

**STATE OF THE COUNTY**

**2017**

**CHAIRMAN VITO CHIESA**

**PRESENTED FEBRUARY 7, 2017**

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## **A Community Transforming**

Good morning members of the Board, CEO Risen, Counsel Doering, those attending today and those watching.

I am dedicating this State of the County speech to the memory of Deputy Dennis Wallace. We miss his smile and his heart of compassion. And as a community, we miss him greatly.

We are slowly making our way toward the spring season. We are finally seeing some good winter rain that is greening up our once brown hills, restoring health to our reservoirs and starting to bring us slowly back from the depth of our drought.

In spring, life bounces back in abundance, new growth is fresh and brings tremendous hope, and there is a tapestry of color painted everywhere, especially in our beautiful County.

But in order to get to spring, you often go through a cold, harsh and difficult winter.

I pulled out my State of the County address from four years ago and I was reminded what winter looked like. I wanted to review what I had said, what had changed and if there was anything I needed to apologize to you for. It was quite honestly pretty sobering and I had to stop and reflect.

We were coming out of the horrendous period of the Great Recession and were beginning to make some financial recovery within County government. I spoke of how deeply our community was wounded from the recession; how parts of our community were absolutely

devastated. I really want us now just to pause for a moment together to reflect on that. It's difficult to think about the thousands of people who lost their jobs and their homes and the immeasurable pain they suffered. As a County, we eliminated 1000 positions and had to slash programs that provided very important services to the community. Sheriff Christianson and other public safety officials know this very well as law enforcement services were dramatically cut, public parks were left untended and employees who were part of our County family – our very own neighbors – had to be let go. It was an incredibly painful time.

We all know a wise person learns from history. We know a recession will come again and the economy will continue to cycle. We need to continue to be prudent and thoughtful in what we do with our personal finances as well as our County finances. We operated that way before the recession and we have become even more disciplined coming out of the recession.

As our revenues began to be restored, we decided to slowly and strategically add personnel in areas where they were needed most, focusing on restoring public safety as our top priority. When cash became available we began to pay down our debt as quickly as possible. We started to restore services that had been eliminated or greatly reduced. We eventually started to restore employee wages that had been dramatically cut during the downturn.

During the recovery from the recession, because of our focus on debt repayment, we are now on track to pay off our General Fund debt by the end of 2017-2018. This is a tremendous accomplishment and I don't know if there is another County across the State which could say that. That doesn't mean we won't incur more debt at some point, but this huge milestone has come from significant effort. We also paid off our pension bond, and retired a significant debt from the Health Services Agency. We have also significantly reinvested in County facilities to

take care of maintenance issues that were deferred during the recession. The County operates 195 facilities and a total of nearly 2.9 million square feet, so our maintenance needs are as great as our buildings. I would also like to point out our employee positions are the same number as they were in the year 2000, and we are still 6% below where they were 10 years ago before the recession. A very large number of the positions that have been added out of the recession have a State or Federal funding source.

But beyond our fiscal policies, the administrative staff, management teams and talented employees of Stanislaus County have continued to serve the public in a way that makes us, in my opinion, one of the best-run counties in the State. We are only one of 58 counties in the State, yet a number of leaders from our County have served as president of their respective State associations over the past several years including Child Support Services, the Community Services Agency, Sheriff's Department, Board of Supervisors, Public Works, and the Clerk Recorders Office. And each of our department heads have led their teams of employees through incredibly difficult circumstances and made us very proud.

I can never say enough good things about each of the employees of Stanislaus County who are the absolute front line of serving our community. Their commitment to customer service and their loyalty to our County is truly inspirational. This spirit of service and passion is embodied by one County employee in particular this year, who was one of only 10 people recognized nationally by the American Library Association in New York City. Olga Valencia Cardenas, a youth services outreach librarian from the Stanislaus County Library, was recognized for taking library programs and services to underserved residents, promoting early literacy to people working in agriculture, and for working with incarcerated youth at juvenile hall. Olga, it is an honor to have you with us today and I would ask you to please stand and be recognized.

Olga does a stellar job working with young people and she is a great example of where we need to be as a County. We need to learn how to better communicate and connect with - not just children - but a whole generation of younger people who we need in our County workforce.

