls for high-density, mixed-use projects that are cost effective and financially sustainable. For a successful example of how these projects come to fruition, think of The Americana in Glendale—or in retail lingo, a “lifestyle center.” This should help visualize the possibilities for properties at and near this intersection.

What makes this project especially attractive is that affected property owners are on board with the concept. It also confirms the future success and community support for new development in the area, in concert with Camellia Square and Temple City Marketplace.

Our goal for this year is to have the General Plan Update ready for public review this spring, followed by Council adoption. Aside from designating future land uses, the General Plan Update will also create new destinations for the community in the areas of housing, retail, and leisure. The conclusion of the general planning process will give private investors the assurance—and incentive—to spearhead developments that meet both market demand and community needs.

One of the challenges we face is how to best implement new state laws that were beyond the City's control but still must be followed. This time we need to find a way to co-exist with the statewide legalization of recreational marijuana, while also preventing dispensaries from appearing on every street corner in town.

That means we have to adjust our land use rules. Last year, Council proactively passed a moratorium on the commercial sale of marijuana so that we could explore the issue further. Later this year, staff will present research, which could result in permanent regulations banning the sale and production of marijuana in Temple City.

Another state mandate that impacts us at the local level is a new law that relaxes certain local restrictions on building accessory dwelling units, while speeding up the approval process. This essentially changes single-family homes to duplexes, or from R1 to R2 zoning. In other words the state is telling us to increase density while our city's land use laws seek to limit it. Much like other cities throughout the state, the Council will soon take a closer look at how we can incorporate these

requirements into the Zoning Code—while continuing to maintain the character of our single-family neighborhoods.

ECONOMIC DEVELOPMENT

Over the past year, economic development in Temple City saw a huge boost after the opening of Camellia Square at the corner of Las Tunas Drive and Rosemead Boulevard. It is the first new shopping center to open in town since the 1990s.

To our delight, Camellia Square has become a top destination for high-end eateries, not just an economic boon for the city, but also a big draw for millennials and foodies of all ages. The center's owners will continue to fill its remaining vacancies with even more services and amenities.

We also saw a very good year in terms of the number of development permits that were issued. In fact, there was a two-thirds increase in the number of public hearing cases over the previous year, raising the total to 50. The exciting part: many of these projects will begin later this year, bringing additional revenues to the City.

Another exciting development that may break ground this year is Temple City's very first mixed-use project: Terraces of Temple City. Let's learn more from Mr. Mike Huang.

[VIDEO]

Mike Huang, please stand so we may thank you for this wonderful addition to our downtown.

While we are thrilled that more revenue and development are coming our way, we continue to keep in mind the possibility of things taking a turn for the worse.

With eyes on the future, we will need to have a discussion this year of how to develop a long-term economic strategy. And we'll have to ask ourselves some hard questions. For example, how do we realistically define "economic development" for Temple City? And what are the market realities of what we can and cannot do? Economic development is not an exact science, and we need to recognize that most of its dynamics are outside the City's control. I believe this will make for a very interesting and necessary conversation with the community.

We are, however, incredibly fortunate to have a still vibrant downtown, which is an essential economic asset. One key to the downtown's future success lies in the availability and convenience of public parking. And soon we'll begin construction of a new public parking lot at the corner of Temple City Boulevard and Workman Avenue. This will be the first new parking lot in the city in nearly 50 years, something we can all agree is long overdue.

With the dominance of online shopping, the nature of retail has been changed forever. Nowhere is this more evident than on Las Tunas Drive. More restaurants have cropped up in the last five years replacing struggling retail businesses. This means we'll need more parking to accommodate patrons at certain times of the day, mainly midday for lunch and early evening for dinner.

That in mind, the Council will be having an ongoing discussion on how to meet parking needs. While it is clear that having adequate parking is a factor for growth, we must ask: Is there a better way to manage parking? What will be the parking needs in an increasingly ride-sharing world? Should we build a few multi-level parking structures as opposed to having large single-level surface lots? Are there other solutions we can apply to alleviate the problem? Again, we will have a serious conversation with the community on what we should do.

FINANCE

As human beings, it is natural for us to want to overspend when times are good. Despite all of the economic growth that we have experienced, the importance of keeping our finances solid cannot be overstated. Our ability to provide public service depends on this fact: If we're not careful with finances, the quality of life for our residents will be impacted. Sound financial planning is essential to our community's well-being and ensures that we can provide exceptional programs and services. In fact, this past year—as part of best financial management practices—a new team of independent auditors reviewed our books. I'm pleased to announce that once again we received a clean financial bill of health.

All of this raises an important question: How does the City track its finances and maintain enough money to pay the bills? We make use of available technology to guide us. One tool that we introduced last year, fiscal health software, has helped greatly by allowing us to model expenditures over a multi-year period. Such real-time forecasting analysis gives us the ability to understand the impacts of policies, and helps us to make better fiscal decisions. In this way, we are able to keep our finances in sound order while sustaining our growth.

