

**STATE OF THE COUNTY ADDRESS
OAKLAND COUNTY EXECUTIVE L. BROOKS PATTERSON
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MSU MANAGEMENT CONFERENCE CENTER
TROY, MICHIGAN**

Thank you very much, Mr. Speaker, for your kind introduction. I'm delighted you were able to join us this evening.

And good evening, ladies and gentlemen, and welcome to my annual report on the state of Oakland County. I appreciate all of you taking time out of your busy schedules to join me here tonight while we take a quick look at where Oakland County's been during the calendar year '05 and what's in store for '06 and beyond.

In the first draft of tonight's speech – a couple of weeks ago – I described Oakland County with such words as “healthy,” “strong,” “robust,” but then you've heard all those adjectives in past years as I have tried to describe what we all have built here within these 910 square miles.

So rather than me attempting to tell you how Oakland County is doing, let me turn to statements made by an objective outsider from Wall Street. I refer specifically to Moody's Investors Services who, along with Standard and Poor's, once again in 2005 conferred upon Oakland the highest bond rating in America: AAA.

In their transmittal letter reaffirming our AAA status, Moody's said of Oakland County, and I quote: “Moody's believes that Oakland County will continue its role as an economic engine ... New residential and commercial development continues to keep pace with the demands of an increasing affluent population that is characterized by per capita income equal to 147% of the state average and 120% of the national average.”

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“The county's sound financial management is further evident in the continuous proactive measures it takes to address challenges for future fiscal years.”

Well, that sums of my State of the County for tonight.

Before I launch into the full text of my speech, I do want to clarify something. Last year I kept all of you in your seats for close to an hour. I promise to be mercifully more brief this evening. (After my speech last year, some of my staff started referring to me as “Fidel.” Of course, they’re no longer with us.)

As I report on some of our program challenges and successes from last year, with a forward look to the challenges of ’06, let me set the stage for tonight’s remarks. I think I’m long overdue in sharing a macro look at my goals and philosophy for Oakland County.

I’ve been in this job now for a little more than 13 years. Everybody in this room is either family, friend or a colleague and I venture to say you all have a pretty good understanding of where I would like to take the county.

Pardon the hyperbole, but this county is the closest thing to the Promised Land that we’re going to see in our lifetime. (As I just said, we’re blessed here in Oakland County.) This AAA rated county is the fourth wealthiest in the United States. Our 61,000 businesses generate enough economic activity to rank us above 15 separate states. Moody’s reconfirmed what we already knew: we’re the economic engine that drives the state economy.

My role, and that of my excellent staff, is pretty simple when you come to think of it: keep the momentum going; create an environment where people want to live, work, invest; raise a family; and focus on devising programs to support and sustain our unique quality of life.

My goal on the business side of the ledger, as I’ve said many times, is to accept that while I cannot make Oakland County recession proof, my team and I can at least make Oakland County recession resistant.

And how do we do that? I’ve thought about it long and hard and the answer is first) you must have a long term vision; second) your team must have the freedom and talent to execute; and third) you must have patience.

Political leaders must understand they are not going to make things happen in two year election cycles or four year election cycles. You must be willing to plant the seed today, nurture it, understanding it may be years before it bears fruit.

To be honest about it, some of the programs that I have instituted in Oakland County may not come to fruition until long after I'm retired. But as I think about it, I've come to believe more and more, that's what leadership is all about.

I'm a student of history and I learn from history. One example I'd like to share with you tonight concerns the Republic of Ireland. Back in the early 1980's Ireland was the doormat for the European economy. On your way to do business in Europe you might want to land in Dublin and quaff a beer with some really friendly folks. But it was not a place where you did business.

But then the Irish got serious. They did their research and they put a long term plan in place. Then they worked and exercised patience. Today, some 24 years later, Ireland has the second strongest economy in the entire European Union. There's a lesson to be learned here.

I'd like to think that some of the best initiatives that my team and I have launched over the past 13 years have, at their core, patience as an ingredient.

For example: my Business Roundtable. A group of business and education leaders from across Oakland County, who meet throughout the year and then give me important recommendations about how to improve Oakland County's business climate is now in its 13th year. Automation Alley, a high-tech consortium of businesses, is now eight years old. Main Street, a national heritage preservation program that we joined with a mission of rejuvenating our downtowns, is now five years old.

Wireless Oakland and Emerging Sectors are in their infancy, but are built upon a foundation of long-term planning and execution.

I refer to all these programs as "legacy programs." By that I mean they've been around for years and I'm betting that they'll be reaping dividends for the citizens of Oakland County for years long after I'm gone.

Let me start tonight's State of the County by updating you on these legacy programs.

