

**STATE OF THE COUNTY ADDRESS  
OAKLAND COUNTY EXECUTIVE L. BROOKS PATTERSON  
FEBRUARY 22, 1995  
COMMISSIONER'S AUDITORIUM**

*Opening Remarks*

Thank you all for joining me here this evening. As I begin the second half of my term as Oakland County Executive, I thought this would be an appropriate time to REPORT on the STATE OF THE COUNTY.

These past two years have gone by extremely fast because, frankly, we've been extremely busy.

My first staff meeting was held on January 2, 1993. I had assembled a new, eager team of bright men and women, and we didn't have a whole lot of time to get acquainted before we began to put our fingerprints on county government.

In January of 1993 we put in motion the MERGER of my Department of Public Works with George Kuhn's Drain Office, thus ending more than a DECADE-LONG STRUGGLE to streamline county government and save the taxpayers in one fell swoop over \$2 million the first year.

That merger was the first of many successful efforts to downsize, streamline, reorganize, and privatize various components of county government in the succeeding months.

Going back to those early days of 1993: it didn't take long for an UNTESTED ADMINISTRATION to face one of its greatest challenges: incredibly Oakland County was staring down the barrel of a major budgetary shortfall. In February of '93 we closed the books on the prior year, and knew that a fiscal storm cloud was beginning to form on the horizon.

By July of '93 the storm cloud had in fact materialized into an ANTICIPATED \$24.5 MILLION SHORTFALL for 1994 that would call upon the

best in my Administration and the Board of Commissioners to resolve during the ensuing months.

My Administration, with the FULL COOPERATION AND SUPPORT of the Oakland County Board of Commissioners, took swift and decisive action to PLAY THE HAND WE HAD BEEN DEALT.

First, I called for the FREEZING OF ALL WAGES; next, a temporary HIRING FREEZE was put in place; an EARLY RETIREMENT PROGRAM was devised which ultimately prompted the departure of 243 of my experienced, long term employees who took advantage of the incentive program; for the first time EVER in Oakland County history, BUDGETED POSITIONS WERE DELETED...some 120 in all.

RISING HEALTH COSTS, as much a concern for government as it is for the private sector, moved us to recommend, AND THE BOARD TO ADOPT, A FLEXIBLE BENEFITS PROGRAM. We quickly examined other opportunities for downsizing and privatization; on the heels of MERGING DPW WITH THE DRAIN OFFICE, followed privatization of the MEDICAL, CAFETERIA AND THE JANITORIAL SERVICES at the Medical Care Facility. Later followed the privatization of the Sheriff's Civil Division and Court Summons Services. We streamlined the county's car fleet by ELIMINATING 91 vehicles.

Today our GROSS PAYROLL is \$6.3 MILLION LESS than it was in 1993!

Oakland County government made such a stupendous turnaround that by February of '94 I, TREASURER C. HUGH DOHANY, COMMISSIONER JOHN MCCULLOCH, Finance Chairman, and other members of my Administration were able to go to Wall Street and meet with the representatives of STANDARD & POORS and MOODY'S INVESTOR SERVICES and plead our case for yet an even better bond rating. The budget shortfall had been our PRIMARY TEST, and how we resolved it was the YARD STICK by which Wall Street measured us. We

were given extremely HIGH MARKS for how we dealt with the crisis, and after we returned to Oakland County we were notified that both bond institutions upgraded our bond ratings one full step to "DOUBLE A" and "A-1" RESPECTIVELY. Such rankings are some of the highest in the state, and allows the county and its local units of government to save the taxpayers millions of dollars during the remainder of this decade in LOWER BORROWING COSTS.

Of course, eradicating a shortfall of such magnitude is NOT done in a vacuum, and it certainly is not done without the understanding and support of many people. I would be REMISS if I did not give CREDIT to those who played a SIGNIFICANT ROLE in doing what had to be done to end this ABERRATION in Oakland County FINANCES.

To the BOARD OF COMMISSIONERS, I offer my sincere thank you for standing steadfast and resolute when it came time to make very difficult decisions. The Board exercised great POLITICAL COURAGE in doing what was needed to be done to put Oakland County back on solid footing.

To the OAKLAND COUNTY EMPLOYEES who shouldered their fair share of the burden THROUGH A YEAR OF FROZEN wages, LOSS OF MANY VALUABLE CO-WORKERS due to the Early Out Program and deletion of positions, WITH ACCEPTING the burden of extra work due to the EFFECTS of the HIRING FREEZE: I tell you again tonight what I'VE TOLD YOU SO MANY TIMES over the last two years: your SUPPORT and UNDERSTANDING GUARANTEED THE SUCCESS of these early budgetary programs.

**(PAUSE)**

Many of you may recall that I spent MANY DAYS during my first 11 months as County Executive TOURING every county department, including those under the direction of our very capable county-wide Elected Officials: the Sheriff, the Prosecutor, the Clerk, the Treasurer, the Drain Commissioner, and the Courts.