The reality is our County workforce is changing and that's a challenge for us. Only 13% of our employees are under the age of 30 and the average age of a County employee is 45 – which is not only higher than the national average, but is also six years older than Supervisor DeMartini. And while there is a great benefit to having a loyal, experienced workforce, we are also being challenged by a new reality of how the younger generation is very different from those of us who are no longer “younger.” There are major differences in how younger generations view an employer relationship and how they seek out employment. And to be honest, we've fallen behind in this area. Simply put, as an organization, we've got to put away our platform shoes and our disco pants, and get with a new program. If we are not making changes to attract and retain our best young talent, we are selling our organization short, the community short and our young people short. If we say it is important for employers in our community to retain our best local talent, then *we* need to lead from the front on this subject through a focused investment in recruitment and retention.

We've become a leader in the State in dealing with the water crisis hitting California and our central valley. Ten years ago, the County initiated regional water summits where 25 different water distributors were brought together. It was there former Supervisor Jeff Grover seeded the idea of a local recycled water project similar to the Monterey Peninsula. Today, we are seeing the North Valley Regional Recycled Water Project come to fruition through a partnership between the cities of Modesto, Ceres, Turlock and Stanislaus County. It will be the largest project of its kind west of the Mississippi River and it is happening right here. Supervisor Terry

Withrow maintains a strong leadership role in water planning and management in Stanislaus County as we are dealing with the Sustainable Groundwater Management Act, the Substitute Environmental Document and a host of other high-stakes water issues facing our County. I want to thank him for his leadership and his ongoing focus to break down the silos of different organizations and stakeholder groups in this very difficult and highly political area. It's a thankless job, but he has led with tenacity, looking out for the best interests of all in our County. We need to continue to fight as a community to protect our water supply.

Agriculture is a multi-billion dollar industry in our County and the lifeblood of our economy. Farmers in Stanislaus County export products to more than 100 countries. However, this past year our agricultural values experienced a one-half billion dollar setback primarily due to the drought and decreased commodity values. Supervisor Jim DeMartini has been a long-standing advocate for protecting the economic engine of our community and is passionate about common sense solutions in this area. I want to thank him as he has been a strong voice of reason on the retirement Board of Directors with an eye on thoughtful, long-term fiscal policies.

This past year, we continued our County focus to get our customers online instead of inline. The public can now opt in to receive emergency notifications by registering online and we've implemented an online reservation system for our County regional parks system. The Library implemented remote payments where customers can use mobile or other electronic devices to pay fines and fees. More people are using our online building permit services to speed up the permitting process and more are opting to receive their elections sample ballot electronically. We continue to see more people using our online Customer Relationship Management resources and you can even go online to find a pet to adopt. We will continue to invest resources in making access to services more convenient for our community.

This past year saw many other significant accomplishments for the County. For the 13<sup>th</sup> year in a row, the County received the Government Finance Officers Association Distinguished Budget Presentation Award for excellence in budgeting. More than 10,000 County residents accessed our Career Resource Centers for assistance with their job search. Our Health Services Agency outpatient medical clinics had nearly 150,000 patient visits. Behavioral Health and Recovery Services opened the new Crisis Stabilization Unit in March 2016, averting nearly 500 psychiatric hospitalizations with a total of nearly 2,900 clients averted from in-patient psychiatric readmissions during fiscal year 2015-2016. That is a tremendous benefit to our community in providing alternatives to inpatient psychiatric hospitalization. I would also like to mention our self-insured medical insurance program has saved the County millions of dollars since its inception through the leadership of Assistant Executive Officer Jody Hayes. Before the program, County insurance premiums were increasing 11% per year. Since then, over the past six years premiums increased only 6% per year.

And while we've celebrated some significant accomplishments this past year, we know there is much uncertainty ahead. We experienced a milestone moment with the passage of local transportation Measure L. I especially want to recognize community business leader Paul Van Konynenberg, Rosa Park who is the Executive Director of StanCOG, Kendall Flint, and the many, many people who were behind this Measure which will provide tremendous benefit to our roads. This measure illustrates the power that occurs when people band together. This effort saw every single elected official in the County, our State officials, our Congressman, the taxpayers and unions come together in agreement. It was a momentous victory for the community.

