

February 3, 2010

I. Opening

Thank you, Mike, for that kind introduction. It is an honor to be introduced by Michigan's next governor.

Good evening, ladies and gentlemen. I am delighted to welcome you here this evening.

It's been quite a year since we last gathered to talk about the state of Oakland County. To say that Oakland County and Michigan fought through a tough year in calendar 2009 would be a gross understatement.

Oakland, and for that matter southeast Michigan, and indeed the entire State of Michigan, faced some serious hurdles. We witnessed the bankruptcy of two auto companies: General Motors, formerly Oakland County's largest employer; and Chrysler, headquartered in Auburn Hills just north of tonight's venue.

That same year, 2009, we saw 8,486 foreclosures in Oakland County, and our unemployment reached 15.6% - higher than the State's 15.2%.

As Yogi Berra said, "When you come to a fork in the road, take it." Well, I'm at a fork tonight. I could dwell on the challenges of '09 or I can talk about how we're positioned to move forward in 2010.

There's been enough rearview mirror gazing lately, so let's look ahead.

As we move forward in the current calendar year, Oakland County finds itself in a unique position in the entire United States. According to our research, Oakland County is the only government in America that filed a balanced three-year budget. It's a long range view of the horizon which gives us

plenty of time to make corrections before some distant problem becomes insurmountable. It's thoughtful management versus crisis management.

So we're in balance for fiscal year 2010, 2011, and 2012, and my Budget Task Force, made up of my five Deputies and my Directors of Management and Budget and Human Resources, has already made a deep dive into 2013.

As an aside, let me tell you what we see on the horizon is not pretty, but it is manageable.

Most of the challenges we see can be resolved by one simple thing: an employment opportunity, a job. And I can assure you we're out there everyday promoting economic development in Oakland County. We are attracting innovative businesses and jobs through our technology corridor known as Automation Alley. My Emerging Sectors program continues to identify and support businesses in high growth sectors such as alternative energy and life sciences.

An outgrowth of the Emerging Sectors initiative is Medical Main Street, a program that is working to build on the successes of three new area hospitals and a new medical school scheduled to open in Oakland County in 2011.

An economy that can create jobs or bring in new investment is one that gets noticed on Wall Street. Several times in 2009, both Standard and Poors and Moody's Investors Service awarded Oakland County a coveted AAA bond rating. Out of roughly 3,200 counties in the United States, only a couple dozen hold that AAA rating from Wall Street today. We are one of only two counties in Michigan to maintain this distinction, and, more impressive, we are the only county in the state whose rating outlook is called "stable," a key phrase used by rating institutions.

I'd like to read you a little something from Moody's evaluation that highlight the reasons for Oakland County's AAA rating. When I hear these words, I take great pride in the work accomplished by my Budget Task Force and the team in Oakland County government.

Let me quote Moody's: "The county continues to be proactive in its efforts to diversify its tax base through its emerging sectors initiative," Moody's says. "The county's financial position will remain

strong, given ... (its) history of prudent financial management. Despite expected declines in taxable valuation ... the county has identified ways to close the projected budget gaps through 2013."

I think you agree with me that it is impressive to garner such praise during the worst economy since The Great Depression.

II. Three-year Budget

The county's "prudent financial management" (to quote Moody's) should be credited to my Budget Task Force that I've already mentioned tonight. In past budget cycles, my Deputy County Executive Bob Daddow and Director of Management and Budget Laurie VanPelt forecast and budgeted on a two year cycle, a biennial budget, if you will.

This year I challenged them, along with the rest of the task force members, to create a three-year line-item budget to present to the Board of Commissioners. The challenges were significant since a three-year budget had never been attempted anywhere in the United States before. But this goal was accomplished and the multi-year triennial budget was approved last September by a unanimous vote of the Board of Commissioners.

On December 7th I sponsored a budget symposium for 250 public officials from the region to discuss what the economic road ahead looked like in terms of public revenue and how we manage a triennial budget.

Members of my Budget Task Force explained that intense vigilance is the key to our success. At least twice every month, task force members review the budget and they make adjustments as necessary to reflect the reality of current conditions. Couple that with an Equalization Division that constantly evaluates every parcel of Oakland County property (over 470,000) looking for the worst case scenario when it comes to taxable value.

One thing our team has demonstrated over the last 17 years that we've been together is that we are prepared to engage in serious structural reform. Some examples: When I took over as Oakland County Executive in 1992, Oakland County was funding an expensive pension plan for its employees. Taxpayers paid into a retirement fund throughout a county employee's career, and continued to pay

into that fund after the worker retired. This saddled the county budget with what we call "legacy costs" that could last decades more for each employee and his or her spouse.

In 1994 we abandoned the old Defined Benefit Retirement Plan and switched the county over to a Defined Contribution Plan which works like a private sector 401(k). Both the county and employee contribute to a fund over the employee's career. The employee is free to decide how to invest that money. When the employee retires, there are no further costs to taxpayers.

The result has been an enormous savings for Oakland County. My Director of Human Resources Nancy Scarlet says that currently this defined contribution plan saves taxpayers \$7.2 million per year - a total savings of \$70 million since 1994. Seventy-nine percent of Oakland County employees are enrolled in the Defined Contribution Plan. For those county employees and retirees who remain in the old defined benefit pension system, Oakland County's pension trust fund has been fully funded since 1998. That means Oakland County tax dollars no longer go into that plan.

We also changed the way we fund retiree healthcare. In 2006, we discontinued the traditional taxpayer-funded retiree health plan. Since then, all new hires who come to Oakland County receive a "Health Savings Account" that is co-funded by the county and the employee throughout their careers. When they retire, they take their Health Savings Account with them and supplement their healthcare choices in retirement. Going forward there will be no legacy costs to Oakland County for those employees for any healthcare expense.

We also have increased co-pays on employee medical benefits. Nancy Scarlet says that our total savings at this point, because of our willingness to make serious reforms in our benefits package, is nearly \$38.5 million. And that figure will continually grow because the savings accumulate year-to-year.