While I was SHAKING THE HAND of every county employee I could during those 11 months, the ADMINISTRATIVE TEAM that accompanied me took copious notes about what we heard and saw. MOST FREQUENTLY UTTERED were complaints about the LACK OF TECHNICAL SUPPORT, while others complained about the CONDITIONS of the building in which they had to work.

By the time the tour was ended, we had already begun to address these two major complaints. In 1993, there were LESS THAN 200 PERSONAL COMPUTERS in use across a 4,000-PERSON PLUS work force in Oakland County. Today, I'm delighted to REPORT TO YOU that we have increased that number to nearly 1500 p.c.'s, with an ADDITIONAL 300 now at some stage of acquisition and implementation.

During a time of MASSIVE RESTRUCTURING, the COMPUTER SERVICES DEPARTMENT which was reorganized as the DEPARTMENT OF INFORMATION TECHNOLOGY, engaged in 15,000 HOURS of training SO THE EMPLOYEES, eager for technical support, would now have the skills to fully utilize their new technology.

Under the TIRELESS LEADERSHIP of Director Paul Funk, what was NEARLY A 100% "MAINFRAME DOMINANT" strategy for the last 20 years has now been TRANSFORMED into a STATE-OF-THE-ART, DISTRIBUTED COMPUTING ENVIRONMENT.

The tour also revealed that Equalization and Friend of the Court employees were found to be laboring in the most DEPLORABLE CONDITIONS: they were housed in an old ice house where "VISQUEEN" was stapled around the windows to cut down on the drafts, and EVERY SECRETARY had the EVER-DANGEROUS space heater under the desk to keep warm.

I'm delighted to REPORT TO YOU TONIGHT that the Oakland County Board of Commissioners on FEBRUARY 9, 1995 gave APPROVAL for the purchase of the 73,000 square foot Oakland Point Office Park on Elizabeth Lake Road in the shadow of the Clinton Valley Center. We CLOSE on that property TOMORROW MORNING.

Before the end of THIS YEAR we will have RELOCATED 213 employees from their present office site to this more USER-FRIENDLY, MODERN FACILITY equipped to meet the CHALLENGES AND MISSION of these two major county departments.

**(PAUSE)**

As I look back over the past 24 months there are many successful endeavors to report on. One of my PET PROJECTS, one that I spoke about during my campaign in 1992 and which BLOSSOMED WITH PHENOMENAL SUCCESS, is the OAKLAND COUNTY BUSINESS ROUNDTABLE. The Roundtable was comprised of business leaders, educators and governmental officials - 125 in number - and charged by me to come up with a BLUEPRINT that would keep OAKLAND COUNTY - THE THIRD WEALTHIEST COUNTY IN AMERICA - ECONOMICALLY COMPETITIVE as we PREPARE for the CHALLENGES of the 21st century.

Twelve sub-committees reported back to me after 18 months of exhaustive work this past January with a total of 60 RECOMMENDATIONS AND IMPLEMENTATION STRATEGIES to improve AND HONE the fine edge of the BUSINESS CLIMATE in Oakland County. We're digesting those recommendations now.

While I'm on the subject of economic development, let me QUICKLY REPORT to you on ANOTHER SUCCESS in that ARENA:

In 1994 we were able to carry Oakland County's PRO-BUSINESS message to the nation. For the first time ever a county ECONOMIC DEVELOPMENT TEAM sold advertising and created a 12-page insert that was published in the Wall Street Journal last February 25. This unique approach reached business leaders in 17 states, and told the story of Oakland County's pro-business climate.

We're in the process of duplicating that effort now, and hopefully we'll compile a 20-PAGE INSERT for this year.

We also created videos, thanks to our friends in the PRIVATE SECTOR. We had those videos translated into five languages: GERMAN, JAPANESE, SPANISH, FRENCH, and of course ENGLISH. Each video again tells the Oakland County story: the ECONOMIC ENGINE that DRIVES the STATE ECONOMY. A COUNTY in the process of CREATING 52,000 jobs during 1994 and 1995. A COUNTY that has 38,000 BUSINESSES, and an annual PAYROLL of \$17 billion, RETAIL SALES greater than 15 states. A County that REPRESENTS 51% of the nation's ROBOTICS SALES, and ON AND ON the PRO-BUSINESS MESSAGE GOES.

These videos are marketing tools we will use to RECRUIT STILL MORE businesses FROM AROUND THE WORLD to Oakland County, the EVER-EXPANDING HIGH-TECH, MANUFACTURING, AND RETAIL CENTER of THE MIDWEST.

Still LOOKING BACK over the last two years, there are other projects which we undertook, and I POINT TO WITH PRIDE:

DURING MEMORIAL DAY week-end of 1994, after more than eight years in storage, the OAKLAND COUNTY VETERAN'S MEMORIAL was finally unveiled and dedicated in a very moving ceremony. It stands, lighted now, in the teardrop circle at the north entrance to the courthouse.