Emerging Sectors

Last year I announced the launching of the Emerging Sector's initiative. The program dates back to October of '03 when I walked into Deputy County Executive Dennis Toffolo's office – he was at that time Director of Economic Development – and I showed him a newspaper headline that said Michigan had lost 220,000 jobs. (Today the number, unfortunately, exceeds 300,000.) I told Dennis it was my opinion these jobs were not coming back and I wanted him and his excellent staff to research what the business sectors and the new jobs for tomorrow might look like.

Specifically, I wanted Dennis to research which sectors would attract high-tech, high quality, high paying jobs that would set the pace for Oakland County's economic growth for the next 50 years. And once that was accomplished I asked that he find me the ten best companies from within each of those ten sectors.

Eight months later I was presented the research: ten sectors for Oakland County's future growth that would diversify and ensure our economic vitality well into the 21st Century. These sectors are:

- **Advanced Electronics & Control Systems**
- **Advanced Materials & Chemicals**
- **Alternative Energy & Power Generation**
- **Biotechnology**
- **Communications & Information Technology**
- **Homeland Security**
- **Medical Devices & Instruments**
- **Micro/Nanotechnology**
- **Robotics & Automation**
- **Financial Services and other fast-growing business sectors**

During that same presentation I also noted an alarming statistic: 60% of the top 100 companies in the world, companies upon which we could build a strong, dynamic, diversified economic base for our future had no presence any place in the United States of America!

Europe and Asia had clearly reached the point where they could legitimately challenge America's decades-long claim to technological superiority.

Just as clearly, it told me that our team would have to do a lot of overseas business recruitment if my plan was to succeed.

The Emerging Sectors program, although a little over two years old, is already bearing fruit. Just last year alone in 2005 we recruited 15 companies from around the world under the rubric of Emerging Sectors. These new Emerging Sector companies are involved in such diversified areas as advanced electronics and control systems; advanced material and chemicals; alternative energy and power generation; financial services; biotechnology, and so forth.

Listen to this: we are now averaging over two foreign corporations a month coming from around the world expanding into Oakland County.

Over the past two years, the growing presence of the Emerging Sectors companies in Oakland County has generated more than \$209 million in new investments; \$5.2 million in new taxes for the County and local communities; 2,452 new jobs have been created with an additional 1,215 jobs retained.

Not a bad start for a program still very early in its stages of development. The credit goes to Dennis Toffolo and his first rate Economic Development team.

For the trivia buffs in the audience: the fastest growing Emerging Sector in Oakland County is the one we call "Financial Services." Oakland has indisputably emerged over the years as the financial hub of Michigan and is the growing financial center in the Midwest. Within the past year, nearly a dozen financial institutions, including Fifth Third Bank, Raymond James, National City, Key Bank and Citizens Bank have moved major operations into the County.

The 30 major banks now located within our 910 square miles have made Oakland County tops in the state with nearly \$32 billion in total deposits. In fact, the value of deposits in our Oakland County financial institutions has grown by a whopping \$11.4 billion in five years, an increase of 56%. Oakland County has gone from number two to number one in banking activity in the State of Michigan.

The message that should reverberate from one end of the global market to the other is that it makes sense to follow the money to Oakland County.

Emerging Sectors is so important for Oakland County's continued economic growth and job creation that, even in a period of government belt-tightening, a few weeks ago I asked the Oakland County Board of Commissioners to create two new positions to be assigned to this specific program.

The positions are senior business development representatives whose job is to locate Emerging Sector targets, develop the leads, and set the appointments. We anticipate that each representative will bring in at least \$40 million in new investment each year and generate \$1 million in taxes for Oakland County and its communities.

I want to specifically recognize and thank the Oakland County Board of Commissioners for their confidence in this program and their vote to create and fund these two positions. I told the Board, as I tell you tonight, when you are in a recession, as we now are in Michigan, we have two options: to circle the wagons and hunker down or, as we decided, get more aggressive in pursuit of business and simply pour it on. Our residents expect Oakland County to be a leader in economic development and we intend to fulfill that expectation.

Wireless Oakland

Of course when you hit the road to promote Oakland County to a worldwide audience as a good place to do business, you need plenty of ammunition to convince prospective companies that it's a wise decision to locate here. Part of my recruitment pitch usually includes Oakland County's Quality of Life – its 89,000 acres of parkland; 1,400 lakes, rivers and streams; world class restaurants; shopping experiences and entertainment venues; 14 institutions of higher learning; the world renowned Cranbrook Institutions, etc.

I also tout Oakland County's affluence, being the fourth wealthiest county in America. Our AAA bond rating and our nationally recognized leadership in economic development.

But lately I've added another major weapon to my arsenal: Wireless Oakland, which I announced last year in my State of the County Address.