I want to take this opportunity to thank my Oakland County employees. Most of them understand the challenges this economy has imposed upon our budget and they have accepted bearing some of the burden to reduce costs. This includes a 2.5% pay reduction this year and another 2.5% reduction next year for all employees. The same decrease was imposed upon all county elected officials as well.

At my December 7th symposium, we emphasized that without such fundamental reforms in government, many municipalities, school districts, and other governmental bodies will fall deeper and deeper into debt and end up in the hands of an emergency financial manager.

Indeed, the year ahead will present continued financial challenges. We expect to see many school districts around Michigan begin to fail due to declining revenues and burdensome costs. We expect the State of Michigan to once again face the prospect of deep budget cuts which in turn will mean decreased revenue sharing for many units of government downstream.

III. Foreclosure Crisis

I mentioned in my opening comments that banks foreclosed on 8,486 Oakland County homes last year. We know that is devastating, not only to the families who lose their homes, but to the neighborhoods as well which feel the pressure on their property values.

Here in Oakland County, we are determined to ameliorate as much as possible this foreclosure crisis. We have a successful Neighborhood Stabilization Program working to turn around properties that are in foreclosure. Karry Rieth, my manager of Community and Home Improvement, is working with ten communities from Hazel Park to Keego Harbor out to Rose Township directing dollars where they are needed most. We are using this money to refurbish vacant, foreclosed homes or to tear down blighted homes and build new ones. Last year, Karry and her team moved 100 families into housing units that were previously foreclosed and vacant.

Karry also administers our Oakland County Home Buyer Program aimed at helping low income families move into vacant, foreclosed single-family homes. The program pays 49% of the value of a home purchase, provided certain income and credit criteria are met. So far, we have given the American dream of home ownership to 33 qualified families.

Both of these programs are funded by federal grants. As we continue to move forward with both programs, the goal will be to reduce blight caused by abandoned homes and to stabilize property values by getting qualified families into these homes. These programs work because they allow the private market to work.

An important consideration with these programs is that the houses remain on the tax rolls even while they are vacant. The county does not take ownership of any of these properties. Therefore, the county is not burdened with the costs of maintaining the home or property.

I would argue that preventing foreclosure in the first place is better public policy. And we are attempting to accomplish that goal through our Community and Home Improvement Program which offers both counseling and intervention for families facing foreclosure. Karry Rieth tells me that they have been able to save the homes of 70% of those who sought their advice and mediation.

IV. Emerging Sectors

One of the more successful programs that has been created during my years as County Executive is the “Emerging Sectors” initiative. This was a program where my staff and I tried to envision what we would like Oakland County to look like in the future, say 20 or 30 years ... maybe 40 years out. What kind of businesses and jobs do we want to attract to Oakland County to replace the 131,000 jobs we lost during the last decade (most of them automotive).

I asked my Economic Development staff, who are some of the best in the business, to research what are going to be the ten best employment sectors for the future growth. I wanted them to identify the ten sectors where the jobs would be high-quality, high-paying, and most importantly, sustainable jobs. Jobs that will be around for decades to come.

You will note on the screen behind me the identified ten sectors for Oakland County's long term growth and prosperity.

- Advanced Electronics & Controls
- Entertainment, Film & Digital Media
- Advanced Materials & Chemicals
- Robotics & Automation
- Aerospace
- Defense & Homeland Security
- Alternative Energy & Power Generation
- Life Sciences/Health
- Communications & Information Technology
- Finance & Fast Growth

And you will also notice that the common thread among them is that they are all jobs within the so called knowledge-based economy. Jobs that will require a strong educational background.

Ladies and gentlemen, here's the future for Oakland County: a diversified sector base with emphasis on the knowledge-based economy.

Let me bring you up to date on the success of our Emerging Sectors initiative. Since the inception of Emerging Sectors, that was researched in 2003 and officially launched in the summer of 2004, we have had 137 successes stories. These 137 businesses represent nearly \$1.4 billion in new investment in Oakland County. They created 17,217 new jobs, and were instrumental in preserving 7,244 jobs already existing in the county. Since 2004, these companies have paid to the federal, state, and local units of government approximately \$35 million in taxes of which \$3.3 million has come to Oakland County.

Ladies and gentlemen, when the Emerging Sectors program is fully implemented - and in my mind that would be when we replace the 131,000 jobs we lost during this past decade with jobs from within the knowledge-based economy - I won't promise you that Oakland County will be recession proof. But I will argue that through this program of diversifications, Oakland County will become recession resistant.

The fastest growing sector of the ten is life sciences - healthcare, if you will. According to the Anderson Economic Group in Lansing, Oakland County is home to more than 4,300 life science and health related businesses: hospitals, clinics, pharmaceutical companies, medical device manufacturers, etc. - that's 4,300 health related businesses, the most of any county in the State of Michigan. Today these combined companies employ 93,000 professionals in the healthcare field. Because of the size and strength of this particular sector, Anderson estimates that we will be adding 45,000 more jobs to this sector over the next six years.

As a direct result of the phenomenal growth in the healthcare sector, I directed my Emerging Sectors team to launch a new program called "Medical Main Street." This is a long-term commitment by me to brand Oakland County for what it is - a center of healthcare excellence.

Medical Main Street is a consortium of all our medical assets. CEO's from our great hospital network, and executives from pharmaceutical, medical device manufacturers, have also joined this consortium. An advisory group called "Medical Main Street Ambassadors" has been formed to spread the message of our multi-billion dollar investment in the life sciences sector.

We've already taken trade missions to foreign countries, looking for more medical device manufacturing capacity. We've been to trade shows around the United States and have been written up in medical publications, including one from the United Kingdom.

During our research we've recently discovered that we have more clinical trials going on in the hospitals in Michigan than in the States of California or Florida or New York. Life sciences and healthcare is a booming industry in Oakland County and we're determined to expand it.

