

**Mayor Steve Croft's Remarks
The State of the City
February 6, 2019**

Thank you Travis. Thank you Lieutenant Sprengel for that excellent report on public safety. And thank you CityTV for that heartwarming video about Lakewood.

Hello fellow Lakewood residents, business community members, and friends of our city.

A State of the City address is meant to summarize what happened in the year past...what's coming in the year ahead...what our goals and values are...and what our challenges and opportunities are. I'm going to try to touch on all four areas over the next 15 minutes.

First, the year past.

In 2018, Lakewood demonstrated again that we are an economically vibrant and attractive community that businesses love to invest in.

We saw the grand opening of the 42,000 square foot Burlington store at Lakewood Center...a very popular Raising Cane's fast-casual restaurant, also at Lakewood Center...and dozens of other new small businesses all around town.

There was also the normal ebb and flow of business openings and closings.

Like many cities around the nation, we lost an OSH home improvement store as that chain shut its doors nationwide.

But overall we saw a lot of positive economic activity with 3,700 permits for commercial and residential construction, including many commercial remodels and upgrades such as at Macy's and Outback.

All that investment and economic activity...from businesses large and small...demonstrated to me that the entrepreneurial spirit is alive and well in Lakewood.

What's coming in the year ahead?

An interesting new business, Painting With A Twist, just opened last month on Lakewood Boulevard across from the mall. Boston Pizza and Luna Grill will be opening on Restaurant Row on Candlewood Street.

And the biggest new business on the horizon for us... which I wanted to officially announce today...will be Timmons Subaru, which will be relocating from their Long Beach facility on Cherry Ave. to a new site in Lakewood on Cherry Ave.

As you know, car dealerships with their sizeable sales tax dollars are a big deal for cities, and we're excited to have Timmons Subaru coming to Lakewood later this year.

Thank you to our city staff...including our Community Development staff...for working promptly and professionally on all these development opportunities to facilitate new jobs...new shopping opportunities...and new sales tax revenue for Lakewood.

And thank you to my colleagues on the Lakewood City Council for setting the tone...and providing the overall leadership and direction that makes Lakewood such a business-friendly city.

Another big milestone in the year past was seeing crime take a significant drop in our city.

Being in a safe community is why many families choose to live in Lakewood. And our city council and city government make public safety a top priority.

As you know, property crimes started increasing in many California communities several years ago--and for many analysts and the Sheriff's Department--the spike in crime coincided with new state laws that released so-called low-level offenders from state prison and lessened the penalties and accountability for many property crimes.

The City of Lakewood has been vocal in raising concerns about these changes in state law. But this past year, we stepped up our efforts to do everything we could at the local level to reverse that trend on the ground, at least here in Lakewood.

We invested in extra hours for Deputy Sheriff burglary suppression patrols. In this photo, you see us honoring the two deputies who spent 6 months on that patrol and made a total of 103 arrests.

We also increased our public information efforts with residents about steps they can take to make their homes and vehicles more secure from crime.

And as you heard from Lieutenant Sprengel, we think the efforts paid off, contributing to a 37% drop in burglaries over the past year...a 13% drop in auto thefts...and a 23% total decline in Part 1 serious crimes.

I want to compliment a lot of people for these good results.

First, I want to thank the men and women of the Lakewood Sheriff's Station...including our Special Assignment Officers shown here...who protect and serve us daily.

I also want to thank the men and women who work in public safety in a civilian capacity for the City of Lakewood, as well as the many community volunteers who help at the Sheriff's Station.

And I want to compliment my two council colleagues, Todd Rogers and Ron Piazza, who serve on the council's Public Safety Committee.

Over the past year, Todd and Ron have been even more active than usual, holding regular meetings with our city staff and Sheriff's Department staff...making sure that issues and concerns they see or hear in the community get addressed by our public safety professionals.

Thank you Todd and Ron for all that you've done for Lakewood and for helping make 2018 a year where we saw some impressive gains in public safety.

In 2018, Lakewood also continued to be a special place where residents and community groups participate in numerous events and activities that make our city a warm, friendly place to live.

Thank you to everyone from the many organizations and businesses who helped with programs like Volunteer Day, Project Shepherd, Memorial Day, Patriot Day, the Tree Lighting, Lakewood Youth Sports and many others that make Lakewood a strong, caring, patriotic and appreciative community.

I want to shine an extra spotlight on two community programs that had particular achievements or milestones in 2018.

The City of Lakewood is proud to have supported an award-winning "adaptive recreation" program for over 30 years, helping youth and adults with developmental disabilities.

The sports component of adaptive recreation is the Special Olympics program, and Lakewood is extremely proud of the dedication and teamwork of our Special Olympians and their coaches.

This past summer, the Lakewood Special Olympics softball team—who named themselves the Dirtbags—earned the right to represent the state of California at the USA Games in Seattle.

Our team compiled a 4 and 2 record at the Games, earning the Silver Medal as the #2 team in the entire nation.

All the other teams they faced were all-star teams compiled of the best players in a state. Our team was made up of the best players from just one city...Lakewood...but they had the advantage of having played together cohesively for many years. And they made the most of that advantage, playing great, and winning lots of games along the way.

Representing the team today are pitcher Paul Lapre, shortstop Tyler Cribbs, utility player Andrew Gates, and head coach and longtime Lakewood city employee, Chuck Martucci. Ladies and gentlemen, please join me in giving a big round of applause for the USA Silver Medal-winning Lakewood Dirtbags softball team!