As you may recall, Wireless Oakland will offer free internet service to the County's 1.2 million residents and 300,000 daily visitors. The speed will be slightly slower than DSL but four times faster than dial up.

This "Cyber Tiger," was officially uncaged last Labor Day weekend in the City of Pontiac and operated flawlessly during our Arts, Beats & Eats Labor Day Festival. MichTel Communications, a Pontiac based company, established a demonstration project covering eleven city blocks. Then this past October the Wireless Oakland project announced seven pilot communities to test the free wireless Internet service, and before the end of '07 we will have completely covered all of Oakland County with a wireless cloud.

As I said last year and I say it again this year, when Wireless Oakland is completely installed, it will transform how we live and do business at Oakland County forevermore. People are watching: our Oakland County website for Wireless Oakland is getting hits from around the world.

Deputy County Executive and CIO Phil Bertolini and his talented Wireless Oakland Team have done an extraordinary job in bringing this large and complicated project to life.

Finally, Wireless Oakland gives us bragging rights. When completed in 2007, Oakland County will be the first county in America to be wireless.

That statement in itself is a huge weapon in our arsenal as we go about the world trying to attract business investment and jobs to a high-tech, progressive County.

Automation Alley

Automation Alley was born eight years ago out of a vision I had to leverage the combined strength of Oakland County's high-tech companies into a national marketing strategy that could be used to attract skilled workers and cutting edge companies to our communities. From a nucleus of 43 businesses, Automation Alley has now grown into an eight county high-tech consortium of over 600 members.

Adam Bruns, managing editor of the nationally published Site Selection Magazine said of Automation Alley: "It's right up there with Silicon Valley, Boston's Route 128 and North Carolina's Research Triangle." That's exactly where we were aiming.

The Automation Alley Technology Center in Troy, which opened its doors in 2004, has been a catalyst for helping companies to bring new products and services to market.

Over the past 18 months, the center has interacted with about 130 companies – and in a number of these cases successfully secured federal and state grants to fund various projects. For example a \$3.5 million federal grant was received to build two bus prototypes designed by Altair Engineering located in Troy. These state of the art buses will be shorter, lighter, cheaper to operate, provide more capacity, and come with interchangeable parts. This could signal the start of a new bus industry for Oakland County and southeast Michigan.

We are always benchmarking ourselves to see if we are on the right track. Automation Alley this past year commissioned a study by the Anderson Economic Group of Lansing entitled: “Automation Alley’s Technology Industry: Driving Southeast Michigan Forward.” This report is filled with encouraging news that would make even the most devout pessimist look at the water glass as half full, rather than half empty.

The Anderson study found that the number of small technology companies is growing; our overall diversity is increasing in such important high-tech sectors as life sciences, information technology, chemical and materials and advanced manufacturing. The bottom line is: technology will fuel tomorrow’s economy in Michigan and much of that horse power will come from Oakland County based companies.

From humble beginnings in 1998, Automation Alley has matured into Michigan’s premier technology corridor. Ken Rogers, Executive Director of Automation Alley, and one of my deputies deserves the lion share of the credit for the amazing success of this program.

Automation Alley will serve as a magnet for skilled talent and emerging sector companies for many years to come. The legacy of Automation Alley will be a stronger and more vibrant economy in southeast Michigan.

Main Street Oakland

The fourth of our so-called legacy programs gearing up for a big pay off over time is Main Street Oakland. As many of you know, Oakland was the first county in the nation to be accepted into the National Main Street Center, a program of the National Trust for Historic Preservation housed in Washington, D.C. This national organization works to preserve our American heritage, specifically revitalizing and rejuvenating our downtowns. So far it has worked with over 2,200 U.S. cities, and as I said, Oakland County was the first county to join in its own right. Since joining Main Street six years ago, Oakland County has been a conduit for twelve of our local communities to enter this downtown redevelopment program. The two newest members are Highland Township and Keego Harbor.

With the addition of these two new communities, which join Farmington, Ferndale, Holly, Lake Orion, Ortonville, Oxford, Pontiac, Rochester, Royal Oak and Walled Lake as Main Street participants, Oakland County is now more than one-third of the way through the rejuvenation of our 32 traditional downtowns that qualify for inclusion in the Main Street Program.

If we average two a year and there are 32 downtowns, do the math: it's a 16 year program. But at the end of that 16 years when we look back over our shoulders, we will see the hustle and bustle of our downtowns with new and refurbished investment; streetscapes with brick pavers, plantings, benches; new street lights; a new, but preserved, look for our older cities that in some cases, like Rochester, date back to 1817.