We also witnessed the COMPLETION of the WEST WING EXTENSION, a beautiful new ADDITION adjoining this Auditorium TO THE NORTH, which was brought in a MILLION DOLLARS UNDER BUDGET.

One of the MAJOR INITIATIVES which has consumed a great deal of time and effort during our first two years has been the decision to move Oakland County from "SHARED MANAGEMENT" of the community mental health programs WITH THE STATE to "FULL MANAGEMENT" of the Community Mental Health programs UNDER THE COUNTY'S CONTROL. This has resulted in an ADDITIONAL \$70 MILLION OF MANAGEMENT RESPONSIBILITY under the control of the COMMUNITY MENTAL HEALTH BOARD.

The process of movement from SHARED TO FULL MANAGEMENT is a tedious task, but is going very well, thanks in no small measure to the active participation of the STAKEHOLDERS THEMSELVES. Many of the MENTAL HEALTH SERVICES, RELATING TO THE ENTIRE \$100 MILLION MENTAL HEALTH BUDGET, are now in the process of being PRIVATIZED and CONTRACTED OUT.

Another CAMPAIGN PROMISE I made in 1992, and I'm delighted to report to you this evening THAT I KEPT - and I THINK I KEPT IT IN spades - is a commitment that reflects my concern for the SOUTH END OF THE COUNTY where two-thirds of our residents live. The South Oakland communities are the MORE MATURE COMMUNITIES OF OAKLAND COUNTY, and because they are the older communities, they face many of the problems THAT AGING COMMUNITIES face around the country.

To make sure that the SOUTH OAKLAND COMMUNITIES have a strong voice in the decision-making processes of Oakland County government, I asked the Board in 1993 to create one new position, that of "SOUTH OAKLAND COUNTY

GOVERNMENT LIAISON." I'm delighted to report that the Board created that position and I filled it BY APPOINTING JEAN CHAMBERLAIN.

While NOVI MAY be our fastest growing community, and AUBURN HILLS has rocketed to INTERNATIONAL ATTENTION AS A HIGH-TECH ARENA, South Oakland has a unique story to tell, and I tell it often:

THESE are the communities of Oakland County where the INFRASTRUCTURE is already in place and paid for. THESE are the COMMUNITIES that have A TRAINED WORK FORCE, anxious to fill some of the 52,000 new jobs now being created in this county. THESE are the COMMUNITIES that have ATTRACTIVE AND AFFORDABLE HOUSING. And finally, THESE are the COMMUNITIES that have DECADES of TRADITION with TOWN PRIDE and COMMUNITY SPIRIT. As County Executive, I can assure the residents of these communities that I am well aware that South Oakland starts at Eight Mile Road, not I-696.

Also, in the SOUTH END of the County I'm delighted to have PLAYED A PART IN CONVINCING THE GOVERNOR OF THE STATE that the NEW LOCATION for the MICHIGAN STATE POLICE Post should be on the I-696 FREEWAY CORRIDOR in OAK PARK. Ground has now been BROKEN for that WELCOME new LAW ENFORCEMENT addition.

While over the last two years we spent a great deal of our time working with the BUSINESS AND EDUCATIONAL COMMUNITY and with LOCAL GOVERNMENTAL UNITS, we've also spent PRODUCTIVE time on INTERNAL PROGRAMS. One such program which has proven to be rewarding for the employees, and at the same time SUCCESSFUL in REDUCING THE COST OF COUNTY GOVERNMENT, has been the EMPLOYEE SUGGESTION PROGRAM. Employees are requested to submit any COST-SAVING IDEA, and a committee of fellow employees EVALUATES THE



MERITS of the suggestion. Meritorious ideas are recommended by the Committee to the various departments for IMPLEMENTATION. Since inception, the employees, through their suggestions, have saved the taxpayers of Oakland County \$1.7 MILLION!

### **VINCE LUZI PROPOSAL**

Because we WERE A new Administration, FORGED from the VERY BEGINNING in the CRUCIBLE OF A BUDGETARY CRISIS, WE have been CONDITIONED EVERY DAY to look for additional ways to REDUCE the cost of county government. There's one NEW COST CUTTING PROGRAM that's JUST been successfully completed that I'd like to REPORT ON TONIGHT:

You should know, it's NOT JUST THE MEN AND WOMEN OF THE BUDGET DEPARTMENT that look for ways to cut costs, this is an EXPECTATION that permeates every department.

One notable return on that EXPECTATION was the proposal developed by VINCENT LUZI, MY DIRECTOR OF PERSONNEL.

Vince knew that there were approximately 400 employees of Oakland County government who had STAYED WITH COUNTY GOVERNMENT more than EIGHT years (and therefore had VESTED in the RETIREMENT PROGRAM), but LEFT BEFORE age 60, and therefore had NOT YET DRAWN their first retirement check. RETIREMENT DOLLARS had been put aside for these employees, and they would be able to draw upon these dollars ONCE THEY REACHED THE AGE OF 60.