Although we consider our financial situation to be quite good in these positive economic times, we need to remain vigilant because our budget and revenue base are very limited. Over 80 percent of Temple City is residential, which means that most of our revenue comes from property taxes. While the income is steady and relatively stable, property taxes don't provide much growth, making the need for fiscal prudence even more crucial.

Being financially cautious has translated into a healthy cash reserve for Temple City. Let's take a look at the chart behind me. We currently maintain a cash reserve of \$20 million, or 150 percent of the City's operating budget. Our cash reserve percentage is extremely significant—most other cities try to keep a

reserve of about 10 to 15 percent. Through the diligent planning of previous councils and the current one, the reserve has been smartly maintained and re-invested over time—something we should all be proud of. Should there ever be a disaster in town or an economic calamity, we would be able to continue providing services to the community for an extended period of time. I should take a moment to note that we soon will invest \$2.3 million of reserve funds for the new downtown parking lot and county library expansion. These are one-time investments that will further ongoing services and yield economic return in the long-term.

Including the reserve, the City currently has an investment portfolio of \$24 million. Because of the careful management of this portfolio—consistent with state regulations—we are able to generate about \$200,000 annually for the General Fund. Those monies are then used to fund various services for the community. Many cities can't boast this same rate of return. We expect our returns to increase next year, as the bond market should see a rise in interest rates.

As far as growth from sales taxes, there are 25 businesses in Temple City that account for 61 percent of our sales tax revenue. And while we expect to see an increase in sales tax—thanks in large part to Camellia Square—we are cautiously watching that it might be offset by the decline of traditional brick and mortar stores like Kmart. The company recently announced it would be closing 150 Sears and Kmart locations nationwide. The Temple City store was spared, which remains one of the highest performing stores in the region.

Let's talk about spending. One of the largest costs for any municipality is public safety and pensions, and we're no different. While these costs are rising, Temple City has the advantage of being a contract city, which keeps these costs manageable. Contracting with the Los Angeles County Sheriff's Department for law enforcement services has allowed us to take advantage of their vast

resources, while saving us millions each year that can be put back into the community. By contracting law enforcement out, we don't bear the full liability of ongoing public safety pension costs, which typically form a big portion of a city's operating fund. At the same time, our pension obligation represents only six percent of our total operating budget, compared to 15 to 30 percent for full-service cities.

While no one can predict the future, we can limit liability with proactive risk management planning. As a matter of fact, Councilmember Chavez sits on the Board of Directors of the California Joint Powers Insurance Authority. In the past year, the City has been very successful in minimizing its litigation exposure, which in turn leads to a reduction in insurance spending. Because we have been able to do this, the City only pays around three percent of our annual budget—or roughly \$600,000—in insurance costs. A low percentage is a great indicator that we're doing things right, and we plan to keep risk down through continued employee trainings and other best practices. Though we live in a litigious world, you can be confident that the City is taking necessary steps to protect the community from potential liability.

CITIZEN OUTREACH

Temple City is always on the lookout for new ways to better communicate with its residents, both in English and in Chinese. We continue to publish CONNECT, our award-winning quarterly magazine that gives the community an in-depth look at local happenings. CONNECT has also evolved into a more journalistic publication focusing on how state, national and even international trends affect us at home, and how we can best respond to their implications at the local level. Look for the next issue in your mailbox soon.

We continue to send a variety of news stories and more traditional press releases to the Pasadena Star-News, Temple City Tribune, World Journal and

other traditional media outlets. The public can also access this content on our city website.

On the social media front, we have ramped up our presence on Facebook, Instagram, and Twitter by posting more useful and interesting information with more frequency. This has been met with a great response from the public. Now we're on five social media platforms, all part of an overall effort to provide better service by sharing timely and critical information with the community in inexpensive yet effective ways. And I should note that for the first time, this speech is being broadcast on Facebook Live, so whoever is watching out there, please feel free to comment.

In the past few months, the World Journal, in particular, has published many more stories on and about Temple City. I would like to pause here to thank the World Journal for being a great partner in supporting our outreach and service to our large Chinese-speaking population.

Temple City is now active on Weibo, one of the largest social media platforms in Chinese. Our presence on Weibo reinforces the dialogue between Chinese-speaking residents and the City, of course, but also other organizations that serve them, including Temple City Library, Temple City Unified School District, Temple City Chinese American Association, and Temple Sheriff's Station.

This year, we are going to launch our new WeChat account, again in partnership with the entities I just mentioned. For those who don't know, WeChat is an online platform that will add another direct line of communication between the Chinese-speaking community and the City. We hope that WeChat and Weibo will serve as useful tools.