At the center of this important historic preservation program is the manager of Main Street Oakland, Bob Donohue, who, along with his staff, have pulled out all the stops to make this program one of the best and most successful Main Street programs in the United States.

In 2005 alone, Main Street completed \$76 million in combined private and public investment, created 396 new jobs, and established 42 new businesses. On top of that investment, ground was broken on another \$140 million worth of new projects in 2005. In total, since the program began in 2000, more than \$351 million has been reinvested in our Main Street communities, creating 2,195 new jobs and the catalyst for 400 new businesses.

Although these four programs I've just talked about – Emerging Sectors, Wireless Oakland, Automation Alley, and Main Street Oakland are independent of each other, they all share

common goals. Each one will spur economic development. Each one will create new jobs. Each one will bolster our tax base.

These four legacy programs are producing immediate results. But just wait until their total impact is fully realized. In the end, Oakland County will be a much different, and if it's possible, an even better place to live and work because of these innovative programs. The important point about these four legacy programs is our approach: design a good program, pick good people to manage them, and have patience to allow them to flourish.

Emerging Sectors was started in '03 and we haven't even begun to hit our stride with this program. Automation Alley is eight years old and Ken Rogers has told me that he expects to have 1,000 members within the next four to five years. Main Street Oakland will take 16 years to rework Oakland County's 32 downtowns.

By the time our last downtown is rejuvenated, some nice nurse will be wiping oatmeal drool off my chin over at the Medical Care Facility and I will still be mumbling about the benefits of long term planning.

Workforce Development / Education

With the painful restructuring going on within our domestic auto industry, most recently the announcements by the Ford Motor Company, the next few comments I think are particularly cogent.

The twin pillars which elevate Oakland County above its peers nationally are jobs and a superb quality of life. You can't really separate one from the other. Together they form a kind of synergy which allows us to live the kind of life that brings happiness and fulfillment. But it all starts with a job. Without jobs economic development is a myth and quality of life suffers.

Education is a key ingredient for building a future workforce that develops the skills requisite for the jobs of tomorrow. But not everyone has the desire, financial means or grades to attend college. That doesn't mean these kids should be denied an opportunity for success.

Borrowing a phrase from the President, no child should be left behind. Bearing that in mind I asked my Workforce Development Division to assemble an "Apprenticeship Handbook" that

could be used as a valuable resource by graduating high school students who decide to forego college.

While Oakland County boasts the highest number of residents with college education in the state at 41%, that still leaves a significant number of people without college degrees who certainly have a right to enjoy as much of the good life as possible.

This 30-page booklet that I commissioned outlines existing apprenticeship programs which run the gamut from culinary arts to welder, and everything in between. High paying, low skilled jobs are giving way to career opportunities that require specialized education and technical skills.

But a four-year or even a two-year college degree is not necessary for all these jobs. As an apprentice a person can qualify for a career in the skilled trades, health care, or social services to name but a few and earn equal or better pay than some with a college degree.

Data suggests many of those pursuing apprenticeship programs will go on to become entrepreneurs and operate their own businesses. So not all roads to a successful future necessarily pass through college. Sometimes it is the road less traveled which produces the best results.

While apprenticeship programs offer many of our residents new career options, the same can be said about our job retraining programs to put displaced workers back to work.

A lot of hard working people are displaced when companies downsize.

We are fortunate here in Oakland County to have one of the very best job retraining programs anywhere in America. Our Workforce Development programs are overseen by John Almstadt and the Workforce Development Board.

Year after year John and his group meet and, more often than not, exceed their performance goals. Last year for example – listen to this – 98% of the adults and displaced workers who completed their participation in the Workforce Investment Act Programs entered the workforce and 95% of these individuals were still working six months later. Perhaps even more impressive, the wages earned by retrained workers nearly equaled their incomes prior to being laid off.

These figures I've just cited are cold and dispassionate. I'd like to put a face with them. In our audience with John Almstadt (and I'd like both of you to stand and be recognized) is Jeff Weber, who was laid off from his job at a local manufacturing firm. He then visited our Troy Michigan Works Service Center, which arranged for his retraining at Oakland Community College. He is now gainfully employed as a Deposition Technician at one of Oakland County's emerging business sector companies, United Solar Ovonic, earning wages comparable to his previous employment. Jeff Weber is just one of the success stories, thanks to John Almstadt and his great team at Oakland County Workforce Development.

How about a nice round of applause for John and Jeff.

Brownfield Development

We can walk and chew gum at the same time here in Oakland County government. Sure, we spend a lot of our time and effort in new programs, such as Emerging Sectors to attract new business. But part and parcel to our overall development strategy is getting some of our abandoned property in Oakland County back on the tax rolls.