At the same time, OAKLAND COUNTY'S OBLIGATION to fund the HEALTH CARE COSTS for these retirees at age 60 HAD MUSHROOMED TO TWICE THE AMOUNT OWED FOR THE PENSION BENEFITS.

The program devised by Vince was UNIQUE, SIMPLE, AND SUCCESSFUL.

He proposed we contact all 400 employees and offer them the "PRESENT CASH VALUE" of their retirement benefits today. Since funds had been set aside for these former employees, we were ESSENTIALLY OFFERING them back their OWN MONEY, therefore costing the taxpayers NOTHING.

But if they were going to REDEEM their RETIREMENT BENEFITS IN CASH TODAY, the QUID PRO QUO, the EXCHANGE - was that the FORMER EMPLOYEE would have to SURRENDER any CLAIM they had for any FUTURE MEDICAL BENEFITS.

Now you might ask, WHY would a person give up future medical benefits in exchange for immediate redemption of their retirement dollars? Very simple: THEY MAY be covered under ANOTHER PLAN, or their SPOUSE MIGHT have health benefits in their retirement program, and therefore there WAS NO NEED TO HAVE TWO FUNDED HEALTH PROGRAMS.

We were hoping for 25% participation in this effort. I'M DELIGHTED TO REPORT TO YOU that over 40% of the eligible former employees took advantage of the offer. This "EXCHANGE" I've just described REDUCED THE COUNTY'S LIABILITY in the EMPLOYEES' HEALTH CARE TRUST BY \$9 MILLION. Further, according to my Budget Department, we WILL BE SPARED THE OBLIGATION TO CONTRIBUTE APPROXIMATELY \$769,000 to this Health Care Fund EACH YEAR FOR THE NEXT 30 YEARS.

That program is UNIQUE IN AMERICA; it's up for all kinds of awards. It marks the kind of CREATIVITY that we have COME TO EXPECT from the talented people here in Oakland County government.

**(PAUSE)**

PERMIT ME ONE LAST LOOK BACK:

It was on OCTOBER 11, 1993 that I WROTE COMMISSIONER LARRY CAKE, Chairman of the Board of Commissioners. I recommended FORMALLY abandoning the infamous SOLID WASTE INCINERATOR. The Board DID SO on November 4, 1993. Not only did we RELIEVE THE ANGST of the host communities, but as it turned out we RELIEVED THE ANGST OF WALL STREET as well. PULLING THE PLUG on this costly project did not go unnoticed by Wall Street when we met with them in February of '94 to seek an improved bond rating. They were CLEARLY WATCHING to see how we would handle this \$500 million exposure.

In retrospect, THE DECISION to ABANDON the incinerator may have been one of the MOST IMPORTANT DECISIONS we made in Oakland County government during my BRIEF term as County Executive. As you all know, following the decision to TERMINATE THE INCINERATOR, THE SUPREME COURT, ON MAY 15, 1994, in the CARBONE CASE, ruled that CONTRACTS TO GUARANTEE "FLOW CONTROL" WERE ILLEGAL. Had we built the incinerator based upon our INTERGOVERNMENTAL AGREEMENTS, we would SUBSEQUENTLY have been exposed to HORRENDOUS FINANCIAL LIABILITY.

## **FUTURE GOALS**

While I've been looking RETROSPECTIVELY this evening on some of our accomplishments over the last 24 months, I think it's EQUALLY IMPORTANT to LOOK AHEAD to the challenges that lie before us.

A county of 1.1 MILLION RESIDENTS with a budget of \$448 million and experiencing EXPONENTIAL GROWTH in literally every sector of our society - such a COUNTY will NOT LACK for real challenges in the next 12 to 24 months.

One of my highest priorities will be to continue to EMPOWER COUNTY EMPLOYEES with the TECHNOLOGICAL SUPPORT AND TRAINING they need to carry out their function in a highly efficient and INCREASINGLY PRODUCTIVE MANNER.

We will COMPLETE the DISTRIBUTED COMPUTER NETWORK, we will complete the WIRING of the east and west campus with a STATE-OF-THE-ART, HIGH SPEED FIBRE-OPTIC NETWORK, and we will look to other INNOVATIVE HIGH-TECH PROGRAMS to enhance the services provided to the public here in Oakland County that can be accomplished only through technology.

Let me make an ANNOUNCEMENT tonight REGARDING two such innovative programs on the DRAWING BOARD: It is my personal belief that the GIS Program - a GEOGRAPHICAL INFORMATION SYSTEM - is essential in a county that is as progressive as Oakland County. We have 61 communities, each controlling a maze of data. Once the GIS "BASE MAP" is created, the uses of such a map are ONLY LIMITED by our CREATIVITY.

Some of the COMPUTER PROGRAMS that we have looked at contain up to 136 levels of FUNCTIONAL APPLICATIONS that could be utilized by both business, government, and the PUBLIC AT LARGE. Examples of "DATA OVER-LAY" would include locating utility lines, sewers, roads, wells, underground water flow, boundary lines, easements, and so forth.