But Measure L local funding does not fix the massive problem that exists with State and Federal funding for transportation. Stanislaus County has more than 1500 miles of roads and 230

bridges, and our transportation system is the County's largest infrastructure asset. Complex state formula swaps, used to help balance the State budget during the recession, have caused local funds to shrink, leaving us stranded. In 2015, we completely shut down our road resurfacing program and we paved only 7 miles in 2016. You don't have to spend very much time doing that math to see the local impacts. Local road funding is at a crisis level. The upside is that both State and Federal officials know this. The difficult part is getting them to take action to restore local funding and to make a way for the future.

The legalization of marijuana took place and now we, as well as other counties in the State, are in the position of determining and negotiating how to regulate and tax this going forward. We will need to do a lot of listening and have many discussions this year as we look to get all cities and the County working together to find workable solutions.

The Governor in his Proposed Budget for 2017-2018 announced his intention to make significant changes to the In Home Supportive Services (IHSS) program which could negatively impact the County's General Fund by more than \$6 million. There is a great deal of uncertainty as to the impact of this and other changes, that could materialize at the Federal and State level and we will be diligent in advocating to protect funding for County services.

Quite often, local government ends up having to play a handful of bad cards they have been dealt. But, unlike government at the State and Federal level, we've shown that regardless of what is done to us, by working together at the local level, we can make the nearly impossible occur.

The County has worked hard to build trust with our partners over the years and I cannot express that enough. Each jurisdiction and special district with whom we work has competing interests and they need to protect those interests. We understand that. But we are also seeing jurisdictions



willing to step up and to be part of something bigger than borders, and we thank them for that. We are all entwined in the County. None of us can afford to be an island when it comes to difficult issues that face our entire community.

Over the years, the County has been willing to do the difficult work of engaging tough projects that would be easy to pass over. *We cannot stop leading on difficult projects as we move forward.*

As I look back over the past 10 years, through our partnerships, we've accomplished some pretty inspiring things in our County; none of them easy, and none of them done alone. We built the world class Gallo Performing Arts Center that some thought could never be done. But in partnership with the Gallo Family, the Foster Family, the Rodgers family and many more partners, it came to life. We built the Regional Water Safety Training Center in Empire in partnership with the community and nonprofit organizations. We built the 12<sup>th</sup> Street Office project as a public private partnership. Through a very unique partnership with the nonprofit group Valley Recovery Resources, we were able to help maintain recovery services for a large number of families in our County at the Redwood Family Center. It was through partnerships we were able to build the new Regional Animal Services Center with multiple city partners. It was partnerships that brought the largest capital project in the history of our County – the new Public Safety Center – into existence, and are near completion. Through the work of Chief Operations Officer Patricia Hill Thomas, multiple county departments and their teams, we leveraged State criminal justice funds to be the first in the State to build a brand new Juvenile Commitment Facility, the first in the State to build an AB 109 jail facility and the first in the State to break ground on an SB 1022 REACT facility. And through hard work and

determination, we were able to work with every city in our County to remain partners in a 10-year trash disposal and recycling program with the Fink Road Landfill.

We experienced the end of Negative Bailout, which was more than a 30-year plague on our community. I want to thank Supervisor Kristin Olsen for being a part of a team of people focused on finding a solution to this highly challenging issue and, I want to say how pleased we are that you are with us on the Board. I also want to take a moment to recognize former Supervisor Bill O'Brien for the lasting impact his leadership and passion has made on our County. His legacy of public service will continue to resonate with us.

Now, we are bringing a new Veteran's one-stop center to the community that is the only one of its kind in the United States. This is a partnership with our county agencies, the Veterans Advisory Commission, the Stanislaus Veterans Foundation, all of our local veterans' organizations and the City of Modesto. These types of projects take incredible time, energy, resources and partners to get accomplished; but, when they are accomplished, the impact to the community is overwhelming.

We are unique, because these are massive undertakings and most other communities would be thrilled to accomplish just one of these projects in a lifetime. Patricia – I'm looking at you and we cannot ever thank you enough.