One other phenomenal development within our life science and healthcare sector is the announcement of a new medical school to be built in Oakland County. As some of you know, the Oakland University William Beaumont School of Medicine, which just earned preliminary accreditation yesterday, is to be located on the OU Campus. It will start enrolling students later this year and open the doors for their first class in the fall of 2011. This new medical school promises to be an absolute boon to the economy of Oakland County and the region.

OU President Gary Russi estimated that the school would create thousands of new jobs when it's up and running and contribute over a billion dollars annually in economic activity. This billion dollar number could be low. A recently opened medical school in central Florida discovered it had a \$3.6 billion impact on its region. I can't emphasize the significance of this medical school: the possibility of a multi-billion dollar shot in the arm will go a long way toward restoring our challenged economy.

I know President Russi and Beaumont Hospitals' President and CEO Ken Matzick are both in the audience tonight. They are partners in the Oakland University William Beaumont School of Medicine. Gary, Ken... would you stand, please. I am going to have one of my staff deliver to each of you a celebratory bottle of Dom Perignon with my sincere congratulations.

Couple that announcement of the medical school with recent expansions of well-known hospitals such as McLaren Health Village in Independence Township, St. John's Providence Park Hospital in

Novi, and Henry Ford's Health System in West Bloomfield, for a total initial investment of over a billion dollars, it becomes abundantly clear that the life sciences is the strongest of the emerging sectors in Oakland County.

Another competitive Emerging Sector is alternative energy. More than two years ago the Ford Wixom Assembly Plant - at one time the auto industry's most profitable plant - closed its doors. The 4.7 million square foot facility that produced more than 6.6 million cars in its 50 year history now stood idle, gone were the thousands of auto jobs once so vital to Oakland County's economy. Hard work by all economic development specialists from the state on down to and including Oakland County were responsible for the announcement late last August that the idle automotive assembly plant will become the Ford Renewable Energy Park.

Xtreme Power and Clairvoyant, two alternative energy companies, plan to utilize half the space with an initial investment of \$725 million. They intend to employ 4,000 people in this emerging sector of alternative energy. The other half of the plant will be developed for other green energy companies. When this is all said and done, it will be the largest renewable energy park in our nation.

V. Economic Growth Alliance

This past May, in conjunction with top officials from Genesee, Livingston, Lapeer, and St. Clair counties, I announced the formation of the Economic Growth Alliance. All five counties will collaborate on joint opportunities for economic growth, diversification and positive legislation that may impact the counties.

This collaboration brings together several key assets that will fuel business development opportunities, including the Blue Water Bridge in Port Huron, Interstate 69 and the I-96/U.S. 23/M-59 corridors, Flint's Bishop International Airport, and Oakland County's Medical Main Street initiative.

The most valuable asset the alliance possesses is the skilled work force from the more than two million people living within the five counties. And I am proud to say the Alliance is growing. We expect to be able to announce soon the addition of a significant neighboring county who will be a vital partner in these strategic relationships.

As it relates to our new Economic Growth Alliance, I have an exciting announcement to make tonight. My Information Technology Department in Oakland County, in conjunction with AT&T, is pleased to announce the launching of a contest within the EGA counties called the "OakGov Challenge."

Since this is a contest, obviously there will be a prize. Winners of the OakGov Challenge will share prize money totaling \$10,000 put up by our friends at AT&T.

The OakGov Challenge will provide an opportunity for local tech-savvy programmers to create new ideas and applications that could either be published as a web application on a PC, or as a smartphone application for use on I-Phones, the Google Android, and others. In this public/private partnership, we hope to end up with new applications that take a plethora of public data that we have stored at the county and make the data more accessible to our citizens.

I want to thank AT&T for its generous financial support of this contest. And I want to shout out to all those innovative and tech-talented programmers in Oakland, Genesee, Livingston, Lapeer, and St. Clair counties. You can get all the information you need to enter this contest on our website at www.oakgovchallenge.com.

Again, the goal of this contest is to develop applications that will stimulate innovation within the community, promote skills of IT developers throughout the EGA region, and ultimately enhance government to citizen communication and information sharing.

Good luck.

VI. Oakland County Film

We continue to entice Hollywood to film here in Oakland County. Last year, 14 motion picture projects filmed scenes in 16 of our communities. In the coming year, if you go to see "Red Dawn" - a movie about a communist Chinese invasion of the United States - you will recognize Troy, Royal Oak, Pontiac, and Highland Township in some scenes. Or if you buy a ticket to see "Highland Park," a movie about one man's efforts to save the public library in the distressed enclave of Detroit, you may see parts of Holly, Oakland Township, and Meadowbrook Hall.

With all the excitement caused by the film industry in our community, I can't tell you how many times I've been mistaken for Brad Pitt ... or maybe it was Orson Welles.

Movies are not mere life in the fast lane here in Oakland County. They are becoming a permanent presence. Last month, Ferndale-based S3 Entertainment Group announced the opening of its film and production studio in south Oakland County. S3 is known for recent movie projects such as Clint Eastwood's "Gran Torino" and the newly released comedy "Youth in Revolt." They have converted the old Kasper Machine property into a site that includes a 25,000-square-foot sound stage, 10,000 square-feet of offices, and a screening room, among other amenities. S3 says they have six film projects scheduled for 2010 which will create 1,000 jobs.

Further evidence of the film industry investment in Oakland County is the decision of Raleigh Studios and Endeavour (Hollywood's biggest talent agency) to plan the opening of a new state-of-the-art studio at Centerpoint in Pontiac. This project has the support of local business leaders such as Alfred Taubman, John Rakolta and Linden Nelson as well as economic developers from the State of Michigan, Oakland County, and the City of Pontiac. Their \$60 million investment is expected to generate 3,600 jobs by 2013, with an economic impact of \$368 million.