This information can ONLY be COORDINATED by a sophisticated Geographic Information System, and the COUNTY MUST LEAD THE WAY in this important project.

In addition to developing a GIS system, there IS THE COUNTY ITSELF sitting on a VERITABLE RESERVOIR of information that could and should be made available to the private sector THROUGH TECHNOLOGY. COMPUTER ACCESS to COURT FILES, access to REAL ESTATE INFORMATION

contained in the Register of Deeds' files, access to TAX INFORMATION in the Treasurers Office, and MUCH MORE is the kind of information that can be brought ON-LINE and allow the COUNTY to PROVIDE an ENHANCED SERVICE-FOR-FEE to interested parties.

These two programs, GIS and the LINKING OF THE PRIVATE SECTOR with Oakland County governmental data through computer technology, is SO CRITICAL for the future economic growth and well being of this county, that I have taken a BOLD STEP which I would ALSO like to ANNOUNCE TONIGHT.

I've asked my BUDGET DIRECTOR ROBERT DADDOW to take off his green shade for the moment and to don a technology cap. Bob had agreed to SPEARHEAD a TECHIE TASK FORCE which I have formed IN-HOUSE. Known for his PRODIGIOUS WORK HABITS, I have CHARGED BOB DADDOW to move with all DUE SPEED and DILIGENCE to research BOTH PROGRAMS and have them at OPERATIONAL CAPACITY within 18 months.

Certainly the HALLMARK of my Administration for the first two years, and to REMAIN so during the years that I serve as Oakland County Executive, has been the STEADFAST PRO-BUSINESS STANCE we have adopted in order to create a CLIMATE where the businessman and businesswoman will feel welcome to INVEST, to CREATE JOBS, and to CONTINUE the QUALITY OF LIFE that personifies what we stand for in Oakland County.

The 60 suggestions from my Business Roundtable have presented me with a "CAREER" of projects to undertake to ensure Oakland County's regional leadership and competitiveness.

One of the 60 suggestions called for MORE-IMPROVED ACCESS TO FOREIGN MARKETS with the intent to yield yet additional opportunities for Oakland County businesses and to help secure Oakland County's POSITION as a LEADER in the INTERNATIONAL MARKETPLACE OF TOMORROW.

Toward that end, I'm delighted to ANNOUNCE THIS EVENING that I will be taking to the Board of Commissioners, for their approval, the ESTABLISHMENT OF A LEGITIMATE "ONE STOP IMPORT/EXPORT SHOP" here in Oakland County government. For the FIRST TIME, WE THINK IN AMERICA, UNDER ONE ROOF you will find the following agencies working to improve Oakland County's BUSINESS OPPORTUNITIES FOR EXPANSION ABROAD:

REPRESENTATIVES from the United States DEPARTMENT OF COMMERCE, MICHIGAN INTERNATIONAL TRADE AUTHORITY, the SMALL BUSINESS ADMINISTRATION LOAN PROGRAM, and representatives from our own ECONOMIC DEVELOPMENT DEPARTMENT. They will set up shop and will be WORKING SIDE BY SIDE, not in duplication, not in conflict. The end result will be to more effectively promote Oakland County AND THE REGION'S BUSINESS to the rest of the world.

Not only will we look to EXPAND THE BUSINESSES in Oakland County through EXPORT OPPORTUNITIES, we will CONTINUE TO SERVICE our existing 38,000 businesses that have made Oakland County the powerhouse that it is.

When the REDESIGNED AND EXPANDED space for the Planning and Economic Development Department is completed this June in the E.O.B., we will PROVIDE BUSINESS IN ONE LOCATION with a DAZZLING ARRAY of services, including computerized data for SITE SELECTION, local zoning ordinances, building restrictions, AERIAL MAPS that have the capabilities of being overlaid with roads and parcel boundaries, census data, and a complete variety of marking tools. This space will also house a DEVELOPMENT ASSISTANCE TEAM comprising ARCHITECTS, DEMOGRAPHERS,

MARKETING AND FINANCIAL SERVICES, small BUSINESS COUNSELING to help business to either locate to or expand in Oakland County.

**(PAUSE)**

Other internal matters that top my agenda in 1995 will be to COMPLETE on behalf of our employees, THE TRANSITION from the DEFINED BENEFIT RETIREMENT Plan to the DEFINED CONTRIBUTION RETIREMENT PLAN. This new plan, the DC plan, will result in SUBSTANTIAL LONG-TERM SAVINGS in millions of dollars to the county, while at the same time providing potential LONG-TERM GROWTH, EARLIER VESTITURE, and PORTABILITY not currently available to employees under the present DEFINED BENEFIT RETIREMENT PLAN.