The importance of redeveloping so called Brownfields is often overlooked because it's really not a very sexy subject. But for local communities, making these dormant properties productive once again is vital in terms of creating new jobs and tax revenue.

One such brownfield site sat vacant along M-24 and Brown Road in Auburn Hills for nearly 30 years. But that changed when the Brown Road Development Group began redeveloping the 140-acre Brownfield site with the help of a \$700,000 revolving loan from Oakland County that will be repaid in two years. That funding will go toward installing a methane gas collection system on the property. Since it's not economically feasible to haul away the collected methane gas, it will either be sold for fuel onsite or burned off.

There are already signs of life on this old brownfield site. Atlas Copco, a Swedish auto supplier, has built a 50,000 square foot technology center. Plans call for this site to eventually include banks, a music theater, hotel and a 1.2 million square foot commercial, light industrial, research and technology center.

When all is said and done, the Brown Road property will generate \$150 million in new investment, \$654,000 in annual tax revenue and create 3,000 new jobs.

The County has applied for another \$1 million grant which will go into a revolving fund for brownfield redevelopment. Work is also underway on creating a brownfield inventory to identify all of the brownfield sites in Oakland County for future redevelopment.

This is tough gritty work and so I recruited a tough gritty guy to head up the brownfield redevelopment effort. That individual is the former chairman of the Oakland County Board of Commissioners and now manager of our brownfield initiative, Tom Law.

Under Tom's leadership, brownfield redevelopment has become a winning proposition for all concerned because it paves the way for the clean up of vacant property, returns property to the tax rolls, generates fresh investment and creates new jobs.

Great Lakes National Cemetery

The Great Lakes National Cemetery in Holly – only the second such veterans cemetery in the State of Michigan – started providing end-of-life service to veterans this past October. To date, some 600 burials have taken place on this pastoral 544-acre site which is nestled among rolling hills and two beautiful lakes.

The Holly site was chosen as the 122nd National Cemetery because of the estimated 460,000 veterans who live within 75 miles of Oakland County. Great Lakes is unique among the nation's National Cemeteries because it will use only upright white marble headstones, like those at Arlington National Cemetery. Another highlight is the Avenue of Flags which will greet visitors as they enter the cemetery grounds. Eventually 64 casket flags, donated by the families of veterans, will fly over the entrance to the cemetery. I predict shortly this cemetery will be a destination site for visitors.

Belford Road, the main road into the cemetery, will be paved and funded by a joint federal / local grant. The project needed a little help, so the 20% local match has been picked up by Frank Torre, Jr., the CEO of the Torre and Bruglio Landscaping Company. Because of Frank's generosity, a plaque bearing the name of his father, Francisco Torre – who served with the Marines in the South Pacific during World War II – will be placed above the Belford Road sign.

I want to thank Frank for his generosity. Both Frank and his father are with us here this evening.

[Introduce Frank and his father Francisco]

Health Care Costs

Like most of you in the private sector, Oakland County has not been spared rapidly rising health care costs. While new employees have already begun paying a portion of their own health care costs, including higher co-pays for prescription coverage, two years ago we began asking our veteran employees to do the same. Despite these efforts the County's retiree health care burden still shot up by \$8 million last year, translating into a 29% increase.

And with health care costs increasing by 85% over the past decade and our total financial commitment to current employees and retirees for health care hitting \$37 million annually and escalating, action had to be taken to rein in costs. So we looked for and found a plan to replace our traditional retiree health care with a type of "defined contribution plan" for new hires effective this past January 1. It's called a "Health Savings Account" and Oakland County is the first county in Michigan to adopt this approach.

Each pay period the County will set aside \$50 in a Health Savings Account up to a maximum of \$1,300 per year. New employees will be given a one-time-only irrevocable opportunity to decide if they want to contribute to the plan. When the employee retires, the money accumulated in this account can be used to purchase health care insurance, or for any other purpose the IRS allows. Ostensibly, an employee retiring after 25 years of service would have more than \$90,000 in his or her health savings account. Of course the actual amount in the Health Savings Account at the end of County service will depend on the rate of return and other factors.

We think the plan will give the County a break on its health care costs while still providing adequate health care coverage for our new employees as they move toward retirement years.

Flu Clinics

The citizens of Oakland County should take great comfort in knowing that in the unlikely event that mass inoculations are needed to combat the effects of a terrorist attack or a flu pandemic, our Health Division is preparing for the challenges.

This past October 29 three large scale flu clinics were held at the Summit Place Mall in Waterford, Northland Mall in Southfield, and the Rochester Hills Fire Station which served as a drive thru location for disabled individuals. During the five hours that the clinics were in operation, more than 8,500 people were inoculated and more could have been accommodated if necessary.