Our local universities are hopping on to the movie making caravan. Oakland Community College and Lawrence Technological University both are developing programs to train their students for jobs in the local film industry.

VII. Automation Alley

Deputy Executive Ken Rogers heads up my Automation Alley, a consortium of high-tech companies created in 1998 to compete with the nation's other technology corridors such as Silicon Valley, Boston's Route 128, and North Carolina's Research Park Triangle.

Automation Alley started with 43 companies and today it has grown to more than 1,000 member businesses in eight counties. The top industries it serves are IT and manufacturing.

In 2009, seven area businesses, Lawrence Tech University and two economic developers accompanied Automation Alley on a trade mission to Israel. Israeli companies are on the cutting edge when it comes to technology development. Automation Alley is working hard to connect Oakland County

businesses with Israel's high-tech industry. Other such trade missions since 2001 have generated more than \$140 million in contracts for Automation Alley companies and created 200 new jobs.

Also, Automation Alley assisted more than 300 companies with entrepreneurial services and since 2003, they have invested nearly \$5 million in 25 local companies, creating 150 jobs. No Oakland County taxpayer funds are involved.

In 2010 Automation Alley will be opening up a military office within its Troy headquarters. This is a multi-billion dollar industry, as you know, and is always looking for qualified business suppliers within the private sector.

The Oakland Press reported on January 7th that Oakland County's Lawrence Technological University won a \$1.6 million grant to develop armor for military vehicles. Automation Alley plans for their military office to be a place to cultivate relationships among the Pentagon, military contractors, and area businesses so Oakland County manufacturers have the opportunity to bid on military contracts.

Finally, Automation Alley will soon be able to better assist international companies seeking to put down roots in the U.S.A. Automation Alley secured a federal grant in December that will pay to construct an International Business Center also at its Troy headquarters. Ken Rogers says it will be a place for international companies to have a soft landing in America and become familiar with the open business culture, technical workforce, and quality of life Oakland County has to offer.

VIII. New Airport Terminal

We know first impressions are lasting impressions, and that is as true in business as it is in our private lives. And when potential business investors from around the world fly into Oakland County International Airport, they're going to have a first impression, and we want it to be a positive one.

That is why this spring, Oakland County International Airport will break ground on a new modern "green" terminal, replacing the outdated 50-year old facility.

This might surprise some of you in the audience tonight, but did you know that the Oakland County International Airport is the second busiest airport in the State of Michigan, second only to the Metro

Airport? Last year we serviced more than 500,000 passengers and most, if not all, of the Fortune 500 companies landed their aircraft there. (Well, they used to before Obama took away their planes.)

The existing terminal is obsolete. It no longer portrays the high-tech image of Oakland County in which we pride ourselves. The new terminal will have a modern look. It will be right-sized, eliminating space that is not used in the current facility.

It will be the first Oakland County building to be LEED certified. LEED stands for "Leadership in Energy and Environmental Design." That's an independent third-party rating that confirms the new terminal building will be energy efficient and least-impactful on the environment.

It will take 14 months to build the new terminal. Not only will it be the gateway to Oakland County, but also it will serve as the airport administration office, house both United States Customs offices and local law enforcement, and offer a visitors' conference room.

When the terminal is complete, passengers who deplane at Oakland County International Airport will have a positive impression that Oakland County is a great place to live and work.

How much will this cost Oakland County taxpayers? Nothing. My Central Services Director Dave VanderVeen applied for and received over two million in federal grant money to partially fund the new terminal's construction. The balance of the money required to construct the airport comes from fees that are collected from users who land at our airport and pay landing fees and buy fuel. There is no direct cost to the county's general fund.

We extended the main runway 320 feet in 2009. It is now 6,825 feet long. What that means is aircraft can now fly non-stop (without refueling) to the west coast, Mexico, Europe, and Asia - all business destinations.

The airport currently has a \$175 million economic impact on the region. Imagine how that will grow now that we can reach overseas directly.

IX. Little Things Count

Apparently, successfully arranging for a new terminal went to VanderVeen's head. I mentioned before that Oakland County is driving down the budget road, successfully dodging the fiscal potholes. Well, I won't be driving down that road in any county car. VanderVeen took mine away. He took all county-owned vehicles away from all the elected officials and their deputies. That's 25 cars for which we no longer make payments, pay for fuel, repairs and insurance.

I wouldn't speak to him until he showed me the savings - \$125,000 per year. Now, that might sound like small change in a wealthy county like Oakland whose budget is \$819 million. But if you save on the small items here and there, before you know it, you are saving millions of dollars.

Allow me to outline some of the "small" changes my departments are making that when added together, represent significant savings for Oakland County taxpayers.

My Director of Risk Management Julie Secontine switched the county from multiple insurance brokers to a single broker. This budget year, the county will save \$118,000 because of that one minor adjustment. The following two budget years, the county will save \$126,000 and \$134,000 respectively.

Art Holdsworth, my director of Facilities Management, is finding ways to save here and there. He is reducing the county's dependence on outside contractors, having more of our own employees do the upgrades and repairs to county grounds and buildings. This is projected to save \$395,000 a year. Art is also working to reduce our reliance on leasing space in buildings we do not own. For example, he is moving our Community Corrections Division to a building on our campus - saving \$200,000.

Holdsworth also has reduced nighttime lighting in non-essential buildings and parking lots, improved the Circuit Court's reheat system, and put in sensors so the county's sprinklers don't go off while it is raining. These common sense adjustments have reduced our utility payments from \$13.5 million last budget year to \$10.5 million this budget year.

Jack Smith in our Purchasing Division is also watching out for Oakland County taxpayers. He is working hard to renegotiate contracts with our vendors. Last year, he obtained more than \$1.3 million in concessions.

We are even finding savings as a result of our OakFit program. The county's OakFit Wellness Program encourages county employees to live a healthier lifestyle. We hold health screenings each year and refer any employee who is found to have "at risk" factors to their doctors. We have programs to encourage employees to eat right and exercise.