The FULL IMPACT of this conversation from a Defined Benefit to Defined Contribution Plan won't be REALIZED FOR 20 YEARS, long after most of us in this room have retired from public service. But we're PROUD to put in place this year a program that will HELP ENSURE the FINANCIAL STABILITY of Oakland County TWO DECADES HENCE.

This is NOT UNLIKE what happened 10 years ago when County GOVERNMENT ELIMINATED LONGEVITY PAY FOR EMPLOYEES. The year THAT ACTION was taken, and during the SUCCEEDING NINE YEARS, there was NO immediate benefit to the county. However, THIS YEAR the action taken by the BOARD OF COMMISSIONERS and then COUNTY EXECUTIVE DAN MURPHY in 1985 is starting to pay dividends. SUCH FORESIGHT is to be RECOGNIZED and COMMENDED TONIGHT.

We have TRIED TO EMULATE the example of such "FUTURE PLANNING" in the action we have taken to create a DEFINED CONTRIBUTION RETIREMENT PLAN.

1995 will also be a BUSY YEAR for our FACILITIES MANAGEMENT DEPARTMENT. Projects that began in '94, which we hope to complete by the end of this year, include: the SALE of the SOCIAL SERVICES BUILDING at 196 Oakland, improvements to county facilities required by the AMERICANS WITH DISABILITIES ACT, construction of the NOVI DISTRICT COURT, conversion of the old Walled Lake Court into a "WESTERN OAKLAND COUNTY GOVERNMENT SERVICE CENTER," completion of the SERVICE CENTER SIGNAGE, to NAME BUT A FEW.

During my term as County Executive we will CONTINUE to look for OPPORTUNITIES TO PRIVATIZE. The BENEFITS OF PRIVATIZATION are solidly ingrained IN OUR ADMINISTRATION. In fact, as I speak tonight, we are ACTIVELY INVOLVED in the process of privatizing yet another component of county government: the EMERGENCY MEDICAL COMMUNICATIONS SYSTEM, often referred to as OCOM. By converting OCOM to the COUNTY'S 800 MHZ SYSTEM, we can utilize STATE-OF-THE-ART TECHNOLOGY to ENHANCE SERVICE to the public while reducing operating expenditures by over \$400,000 ANNUALLY. Other counties around the state, and region, are watching Oakland County as we once again BREAK NEW GROUND THROUGH TECHNOLOGY.

### ***IMBALANCE OF MONEY***

One of the AREAS that concern me most in my REPORT TO YOU ON THE STATE OF THE COUNTY is the IMBALANCE of the dollars we send to Lansing each year, and the meager return on those tax dollars. Oakland County is the STATE'S LARGEST PROVIDER OF TAX DOLLARS: \$1.9 billion. But we rank 79th of 83 counties in terms of TAX DOLLARS RETURNED.

We are a MAJOR-DONOR COUNTY to the extent of \$754 million!



Yes, WE ARE THE ECONOMIC ENGINE that drives the state economy; and YES, our MIGHTY ENGINE pulls a LONG TRAIN of programs and services that BENEFIT OTHER REGIONS OF THE STATE OF MICHIGAN. But as MIGHTY AS OUR ENGINE MIGHT BE, IT CANNOT be expected to pull a LONGER AND HEAVIER train every year. In addition to the \$754 million negative spending gap created by Lansing, other Oakland County taxpayer dollars are being DIVERTED closer to home:

For example:

- OVER \$4 MILLION a year from taxes on OAKLAND COUNTY HOTELS AND MOTELS go to the city of Detroit to help LIQUIDATE the bonds for the Cobo Hall expansion. (I might add we do THIS while doing NOTHING FOR A COMPETING EXPO CENTER in Novi, OAKLAND COUNTY'S FASTING GROWING COMMUNITY.)
- We contribute \$6.7 million from OAKLAND COUNTY RESIDENTS to the HURON METRO PARK SYSTEM.
- WE GIVE \$347,000 IN ANNUAL DUES to the Southeast Michigan Council of Government, \$100,000 more than the Wayne County DUES.
- Oakland County ACCOUNTS FOR \$2.9 MILLION of the \$22.4 million COLLECTED IN LIQUOR TAX REVENUES IN 1993. These funds are used to cover ANY PORTION of the Cobo Hall DEBT SERVICE not covered by the hotel tax - WE RECEIVE BACK \$510,000 IN LEFTOVER REVENUE.

Our taxpayers have been asked to GIVE...AND GIVE GENEROUSLY. PLEASE PONDER this: I TRULY BELIEVE OUR ECONOMY IS - TRULY IS - the economic engine that drives the state economy. Lansing should LOVE Oakland County!

But if Oakland County is to CONTINUE TO LEAD MICHIGAN IN JOB CREATION, as we ARE WITH 47% OF ALL THE NEW JOBS IN THE STATE, all we ASK IN RETURN is a more level playing field upon WHICH TO COMPETE.

This is all the MORE COMPELLING as the impact of "PROPOSAL A" comes into focus. We expect that our REVENUE GROWTH will be SUBSTANTIALLY RESTRICTED because of the effects of Proposal A, compared to the growth we've enjoyed in previous years.