Finally, another new initiative for the coming year will be the enhancement of the City website to allow easier access to council and commission agendas, financial

reports, building permits, and other relevant information. We want to continue to go above and beyond with our outreach efforts, to disseminate and streamline information about the City as easily and freely as possible.

PUBLIC HEALTH AND SAFETY

Crime is always of great concern to any community, and here in Temple City, there was good news and bad news this past year. The good news is that robbery and petty theft figures both declined significantly in 2016.

But the bad news is that property crimes—namely residential and commercial burglaries—jumped by approximately 40 percent.

We're fortunate to be an affluent community, but along with that comes a target-rich environment that attracts criminals. Temple City is not the only San Gabriel Valley city to experience a jump in crime. Neighboring cities like Arcadia and San Gabriel have also seen dramatic increases in property crimes. To counter the trend, this past fall, the Council added resources to address the rise in crime. Temple City is now deploying an extra 20 hours per week of two- and three-deputy street patrols—and we are seeing the benefits of extra patrolling.

Local law enforcement is also doing a great job of taking cues from residents and businesses in town as they act as our “eyes on the streets,” and they're more vigilant than ever. When you have a moment, take a look at the community's Nextdoor social media site. It's a user-driven resource for posting inquiries and responses about potential criminal and police activity around the neighborhood. This is a dialogue that we hope will expand.

This next budget cycle, the Council will consider additional funding to maintain or augment existing patrolling levels. We will also continue to work with the Sheriff's

Department to address the ongoing challenge of attracting more Chinese-speaking deputies to the area.

Finally, feel free to contact the Watch Commander at Temple Sheriff's Station to find out what type of policing is happening in your neighborhood. And if you haven't already, please join our Neighborhood Watch. Let's hear more from Mrs. Lucy Liou:

[VIDEO]

Lucy Liou, please stand so we may thank you for your ongoing contributions and commitment to our successful Neighborhood Watch program.

INFRASTRUCTURE

We all know that infrastructure is of great importance to our residents and businesses. It's one of our basic services, as well as the City's largest real estate asset. Even though several major rainstorms recently hit the area, our city staff and partner agencies were well prepared to ensure that roadways and drainage systems were cleared of debris. Because of their great efforts, we "weathered the storms" without flooding or blocked roads.

For any physical infrastructure, there is an optimum window for maintenance and upkeep to extend the much higher costs and inconvenience for total replacement. An ounce of prevention is worth a pound of cure.

Like most cities and counties across the nation, however, Temple City never had a comprehensive plan to address long-term maintenance. Therefore, the amount of resurfacing that we do every year has never been able to keep up with the deterioration. In other words, our streets are getting worse every year. In order to reverse the deterioration and maintain all city streets at an acceptable level in the

long run, we estimate a one-time cost of about \$23 million or three to four million dollars annually. It is a hard policy question, but a responsible and forward thinking City Council should address this issue head-on. Therefore, in the past few years, this Council has been building a long-term strategy to keep our streets in good condition.

Our immediate initiative is to undertake the most cost effective maintenance work that yield the most benefits, i.e. slurry sealing all the good streets to keep them in decent shape for the next six to seven years to give us time to deal with the not so good ones. And so far, 11.5 miles—or approximately 20 percent of all city streets—have been resurfaced in the past year. This works out extremely well as the resurfacing was completed before the recent series of rainstorms. This is why we don't see potholes on our streets as some of our neighboring cities.

Over the next few years, we will be prioritizing the next tier of streets to fix and assess how much this will cost. Part of that assessment involves exploring options for long-term funding, which could include asking the community to approve some kind of fee or assessment. We do know that with the passage of Measure M last November, we will start to see a small but regular source of funding—approximately \$400,000—every year starting in 2018. While this money is just a small percentage of the three to four million dollar annual maintenance cost, it certainly will help us meet part of our mandate for providing good roads. Whatever course we take, we look forward to having a conversation on this matter with the community.

One more note on resurfacing streets: Temple City Boulevard, from its southern to northern boundaries, will be resurfaced by September at a cost of approximately two million dollars. We have been successful in leveraging funds, with roughly 80 percent of the cost to be paid with federal monies.

CLOSING

At City Hall, we try every day to better serve the residents and businesses that call Temple City home. We strive to maintain a high quality of life for the well-being of our community. We make it a priority to be fiscally responsible so that we can continue to provide the programs and amenities that make us all proud to live here. And we will never cease in our effort to make Temple City a safe place for families to live, learn and grow.

Although we believe that we serve the community well, there is always room for improvement. If you ever have questions or concerns, we on the Council would love to hear from you. We appreciate your engagement, and take pride in listening to ideas and concerns in hopes of better serving you.

This concludes the State of the City address. Please join us for some refreshments outside; we then will start our regular Council meeting. Thank you and good night.