The good news is we are seeing positive financial results from our expanding OakFit program. We have actually seen a decrease of more than \$4 million that the county pays out in healthcare and prescription costs since the program began in 2007.

Oakland County continues to deliver great customer service during a time when we are facing budget challenges. And every Oakland County employee is part of the solution.

X. Employee Contributions

Indeed, we have an Employee Suggestion Program where county staff can suggest a change in the way we operate. If we implement the change and it results in savings for the county, the employee who made the suggestion receives both recognition and a cash award at the annual holiday party.

This year, our top ESP award recipient was Gloria Logan in Information Technology. She saved the county nearly \$20,000 a year by suggesting we purchase a bucket of minutes for county cell phones instead of having individual calling plans.

In 2009, the county implemented 14 of 120 employee suggestions for a total savings of \$60,000. Since ESP's inception in 1993, the county has implemented 260 of 2,411 suggestions for a total savings of \$5.5 million.

All prize money for the Employee Suggestion Program comes from my annual golf outing proceeds - no taxpayer funds are involved.

By the way, the golf outing is set this year at Oakland University on June 22nd.

But the dedication of Oakland County employees does not end with the suggestion box. Despite the hard economic times, Oakland County staff continues their charitable giving. I encourage my

employees to dress casual on Friday, but for the right to come to work in casual clothes, they put a dollar in the "jean jar."

On December 15th, I presented a total of \$25,000 in checks to 15 charities on behalf of employees who donated to the Casual Day Fund. In addition, over the course of 2009 other worthy charities and deserving people received an additional \$10,000 from Special Casual Day donations.

Finally, through payroll deductions, Oakland County personnel supported charities to the tune of \$32,000. These donations are quantifiable. But they are also really about something you can't outright quantify, and that's the quality of the rank and file county employee who serves you on a daily basis.

XII. Parks Millage Renewal

We have a world class park system here in the county. There are 13 parks, 68 miles of biking and hiking trails, five county-operated golf courses, and well-preserved open spaces. These are places that not only preserve the natural beauty of Oakland County, but also offer safe and serene settings for family outings and gatherings. In 2009, 1.5 million people visited our county parks.

But imagine if some of those parks had to close. Or we could not safely maintain our biking and hiking trails. Do I have your attention? Good. Because on August 3rd, there will be a ballot question asking Oakland County voters to renew the county parks millage. It happens once a decade. We ask taxpayers to continue to pay a quarter mill for the next 10 years. That's \$25 a year on a home worth \$200,000. Of the parks budget, 60% comes from this millage. The rest comes from fees.

Let's look ahead for 2010 and see how Parks and Recreation will continue to improve the quality of life here in Oakland County. Soon they will open a three-acre "off-leash dog park" at Red Oaks Waterpark and Red Oaks Youth Soccer Complex, both in Madison Heights. Plus, we will open a universally accessible playscape at Waterford Oaks Park. What that means is, whether you are an individual with a disability or not, you will be able to access and enjoy activities on this playscape.

This spring the park system will add 186 acres to Independence Oaks through the acquisition of the Upper Bushman Lake property. The 31 acre pristine lake on this property is gorgeous, and the total acreage added to Independence Oaks will make it the largest park within our system. The lake will

afford opportunities for young and old alike to canoe, boat, fish, and many other healthy outdoor activities.

For such improvements to continue, I cannot stress enough how important this millage renewal is. Especially in an environment where the economy struggles and taxpayers may be experiencing tax fatigue. I challenge all of you in this room tonight and within the sound of my voice, to do what you can to encourage a “yes” vote to renew the county parks millage in August.

XII. Quality of Life Events

Meanwhile, we continue to stage great quality of life events in Oakland County. This past weekend, we finished another successful “Fire and Ice Festival” in downtown Rochester. (For a while it looked like we would have the first “Fire and Cement Festival.”) Thank you, Mr. VanderVeen.

The Oakland Edge Hockey Tournament returns after a successful inauguration at Onyx Arena in Rochester Hills last year. This year the tournament runs April 16th - 18th. Thank you, Mr. Huber.

According to the event organizers, there’s still time for hockey teams, both male and female, to join the competition. Go to our website www.oaklandedge.com and sign up now to play in the tournament.

It’s a new and exciting addition to our quality of life schedule in Oakland County. Come out, watch the excitement.

My “Count Your Steps” pedometer walking program continues to be a great success. Almost eight years ago I heard a lecturer say that the generation of children (or in my case, grandchildren) that we are raising today will be the first generation in the history of America not to have a lifespan as long as their parents due to the long term effects of childhood obesity.

I came back from that lecture and I huddled with my Health Department staff and came up with a program to combat childhood obesity ... which, by the way, is called a national epidemic by our Surgeon General.

With the support of our friends in the private sector, we were able to raise enough money to buy a pedometer for all third and fourth grade students in Oakland County public and private schools.

The idea was to get the kids off the couch, away from their video games, and try to log in 8,000 to 10,000 steps a day on their pedometer - which is a challenge. Classroom would compete against classroom; school against school; and school district against school district.

I've got to tell you, I'm really proud of these kids. This past year more than 20,000 kids from 148 schools participated in the "Count Your Steps" program. Their feet pounded the pavement last year with 1.2 billion steps. The first place school was Shrine Catholic Grade School, whose students walked more than 51 million steps in less than a month.

Since the program began in 2004, our Oakland County kids have walked 13.2 billion steps. That's 26 times around the planet earth.

Very subtly we are getting these kids to exercise in a fun, competitive environment, and at the same time ever so gradually improving their quality of life.

The fingerprints from my Health Department are all over this project. My appreciation to Director George Miller, Manager Kathy Forzley, and Public Health Educator Suzanne Weinert.

Now let's march to the beat of a different drummer. Mark your calendars for Labor Day Weekend, September 3rd through 6th. Arts, Beats and Eats will return for its 13th consecutive year. Every one wants to know what's new at the festival this year. Well, one thing new this year will be its location in Royal Oak.