While the "COST OF LIVING" computed for 1995 TAXABLE VALUES is 2.6%, we expect a net increase in "TAXABLE VALUES" in 1995 to be in the 1.5 - 2.0 percentage range. This could result in a POTENTIAL REVENUE LOSS to the county of \$4 million.

So it is obvious that we must be even more aggressive in leveling the playing field IN THE YEARS TO COME.

SPECIFICALLY, during the remaining two years of my term, I intend to work more closely with our GOVERNOR AND OUR LEGISLATIVE DELEGATION TO END the DISCRIMINATORY FORMULA under Public Act 189 of 1993, where the Supreme Court Administrative Office literally PENALIZES Oakland County more than ONE MILLION DOLLARS A YEAR due to a SKEWED ALLOCATION FORMULA.

In fact, in the whole arena of court financing, I will fight for more equity. Why should WAYNE COUNTY and the city of DETROIT RECEIVE IN EXCESS OF \$62 MILLION A YEAR TO FUND THEIR COURTS, and Oakland County RECEIVES VIRTUALLY NOTHING?

I will ask for EQUITY FOR Oakland County when it comes to REIMBURSEMENT for our Department of Social Services programs. Why

should Oakland County be reimbursed for myriad programs AN AVERAGE of \$318.88 when the STATE AVERAGE is \$615.29?

I will work with the Governor and our Legislative delegation to AVOID the IMPOSITION of a CHILD SUPPORT ENFORCEMENT SYSTEM (C.S.E.S.), a SUB-STANDARD computer program being FORCED DOWN upon our Friend of the Court from Washington, D.C.

THROUGH THE STATE, by the threat of THE LOSS OF FEDERAL FUNDS if we do not participate? Our Friend of the Court is "LIGHT YEARS" AHEAD in technology with such programs as "COMPUTER IMAGING." Why should we BE FORCED TO ACCEPT AN INFERIOR FEDERAL MODEL?

I will WORK with the GOVERNOR and our LEGISLATIVE delegation to see that proposed LAND USE LEGISLATION will not pass the LEGISLATURE nor the GOVERNOR'S desk where such legislation would ADVERSELY IMPACT THE COUNTY'S GROWTH AND ECONOMIC DEVELOPMENT POTENTIAL.

I ASK THE BOARD OF COMMISSIONERS - both Republicans and Democrats - to JOIN WITH ME in this fight for EQUITY FOR OAKLAND COUNTY!

**(PAUSE)**

Before I close, I wish to make ONE FINAL POINT THIS EVENING: my RELUCTANCE to MERGE the suburban bus system with DDOT, the Detroit Department of Transportation. DDOT is losing approximately \$30 million a year, and that LOSS IS made up BY CONTRIBUTIONS from Detroit's General Fund. The SMART system in the suburbs is losing a little over \$4 million a year, and is on the verge of financial collapse.

My friend Dennis Archer, the Mayor of the City of Detroit, WISHES TO MERGE THE TWO SYSTEMS. But to do so, I WOULD ARGUE, would simply

CREATE ONE LARGE FAILING SYSTEM. The Mayor of Detroit says that a merged system would be "GOOD FOR BUSINESS," that it would be an "ECONOMIC DEVELOPMENT STIMULUS."

But the merged system contemplated by the Mayor would require a HEFTY \$26 MILLION TAX INCREASE IN OAKLAND COUNTY ALONE. Everybody in business knows that you don't IMPROVE THE BUSINESS CLIMATE BY RAISING TAXES.

To ask OAKLAND County TAXPAYERS TO RAISE THEIR PROPERTY TAXES BY \$26 MILLION to HELP BAIL OUT an INEFFICIENT DETROIT BUS SYSTEM is simply out of the question. TO PUT IT BLUNTLY, THAT DOG WON'T HUNT.

It's easy to say what I'M AGAINST, so let me tell you what I'M FOR: I'm for a COMMUNITY-BASED TRANSPORTATION SYSTEM. When I say a community-based transportation system, I mean A SYSTEM WHICH DOES NOT HAVE FIXED ROUTES, FIXED SCHEDULED vehicles, but one which is CUSTOMER DRIVEN, BACKED BY COMPUTER-AIDED DISPATCH, CAPABLE OF RESPONDING WITHIN A LOCAL AREA or community to the CUSTOMER'S request for POINT-TO-POINT SERVICE.

I'm NOT ALONE in this call for a community-based transportation system. As recently as Sunday, February 12, 1995, in the Detroit News, TED KOLDERIE, AN OP-ED CONTRIBUTOR and transportation consultant to the CENTER FOR POLICY STUDIES IN MINNEAPOLIS, strongly agreed with the community-based transportation APPROACH.