The response from the public was very positive. One resident, in a letter to the Oakland Press wrote: “Hats off to the Oakland County Health Division ... the workers, nurses and volunteers provided prompt and efficient service. They made getting a shot a pleasurable experience.”

The 400 staff members and volunteers who manned the clinics did an incredible job of moving people through the lines expeditiously. I congratulate Dr. Tom Gordon and his staff.

The flu clinics accomplished two goals: protecting the public against the flu this season, but more importantly, I think, testing the County’s public health preparedness for something as catastrophic as a terrorist attack or an avian flu pandemic that we’ve been hearing so much about on the news. Although the likelihood of a worldwide flu pandemic is slim this season (there have been no known cases of transmission from human to human of the H5N1 virus), I’ve still taken the precaution to direct my Health Division to finish putting the final touches on a detailed plan to deal with a possible pandemic should one occur this year or in the near future.

Count Your Steps

Many of you may recall a few years ago I reported that I’d returned from a health retreat in Florida where I had heard a startling report by one of the lecturers. This doctor said that because of childhood obesity, which is epidemic in America today according to the Surgeon General, the generation of children we are raising today statistically may be the first generation of kids not to outlive their parents.

That very alarming statistic caused me to start a program called Count Your Steps. It is a pedometer walking program that we launched in our grade schools specifically to fight childhood obesity.

During the month of April last year, with pedometers strapped to their belts, more than 24,000 third and fourth grade students in 184 schools and in more than 1,000 classrooms, walked a

total of 4.4 billion steps (a sizeable increase over the 3.3 billion steps walked the year before). That's a whole lot of walking and a whole lot of exercise.

The top three school districts last year were Troy, followed by Rochester, and Walled Lake.

The Count Your Steps program has done exactly what we wanted it to do for at least one month during the year: got the kids off the couch, away from their video games, and outside for some healthy exercise. The program stresses regular exercise and a nutritional diet as a sensible lifestyle to guard against the dangers of obesity which, as you all know, can have serious health consequences later in life. Starting with the third and fourth grades is not too early.

Count Your Steps in 2006 will run from March 6 to March 31. Again this year, prizes will be awarded to the top three students in each grade who walked the most steps.

General Motors, Blue Cross/Blue Shield of Michigan and Pontiac Osteopathic Hospital, along with WJR, our media partner, have been with us since the beginning and are returning for a third year as Count Your Steps major sponsors. Health Alliance Plan, Henry Ford Health Systems, Rock Financial and WB 20 are also back as contributing sponsors. Without their involvement, Count Your Steps could not have enjoyed the success that it has.

Count Your Steps is a wonderful working partnership between the Oakland County Health Division, Oakland County Parks and Oakland Schools.

This year our program will be adding a little glamour. What I mean by that is the introduction of a very recognizable and popular professional basketball player who has agreed to be our athletic sponsor for Count Your Steps. Her name is Swin Cash, the dynamic leader of the champion Detroit Shock women's basketball team who is here with us tonight. Swin, would you please come up here just for a second.

[Present her a pedometer and a sweatshirt]

A 2005 Passing

The name Delores Conaway will not be familiar to all of you – nor should it be. She was not rich or famous. She never did those monumental things for which people are usually recognized.

But what she did do in her 68 years of life was touch a whole lot of people in a very meaningful way with her special brand of gentleness, charm, kindness and sense of humor.

Delores, or Dee as most of us called her, was my secretary for 38 of the 45 years she worked at Oakland County. We were together, first at the prosecutor's office, and then later when I became county executive in 1993.

After a lifetime of service to Oakland County, Dee retired in January of last year, bought a home in Florida and was looking forward to many years of living the good life. But as they say, life is often what happens to you when you're making other plans.

Just a few weeks after moving into her new home, Dee learned she had a deadly and very fast spreading form of brain cancer.

Dee accepted her fate, probably better than most in her situation would. She was no stranger to the harsh vicissitudes of life. Her first husband died of Lou Gehrig's disease. Her second husband was an innocent murder victim. Her son was killed by a drunk driver.

Dee was strong and resolute during those times. And faced her ultimate fate with that same courage.

As the shadows lengthened and her robust life drew to a close Dee, rather than complain, chose instead to tell friends and family who came to visit her in those final days how blessed she had been and how lucky she was.

A bright light has gone out. Those of us she left behind can take comfort from having known Dee and having had the marvelous opportunity of sharing a part of her extraordinary life.

We miss her terribly. But for as long as we live those of us who knew and loved Dee will keep her memory alive in our hearts.

Awards / Honors

Every year I say it. But every year it bears repeating. The employees who work for Oakland County government are the very best in the world – hands down. They come to work each day with the sole purpose of providing the absolute best possible service they can to the citizens of Oakland County.