Last year, over 300,000 people attended Arts, Beats and Eats. We hope family and pedestrian-friendly Royal Oak will draw even more. There will be a \$2 entry fee this year that not only will support operations, but also will be shared with 13 local charities.

And finally, circle October 3rd on your calendars. This is the date of the 3rd Annual Brooksie Way, the half-marathon and 5k run named in honor of my son who, as you all know, was taken three years ago

this week. The popularity of this half-marathon and 5k race is waxing. Last October, more than 4,400 runners joined in and we think it will be even bigger this year.

I certainly want to recognize and thank our partners in the Brooksie Way Half Marathon and 5k Race, and that would be the good folks from the Crim Foundation up in Genesee County who are running their 33rd Annual Crim Festival Races this summer.

The Count Your Steps program to fight childhood obesity, the Oakland Edge Hockey Tournament, and the Brooksie Way Half Marathon and 5k Race are quality of life events to help improve the overall physical well-being of our residents. I want Oakland County to be the healthiest county in the United States and I want my residents to enjoy a healthy quality of life.

The Brooksie Way has been so successful, that I'm in a position tonight to make a very exciting announcement. To support healthy living in Oakland County for my residents, tonight I am announcing that I will take \$50,000 from the net proceeds of the Brooksie Way and set up a health fund that all 61 Oakland County communities can tap into.

What I have authorized is a "mini-granting" program where health-driven community programs and organizations can apply for a mini-grant to support their activities. The grants will range anywhere from \$1,000 to \$2,000 depending on the quality and scope of the program.

I have directed my Deputy County Executive Doug Smith and Health and Human Services Director George Miller, along with the committee in formation, to oversee the Brooksie Way Mini-Grant Program.

So, mayors, supervisors, community leaders, there is \$50,000 available to you for programs which have as their sole purpose the improvement of the health of your residents.

If you want to start a senior swim club in your community, or a 5k race, or any health oriented program for children, then I invite you to go to the Brooksie Way website at www.thebrooksieway.com. All the details of the Brooksie Way Mini-Grant Program will be set forth along with details on how to apply for a mini-grant.

Proceeds from the Brooksie Way will fund these grants for years to come and I am personally delighted that this program will help keep the name and memory of my son alive.

XIII. H1N1

Oakland County government has many success stories this year, but this one really stands out. I'm talking about our Health Division and the H1N1 flu pandemic, otherwise known as the swine flu. They did a superb job at protecting the public through their vaccination clinics.

Through its mass vaccination efforts, Oakland County Health Division inoculated more than 46,000 individuals against the H1N1 virus in 2009. And here is a statistic that really drives home the message of how great they are at managing their clinics. At the clinic with the highest attendance, which was at the Palace of Auburn Hills, Health Division nurses vaccinated an individual every three seconds. Let me repeat that, Health Division nurses vaccinated someone every three seconds.

By the way, at the end of 2009, the Health Division had received 313,000 doses of the H1N1 vaccine from the Centers for Disease Control. Of those, the Health Division distributed 165,200 doses to private providers, 63,800 doses to hospitals, and 24,700 doses to pharmacies. And thousands of Oakland County residents continue to be vaccinated against H1N1 at our daily clinics at our three health division sites.

XIV. Urban Search and Rescue

We know from recent events that the Detroit area is no longer immune from a terror attack. On Christmas Day, a Nigerian terrorist attempted to blow up Northwest Flight 253 from Amsterdam over the skies of Michigan. It is too horrific to imagine, but what if the terrorist had succeeded and the airliner had exploded and crashed into buildings and homes on the ground?

Oakland County now has the capability to respond to such a disaster.

Several years ago, my Director of Risk Management Julie Secontine brought to my attention a huge homeland security void in Michigan. Nowhere in the state was there a dedicated team with proper equipment to conduct urban search and rescue, or "USAR." These are teams of brave men and women with various skill sets who go into collapsed buildings and search for survivors or recover the

deceased. We saw such teams tirelessly at work at the site of the World Trade Center's twin towers after September 11, 2001, and most recently in Haiti.

Julie worked to form a coalition of six counties from Monroe County to Saint Clair County and the City of Detroit. She worked with Independence Township Fire Chief Steve Ronk to form four squads consisting of doctors, crane operators, structural engineers, and other specialists. These teams will have access to the heavy duty USAR equipment required for many emergency situations such as a terrorist attack.

My Homeland Security Manager Ted Quisenberry, under the direction of George Miller, will manage, store and maintain the USAR equipment. It will be on the ready to respond to any disaster - man made or natural - in the State of Michigan. Once again, the foresight of my administrative team is helping Oakland County lead southeast Michigan and the rest of the state in such sensitive areas.

XV. Dennis Toffolo

I'd like to take time out now to remember and honor my late friend and Deputy County Executive Dennis Toffolo. Many of you, as well as my staff and I, were deeply saddened by his sudden and untimely death last May at the age of 62. Every time someone passes away you hear a lot of superlatives about the impact he had on his friends and community. In Dennis' case, all of the superlatives are true. He lit up a room with a smile. The staff adored him. There aren't many irreplaceable people, but I respectfully suggest Dennis was one of those people.

I brought Dennis onto my executive team more than eight years ago as director of the Department of Economic Development and Community Affairs. He was soon elevated to deputy county executive and put in charge of the county's Emerging Sectors business attraction and retention strategy.

In five years, under his guidance, the program attracted more than \$1.4 billion in investment and created or retained more than 24,000 jobs. He oversaw the county's Medical Main Street initiative to brand Oakland County as a healthcare center of excellence. Dennis also oversaw the highly successful Main Street Oakland County program and the Oakland County Business Roundtable. Just prior to his death he was instrumental in the launch of the Economic Growth Alliance.