He reasoned, that THOUGH THIS REGION has LAGGED BEHIND others in the country when it comes to PUBLIC TRANSPORTATION, such a delay may be a "BLESSING" in disguise. He wrote, "Having kept its OPTIONS OPEN, the Detroit area has a GREAT OPPORTUNITY to DESIGN and DEVELOP the kind

of system that serves well (and at reasonable cost) the DISPERSED REGION that HAS REALLY COME TO EXIST." He's talking about COMMUNITY-BASED TRANSPORTATION.

Everyone agrees that even this LOW CAPITAL SYSTEM will require some PUBLIC FINANCIAL SUPPORT lacking in OUR region today.

**(PAUSE)**

I've come to the conclusion that PUBLIC TRANSIT is an ECONOMIC DEVELOPMENT issue. We've identified over 350 Oakland County companies whose employees are dependent upon public transportation to get from THEIR HOME to the JOB SITE. Failure to provide a system for transit dependent employees could cost us jobs in Oakland County, jobs that we have fought long and hard to create and maintain. Therefore, after considerable research and deliberation, I TURNED MY MOTHER'S PICTURE TO THE WALL and agreed that I would TAKE TO THE BOARD OF COMMISSIONERS a proposal to place a QUARTER-MILL PROPERTY TAX on the ballot FOR A VOTE OF THE PEOPLE. THIS QUARTER-MILL, substantially lower than the four/fifths mill proposed by the Mayor, WILL RESCUE SMART from imminent BANKRUPTCY.

I also indicated that the quarter-mill PROPOSAL would have to contain a "SUNSET PROVISION" where the tax would EXPIRE IN THREE YEARS.

During the three years that the quarter-mill tax levy would be in place, SMART WOULD HAVE TO DO TWO THINGS: show movement toward a VIABLE COMMUNITY TRANSPORTATION SYSTEM; and secondly, REVITALIZE THE "LINE HAUL" SEGMENT OF THE PRESENT SYSTEM so that it could be privatized at the end of the three years, OR GO OUT OF BUSINESS.

**(PAUSE)**

Having said that I WOULD OPPOSE A SYSTEM MERGER, let me hasten to add this thought: the FAILURE to be in agreement with MAYOR ARCHER ON THIS ONE ISSUE SHOULD NOT, and DOES NOT, injure our personal relationship nor the POLITICAL RELATIONSHIP between suburb and city.

SUBURBANITES and CITY DWELLERS must understand that we cannot be in agreement on every issue. I have expressed my PHILOSOPHY before, but let me state it again this evening: "If a program is GOOD for OAKLAND COUNTY and it's GOOD for DETROIT, I'LL BE SOLIDLY FOR IT. If it's a PROGRAM that's GOOD FOR DETROIT and NEUTRAL to the interests of Oakland County, I'LL BE FOR that as well. But if it's a program that's GOOD FOR DETROIT OR ANY OTHER AREA but HARMS THE INTEREST OF OAKLAND COUNTY, then I WILL OPPOSE IT."

### ***CLOSING***

Let me CLOSE my STATE OF THE COUNTY tonight by acknowledging that I am acutely aware of the challenges that lie before us if we are to maintain our LEADERSHIP ROLE in the region, and for that matter, IN THE COUNTRY.

A "CHALLENGE" is really an OPPORTUNITY in disguise - an opportunity to FIND CREATIVE, INNOVATIVE WAYS TO RESOLVE PROBLEMS; an opportunity to leave our mark on future generations.

I often refer to Oakland County AS A CITY IN THE COUNTRY. While our population exceeds that of TEN STATES, I'm also very cognizant of the fact that we have BUILT THIS ECONOMIC engine in the MIDST OF NATURAL BEAUTY.

There are 450 LAKES IN OAKLAND COUNTY, more than any other county in Michigan. 87,000 TOTAL ACRES OF PARK LAND; ski slopes, indoor and outdoor arenas; more than 70 public golf courses, 11 institutions of higher

learning, and SCORES OF OTHER AMENITIES that enrich the LIVES OF OUR CITIZENS. And while we may be the OKLAHOMA TERRITORY of the 20th century, Oakland County is still considered 52% NON-URBAN.

My role as Oakland County Executive is clear: TO CONTRIBUTE in any way I can to maintaining a POSITIVE BUSINESS ENVIRONMENT while PROTECTING our unique QUALITY OF LIFE. We are the STEWARDS of Oakland County's future, and we must insist on BALANCED, QUALITY GROWTH.

As the LEADER of the Executive Branch of government, in conjunction with the equally VITAL ROLE played by the POLICY MAKERS in Oakland, our Oakland County Board of Commissioners, and with the support of the other COUNTY-WIDE ELECTED OFFICIALS AND JUDGES, I pledge to keep Oakland County THE PREMIER location in which TO LIVE, to WORK, to invest, to RECREATE, and to RAISE A FAMILY.

That is my mission as Oakland County Executive, and I will report to you all again next year on the progress we have made.

Thank you, and good night.

**L. BROOKS PATTERSON  
OAKLAND COUNTY EXECUTIVE**