The Library continues to be an incredible resource for our community - for the young and not so young – and continues to grow and change with the diverse needs of our community. A near-term goal is to make improvements to the Empire Library branch and to do a significant expansion of the Turlock Library branch. I'm also excited we will be using a large grant this year for major improvements at Fairview Park. These changes will happen with input from the

surrounding community and will improve the quality of life for local residents in this underserved area. We will continue to work in innovative ways to bring together players in the Community Corrections Partnership to provide rehabilitation opportunities to those in our jail system. The Crows Landing Business Park remains our highest economic development priority and more than ever we are committed to the long-term challenge of building a Highway 132 expansion as well as the North County Corridor project. These are long-term, very complex and expensive projects and we will continue to press forward.

We've taken pride for a long time in that we are a community of people who serve and a community that works together. I need to thank Supervisor Dick Monteith who has continually championed the importance of volunteerism and leads us by his own example. But, I know that Supervisor Monteith is quick to point out that our community needs run deep and there is more work to be done. We have significant social issues that have deep roots. But just as we've seen our government partners transform how they partner, we are seeing our community do the same.

For out of the Great Recession, one of the darkest times most of us have experienced, neighborhood watch groups expanded, the public stepped in to care for their local parks with a sense of pride and ownership, new volunteer programs for the homeless sprang up and community organizations expanded against the odds.

Starting in the heart of the recession, we've seen the burgeoning Love Modesto program expand to Love our Cities with over 60 cities with more than 315,000 volunteer hours of service. The City Ministry Network is leading a faith community that is stepping out even more to press into communities as change makers. The Stanislaus Community Foundation has become a force for

change in our local community through the Stanislaus Reads Program which is preparing our children to learn and find success. And this is by no means a comprehensive list.

Under the leadership of Tom Changnon, the Stanislaus County Office of Education started the Comeback Kids Program. This wonderful program provides the opportunity for people who have dropped out of high school to return to get a diploma, regardless of their age. This program has now grown to include locations in Modesto, Ceres, Turlock and Patterson with 500 people currently enrolled and over 500 diplomas awarded.

The County's Mentoring program, created and championed by Assistant Executive Officer Keith Boggs, has expanded to include partners like the County Office of Education, the Lions Club, Wells Fargo Bank, Modesto Rotary, Stanislaus State, City Ministry Network, the City of Modesto, and the City of Hughson.

The Focus on Prevention effort moving forward in Stanislaus County will not stop. Through the passion and leadership of County CEO Stan Risen and others, this is a movement that continues to gain momentum. Our focus has been on engaging and facilitating community involvement in order to make this a community-driven effort that is sustainable over time. That is where true transformation will take place. As a Board of Supervisors, we have made a multi-year commitment to convene and support these efforts, but they will only work if driven by the community. The Stewardship Council, which has representatives from ten different sectors of the community, continues to forge alliances and create an infrastructure that is sustainable as they tackle the difficult issues facing our community.

The lesson for all of us is that when we break down walls, listen to others and work together, unbelievable things can take place - transformational things can take place - even in the most difficult times.

Now, there are always going to be people who would rather poke you in the eye for what you are doing, rather than extend a helping hand. That will never change.

But as a community, we need to continue to be bold and join together. We need to rise up even when the tide of popularity and the odds are against us.

We need to continue to bring resources together. We need to focus on issues together. We need to go beyond our walls and borders. We need to believe that the impossible can become possible.

Franklin D. Roosevelt said “There are many ways of going forward, but only one way of standing still.” I am excited to see how we will move forward as a community.

I began my address today by talking about a very dark time we had gone through during the Great Recession. I want to read a particular passage from my 2013 address:

“I want to point out something strikingly important to me, yet largely overlooked in this historic moment; and that is our actions and responses to this crisis are being watched by future generations. We are providing our children and the next generations in our community an instruction manual on how to deal with the challenges that life brings.”

I also wrote that “I want our young people to see a generation that has risen up, and not given up, in the face of adversity.”

We are indeed rising up as a community. We are a community transforming.

Spring is on the way. Hope is growing. The colors are getting more vibrant in our County through the work of every individual and organization willing to step forward, stand in the gap, break down a barrier, willing to listen and willing to serve.

My hope is for an extended spring season in Stanislaus County. My dream is that regardless of our economy, nothing will stop us from growing together as a community. My prayer is that nothing will hold us back from helping our children to grow and thrive and have greater opportunity than we've ever had.

Our future in Stanislaus County, regardless of any economic situation or circumstance we face, is looking much, much brighter as we see that together, impossible things can become possible.

Thank you.