Dennis left behind his wife, Diana, and their three children, Dena, Dan and Don. We all shall miss him deeply. But his legacy will remain. That is why tonight I am proud to announce the establishment of the *Dennis Toffolo Endowed Scholarship* at Oakland Community College.

Dennis was a strong supporter of community colleges. This scholarship will recognize scholastic achievement and provide assistance to OCC students pursuing education and careers within the emerging sectors fields that include life science, alternative energy, IT, and nanotechnology, to name a few. The first scholarships will be available for fall semester 2010 with an application deadline early this summer.

As we move forward, we hope to expand the scholarship fund with additional donations from our friends and business colleagues who knew and respected Dennis. Details of the scholarship and how one would apply are on our website at www.oakgov.com/exec.

I'd like to thank President Joe Welch and our friends at ITC Holdings Corporation in Novi who provided the first leadership gift of \$10,000. Thank you for helping us remember and honor Dennis Toffolo.

XVI. Awards

As I do every year, I try to recognize and point out the good work that Oakland County employees do for our citizens - and that they continue to do despite tough economic times. As I said earlier, I asked my employees to share in the pain of budget reductions by taking a 2.5% rollback in salaries this year, and another 2.5% rollback next year. You would think that might dampen their enthusiasm or their morale, but these employees continue to garner awards everyday for their professionalism in the work that they do.

Time tonight does not allow me to mention all the awards and recognition for employees individually simply because there's just too many. But I will flash the awards quickly upon the screen behind me. The complete list of the awards and the employees who earned those awards is in the written copy of this speech which is available when you leave tonight, or online.

But certainly there are a couple of awards that I consider so outstanding that they deserve recognition from the podium tonight.

Back in July, the Center for Digital Government, gave the Oakland County Information Technology Department its highest award and recognition available. Oakland County was named by this prestigious organization as the most digitally advanced, technologically progressive, county in the United States. Oakland County was awarded this prestigious IT recognition from among 3,000 competing counties across America. To be considered the best in America is a great achievement. Way to go, guys.

Also, once again this year, as we have for the last dozen years, my Department of Management and Budget has hit the trifecta when it comes to garnering national attention.

In 2009, Oakland County received the following awards from the Government Finance Officers Association, an international organization:

- The Distinguished Budget Presentation Award
- The Certificate of Achievement for Excellence in Financial Reporting
- The Popular Annual Financial Reporting Award

For more than a dozen years, this continual recognition of our budgeting prowess is the main reason why Oakland County remains a AAA county, so ranked by both Moody's Investors Services and Standard and Poors.

The success of my Department of Management and Budget is due in no small measure to the outstanding leadership and talent of its director, Laurie VanPelt. If you ask me how I spell triple A, I would spell it "L-A-U-R-I-E." She sits on the Budget Task Force and is one of those people who, when she chooses to speak, everybody listens.

She'd be the first to tell you that she didn't do this by herself, that much of the credit belongs to her trusted Manager, Tim Soave. The team that Laurie and Tim direct and guide, and who consistently deliver such award winning results, frankly, is simply the best in government today.

Below are the additional individual awards garnered by outstanding Oakland County employees:

- Oakland County has been named the most digitally advanced county in America by the Center for Digital Government and the National Association of Counties (NACo) in their 2009 Digital Counties Survey
- Oakland County was awarded the 2009 Best Application Serving a Public Organization award for its *Cost Reduction/Investment Blog*, by the State of Michigan and *Government Technology Magazine*
- The Oakland County *Video Center* also won an award for the 2009 Best Application Serving the Public
- Oakland County has won two international 2009 Digital Government Achievement Awards from the Center for Digital Government for our Video Center and Bloggin' Café
- Oakland County Parks and Recreation recognized by the Michigan Recreation and Park Association
 - Innovative Park Resources Award for the Waterford Oaks County Park Groundwater and Storm Water Management System
 - Innovative Park Resources Award: Mike Willhite
 - Young Professional for Therapeutic Recreation Award: Holly Warnos
- Oakland County Parks and Recreation received the Environmental/Conservation Award from the National Association of County Park and Recreation Officials for green efforts at Groveland Oaks County Park
- Orion Oaks Dog Park was named "Best Dog Park" in *Tails Pet Magazine*. Lyon Oaks Dog Park was named runner-up
- Waterford Oaks Waterpark was named #2 "Best Waterpark" in the 2009 Best of the Best Readers Choice Awards by *The Oakland Press*
- Red Oaks Waterpark was named "2009 Best Swimming Pool" in "4 The Best Guide" by Channel 4 WDIV Local 4 News
- Groveland Oaks County Park is the first park in the State of Michigan to earn the Michigan Turfgrass Foundation's Environmental Stewardship Program Certification

2009 National Association of Counties (NACo) Awards

Oakland County Department of Information Technology

- Video Center - Informational video program for users of county web
- Animal Control Census System - Promotes enforcement of Michigan pet licensing laws through technology
- Blog-in Café - Used during Art, Beats & Eats to introduce citizens to blogging while collecting ideas and suggestions from the public

Oakland County Department of Human Resources

- Separation Incentive Program - Reduce number of county employees without laying off any employees
- Collaborative Cultural Training for Public Health Inspectors - Helps inspectors communicated more effectively with five culturally diverse populations: Jewish Orthodox, Arabic, Latin American, Greek and Chinese/Thai

Oakland County Clerk

- eFiling: Paperless Courtrooms - Requires attorneys to file and serve documents electronically.
- Voter Outreach Video - Instructional "Voting in Oakland County" DVD
- Poll Worker Recruiting Program
- Online Marriage Application
- Absentee Ballot Tracker - Allows voters to track their ballots through the process to confirm the ballots were receive by their local city or township clerks

Health Division of the Department of Health & Human Services and Information Technology

- E-Health Food and Inspection Licensing Program

XVII. Census

Now, looking down the road, there is an issue critical not only for Oakland County, but to all of Michigan - the 2010 Census. The population count determined by the Census will be used to apportion U.S. House of Representatives seats and dole out approximately \$300 billion in federal programs and funds.