We had another milestone in 2018 with the five-year anniversary of our city's "Thank A Servicemember" letter and postcard writing campaign.

Lakewood uses this campaign to send cards and letters to U.S. military servicemembers stationed overseas away from their families during the holidays. It's designed to send a warm feeling of

appreciation to someone serving our nation, often in a difficult and dangerous situation far from home.

It's a fitting program for a city founded by so many veterans returning from service in World War II and Korea.

In the five years of our now-annual program, Lakewood residents have written nearly 30,000 cards and letters.

Among our most active writers is original Lakewood resident Alleen Cooper, who has written an impressive 8,000 letters to servicemembers since she started during World War II.

Alleen—who by the way celebrated her 100th birthday this past year—has been an inspiring example of the power of expressing appreciation. So ladies and gentlemen, please join me today in giving some community appreciation back to Lakewood's star Thank A Servicemember letter-writer, Ms. Alleen Cooper.

We are lucky in Lakewood, aren't we, to still be the home of some pretty amazing members of the Greatest Generation?

And speaking of generational milestones, this coming spring will mark the 65th anniversary of the founding of our city.

Traditionally, we celebrate our anniversaries in a big way on 10-year milestones, and in a smaller way on the 5-year mark. In keeping with that custom, this year we're planning a modest, but still meaningful and fun celebration.

To help us celebrate in style, we have enlisted one of Lakewood's long-standing mascots to be the symbol of our anniversary.

You know him as the symbol of our being a Tree City USA honoree for over three decades...but today he's sporting a new "badge of honor." Ladies and gentlemen, please welcome Lakewood's 65th Anniversary Mascot, Woody the Tree.

So, now that we've had that fun...it's time to eat our vegetables so to speak.

I promised to talk about the important challenges and opportunities our city faces, and here is the big one.

Lakewood is beginning to face the same kind of structural budget deficit that we've seen develop in other cities in recent years. These trends didn't hit Lakewood as early as many other cities because of our strong fiscal situation, but eventually the negative trends have started to affect us too.

What's causing the deficit?

Well, to start, we're losing over \$2 million a year from the state's continued takeaway of local redevelopment funds owed to the city. With a \$50 million annual city budget, that \$2 million-plus loss every year hurts.

Like every city, we're also having to increase our payments to the state-run employee retirement system. That system was not well managed in the late 1990s and early 2000s, and every city is now having to make up for those losses in order to get the system back on a better footing for the future.

And last, and definitely not least, we're seeing our sales tax revenue start to flatten out as people increasingly make more purchases online instead of at brick-and-mortar stores in Lakewood where we get 1% of their sales tax dollars. We still benefit greatly—to the tune of about \$14 million a year—from the sales tax generated at Lakewood Center and other local businesses. But those tax revenues are slowing down and not rising at the rate of inflation or our cost of doing business, so it's contributing to the problematic future outlook for our city budget.

Lakewood ended the most recent fiscal year this past June with a small surplus for the year, but with a deficit starting to show for the years ahead.

In June, my council colleagues and I passed \$2.5 million in immediate budget reduction measures to keep our budget in balance for the coming fiscal year.

They include leaving 9 vacant city positions unfilled, such as a recreation coordinator, a city planner, and several maintenance workers.

Leaving those positions unfilled means some work isn't getting done as quickly as in the past...and the reductions will be hard to sustain for the long term if we want to maintain our commitment to top-quality service to residents and businesses.

We're also tightening the scope and spending on city events. We decided, at least for this year, to not hold the Civic Center Block Party, which costs \$125,000 to carry out. We're looking for a way to bring back a more budget-friendly version of the event next year.

In our budget, we maintained a priority on public safety and recreation.

The council also created a Budget Advisory Group with members of the public and civic organizations...many of whom are here today...to inform them and solicit their input about issues related to the city's deficit and to maintain community understanding, trust and consensus.

More action will be required in the months and years ahead to keep Lakewood's budget in balance and--most importantly--to meet the challenge of getting our city back on a good, financially-sustainable path for the future.

My council colleagues and I will be communicating with you more about this in 2019 as we face the problem directly and work out solutions.

In the meantime, we are being very careful with any new spending, but still taking care of critical needs.

For example, we are making necessary repairs and improvements to the restrooms at Rynerson Park, but scaling it back by choosing a less-costly option of a prefabricated restroom building, leaving two older restrooms in place...and not replacing a picnic shelter that needed to be taken down for safety reasons.

It's not the ideal way that we typically handle a park repair need in Lakewood, but it's what we can afford right now.

We have some repaving needs for major streets that get a lot of traffic, such as Del Amo Boulevard and Woodruff Avenue. That work would be very hard to fund with our current budget difficulties, but fortunately we are now eligible for road repair funds from the new state gas tax. We'll use those state funds to repave several major roadways this year.

We'll also continue to make important investments in our water system to keep it modernized and working well. Funds for water projects come from water ratepayers and are separate from the city's main budget.

In facing the challenges and opportunities of 2019 and beyond, we will look to do so in ways that keep Lakewood the wonderful and attractive...and fiscally-sound community...that we love and take pride in.

We will definitely need the input and support of our residents, businesses and civic organizations...and community leaders like you here today.

Lakewood has faced challenges before...including budget challenges...and we will face the new one with determination and resolve...and we will succeed...just like the generations before us. That's part of Lakewood's tradition and strength as a community...and it's what makes us a community where times change, but values don't.

Thank you, God bless you, and God bless the City of Lakewood.