Once again this past year our employees were recognized individually and collectively for their outstanding achievements.

Let's run down the list, and I apologize: it's a long one. The Michigan Department of Information Technology in conjunction with Government Technology Magazine honored the Oakland County Department of Information Technology with its 2005 Best Application Serving the Public Award. IT was chosen specifically for the award because of the "Pay Local Property Taxes Online" program which gives citizens a convenient way to submit tax payments using a credit card.

In 2005 the Oakland County Purchasing Division received the "Outstanding Agency Accreditation Achievement Award" from the National Institute of Governmental Purchasing. The award symbolizes the Purchasing Division's excellence and expertise in making sound decisions that reflect maximum value for taxpayer dollars.

Oakland County also walked off with seven Achievement Awards from the National Association of Counties. Singled out for recognition from NACo were "Count Your Steps," my pedometer walking program to fight childhood obesity; "OakMap," a self serve kiosk that provides access to current and property ownership information; "CLEMIS Community Crime Watch," a web based program that enables communities to independently publish and maintain community oriented policing websites with maps pin pointing neighborhood crime activity; "OakSource Enterprise Portal and Self Service Human Resource System" which enable County employees to access their own personal information; Mass Vaccination Clinic in 2004 at Summit Place Mall in Waterford during which more than 5,500 residents received flu shots in just 5 ½ hours; Breastfeeding Promotion Program, an initiative to promote and support breastfeeding; Emergency Operations System, Emergency Operations Center, a resource utilizing technology that can be used during the planning, response and recovery phases of an emergency. ERP was also recognized for purchasing emergency response equipment that was provided to police and fire first responders for use in the event of a chemical, biological, radiological or nuclear event.

In a survey conducted by the Center for Digital Government Center and NACo, Oakland County was named one of the most digitally advanced counties in the nation. For the 14th straight year the Oakland County Fiscal Services Division received the prestigious “Certificate of Achievement for Excellence in Financial Reporting Award” from the Government Finance Officers of the United States and Canada. The international organization also bestowed upon Fiscal Services the “Popular Annual Financial Report Award” for the 8th year in a row.

The Oakland County Drain Commissioner’s Office earned the 2005 Environmental Achievement Award from the National Association of Clean Water Agencies for “H₂O Oakland,” a locally produced cable television show. The show, hosted by Drain Commissioner John McCulloch, was selected as the nation’s best example of public information and education dedicated to environmental protection.

Oakland County Prosecutor David Gorcyca became the first ever recipient of the “Michigan Crime Stoppers Award.” Others in Dave’s office also distinguished themselves; Victim Advocate Michelle Csernits and Paralegal Diane Banick were given the “Domestic Violence Prevention Award” by the Oakland County Coordinating Council Against Domestic Violence. Assistant Prosecutor Marilyn Day received the Mothers Against Drunk Driving “Lifesaver Award.” Assistant Prosecutor Greg Townsend received the “2005 Prosecutor of the Year Award” from both the Michigan Chapter of International Association of Arson Investigators and the Michigan Arson Prevention Committee.

The Oakland County Probate Court website was recognized as one of the top ten probate court websites in the country by the National College of Probate Judges.

Oakland County Human Resources / Retirement was honored as a recipient of the 2005 National Association of Governmental Defined Contribution Administrators. The unit was recognized for excellence in the plan design and administration of the 457 Deferred Compensation and 401(a) Retirement Plans.

Automation Alley was chosen by the Troy Chamber of Commerce as one of seven “Best of Troy Award” recipients.

The Health Division became the only Health Division in Michigan to receive the Accreditation with Commendation Award on the first visit from state regulators.

Oakland County Treasurer Pat Dohany was honored last year with the “Dr. Jackson R. E. Phillips Award” by the Association of Public Treasurers in the United States and Canada. The award recognizes Pat’s extraordinary leadership in professional treasury management.

David Schreiber, supervisor of the Business Development Group for Planning and Economic Development Services, received the “2005 Mike Conboy Award” from the Michigan Economic Developers Association for outstanding contributions in the area of education.

Larry Falardeau, Planning & Economic Development, received a “Community Service Award” from the Michigan Recreation and Parks Association.

Sheryl Mitchell, Senior Board of Commissioners Analyst, received the 2005 South Oakland NAACP’s “Member of the Year Award.” Chief Assistant Friend of the Court Kathy Cox was recognized as Friend of the Court “Manager of the Year” by the Michigan Family Support Council.

Deputy County Executive and CIO, Phil Bertolini, made Crain’s Detroit Business list of top ten newsmakers in 2005 for his leadership on the Wireless Oakland project.

Not only did our talented and dedicated employees receive many recognitions in 2005 – they gave back as well.