We surely are going to lose at least one congressional seat this year; we do not want to lose two. We saw the effect of our waning influence in Washington during the Congressional hearings on the auto companies' crisis. What we saw underscores the need to retain as many seats and influence as we can in Congress.

We also want to ensure we get our full proportionate share of federal dollars. Right now, it is estimated that Michigan gets \$1,000 every year in federal money for every person counted. That's why it is critical to include the snowbirds.

If you are in sunnier climates when you receive the Census form, I'm encouraging you to wait until you return to Michigan before filling it out so that you are accurately counted here. It is estimated that during the 2,000 Census, 200,000 Michigan residents were counted in other states because they filled out the Census while out of state.

Over the decade, that represents a loss of \$2 billion in federal services and revenue sharing. I don't want that to happen this time around. Please spread the word to everyone you know, fill out the Census form, and fill it out here in Michigan if you spend six months and a day living here.

XVIII. Internet Technology

I definitely want to acknowledge tonight my nationally recognized and award-winning IT Department. They are so integral to everything we do. Led by Deputy County Executive and Chief Information Officer Phil Bertolini, and IT Director Ed Poisson, IT is basking in some well-deserved national recognition that I just mentioned a moment ago.

Besides the award from the Center for Digital Government, IT has accomplished so much more. They are developing systems and software that will help cut county costs. For instance, they are virtualizing our servers. That means, instead of having lots of hardware to store the county's 25,000-plus pages of web content and other data, they are storing it in 80 virtual servers. This saves on electricity. This also saves on purchasing and maintaining expensive computer hardware. Over time, IT will save the county millions of dollars using the virtual server technology.

IT is helping the Health Division save money on food inspections and well and septic inspections. They have developed software that streamlines the inspection process. They can enter their inspection reports on laptops in the car. They do not have to return to Pontiac to file them. The inspectors stay in the field longer, complete more inspections and save fuel costs on county vehicles. This program is so successful we have rolled it out for the State of Michigan and other counties so they may save costs with their inspections.

IT is making Oakland County government more accessible and user friendly to our residents. They made it easy for residents to pre-register with the Health Division to receive their H1N1 vaccinations.

It's unpleasant to get a traffic ticket, but IT has made it easy to pay that traffic ticket online.

For those of you who have been pulled over by a police officer, have you noticed they now print the ticket in the car then hand it to you? You can thank Oakland County's IT Department for the development of that software called eCitation. As soon as the officer prints the ticket, that same

information then flows into the computer system so the courts can access it. No more dropping off a stack of carbon copy tickets to the court a week later.

Well, on second thought, perhaps you don't want to thank them for that.

Last year, IT launched a new County Executive site at oakgov.com/exec. This year, they are moving me into the world of "social networking." Now, I'm a guy who needs my grandkids to show me how to program my remote. So, this social networking is all new to me. But, as part of a bigger plan to communicate more effectively with Oakland County residents, businesses, and the media.

The Executive Office has a Facebook site which we are using to communicate vital information to the public such as H1N1 vaccination clinics or business development workshops.

I don't know if you've seen my picture on Facebook, but it depicts an old geezer in a discernibly turgid state, unwilling or incapable of smiling.

The Executive Office is on Twitter. In fact, IT is "tweeting" key messages from tonight's State of the County as we speak. Now, what is this Twitter? Mike Zehnder thinks it is merely a way for students to pass answers back and forth during a chemistry test. It's more than that - it is a very important communication tool. It proved its value during the aftermath of last year's election in Iran. When the Islamic clerics who control the government there clamped down on media coverage of the street demonstrations, information was still getting out, but only by Twitter.

IT has also launched me onto "Youtube." If I have an important message to communicate via video, we want to reach beyond our own website. We want to make that message available to as many who want to see it. In fact, in a few days, excerpts of this State of the County address will be posted on Youtube. So, if you like what you hear tonight, you can go home tonight and replay it on the internet..

(Yeah, right ... I bet you're going to rush right home tonight to see a replay of this speech.)

Finally, in the coming year, my IT Department will be working on Web 2.0 technologies. It will be a way for residents to interact with government like never before.

XIX. Closing

Before I close tonight, there is a gentleman in the audience I wish to acknowledge. He was a part of my administration on day one, back in January of 1993. He recently chose to retire and lead the good life. He was my first Media and Communications Officer who did yeoman service for not just my department, but for many departments in Oakland County government who, I'm sure like me, miss his professionalism and his good humor.

Ladies and gentlemen, please help me recognize a good friend, Bob Dustman. (Thanks, Bob.)

Tonight I had two options. I could have dwelled on the challenges of our economy, but we all know those too well. Or I could leave you with a positive message that we have a great team here in Oakland County - including my staff; the other countywide elected officials with whom I am privileged to serve; our legislative body, the Oakland County Board of Commissioners; and our outstanding Courts and Judges - they are all managing through these tough budget years in a manner which I hope makes you proud.

As I say every year at this point in the speech, thank you so very much for letting me serve you as Oakland County Executive. It's a privilege and it's a pleasure, and it's the job of a lifetime.

May this year be a good year for all of you and Oakland County.

Good night.

Oakland County Executive

www.oakgov.com/exec

OakGov Challenge

www.oakgovchallenge.com

Oakland Edge Hockey Tournament

www.oaklandedge.com

Brooksie Way Mini-Grant Program

www.thebrooksieway.com

Dennis Toffolo Endowed Scholarship

www.oakgov.com/exec

L. Brooks Patterson Facebook Page

<http://www.facebook.com/pages/Waterford-MI/Executive-Office-Oakland-County-Michigan/80848069912?ref=nf>

L. Brooks Patterson Twitter Page

<http://twitter.com/brookspatterson>

Oakland County Executive Flickr Photostream

(all photos posted are available for download and use in print publications)

<http://www.flickr.com/photos/ocexecutive/>