The Casual Day Program where employees contribute \$1 every Friday for the opportunity to wear leisure clothes to work generated more than \$30,000 last year. \$19,500 of the total was distributed to eleven local charities to help needy families during the Christmas holidays. Then another \$29,000 was collected during special Casual Days throughout the year. More than \$7,000 went to “Save the Children,” a worldwide non-profit humanitarian relief organization, to assist victims of the tsunami tragedy. Employees also donated more than \$16,800 to the American Red Cross to help the victims of Hurricane Katrina.

Just a couple of weeks ago we staged a heart warming Casual Day for young Jonny Masters, the son of Steven Masters, a Drain Office employee. Jonny is presently at the Children’s Hospital in Minneapolis where he received a bone marrow transplant in December from one of his siblings in an attempt to defeat a serious progressive genetic brain disorder. I received an

email from the Drain Office, asking that we have a special casual day for young Jonny to help the family defray the expenses of living over in Minnesota while their son undergoes treatment.

The email message concluded with the following note from young Jonny: “I know that both of my parents are doing everything they can for me. All I ask of everyone else is to talk to God for me and tell him that I have big plans.”

After the employees of Oakland County read that request from young Jonny, we generated on January 18 \$6,500 for this brave boy. Our employees are hard working folks, but damn, do they have a big heart.

Military Video Conferencing

I would be remiss tonight if I didn't briefly comment on a brand new program we launched a couple weeks ago on January 26. Oakland County, in conjunction with our partners in the National Guard, engineered a technology breakthrough not available anywhere else in the state, perhaps in the country. We demonstrated our capability to have families at the 1775th Military Police Armory in Pontiac sit down at a table and have a face-to-face video conference with their loved ones in the war zones of Iraq and Afghanistan.

We are now offering this service free of charge to military families not just in Oakland County, but across the State of Michigan. If any family would like to arrange a video conference to talk with their son or daughter serving in the military, not only in Iraq and Afghanistan, but in any military installation around the world, simply contact my office and we will put you in touch with the appropriate personnel at the National Guard. The lead time to arrange such a conference is about 30 days.

Think of it, ladies and gentlemen. A G.I. can be brought in to an undisclosed location in Baghdad or Fallujah, sit down in front of a screen and see the child born after he left being held in the arms of his wife. The G.I. can talk to his concerned parents, the families at home can see for themselves that their sons and daughters are okay, surviving the dangers and rigors of war.

This was probably one of the most emotional news conferences I've ever been at in my more than 30 years of public service: connecting combat personnel with loving families at home.

To make this all happen we had some corporate sponsors underwrite the cost, we had the fantastic cooperation of the National Guard for the full 18 months of development of this program, and I had my secret weapon too – I had Bob Daddow, Deputy County Exec, take this effort on as a pet project. For months and months he overcame technical frustrations, he dealt with concerns about encryption demands, and addressed legitimate safety issues expressed by our military personnel in a combat zone. But on the 26th of January, Bob Daddow, one of the most amazing men that I have ever met and I'm proud to call part of my administration, along with Bob Pence, his technical colleague from our I.T. Department, flipped the switch and we had our first video conference with two combat soldiers thousands of miles from home.

Will Bob Daddow and Bob Pence please stand for a well deserved round of applause?

Single Business Tax Repeal

Let me close tonight with a look ahead at the challenges for '06. Around the country 49 states are enjoying a relative degree of economic prosperity – a recovery from the nasty recession that still holds us in its boney grasp. Forty-nine states are expanding their job base, balancing their budgets, and singing “Happy Days are Here Again.”

While Michigan, according to almost every survey you read, wallows in last place:

- 50th in economic momentum
- 50th in job creation
- 49th in personal income gains
- The only state (except for two states ravaged by the hurricanes) to suffer a net job loss in '04 and '05
- And, of course, number one in unemployment.

While Oakland County is a powerful economic engine, we single handedly cannot lead this state back to prosperity. There are forces that we face, both at home and abroad, too large for one county to defeat.

I'm talking about such forces as the economic globalization of the 21st Century and the concomitant impact on the domestic auto industry primarily located here in the State of Michigan.

But that's only half the problem as far as our state is concerned. Not only is our corporate world in Michigan struggling to make adjustments in the global economy, but they're struggling under the yoke of a punitive and onerous corporate tax structure. Lest there be any doubt, let me point the finger squarely at the Single Business Tax.

Michigan is the only state in America that has a Single Business Tax. Ladies and gentlemen, the SBT taxes the privilege of doing business in Michigan. If you want to add an employee to your payroll, it taxes your decision to expand and create jobs. If you had a bad year and your company lost money, and you made not one dime of profit, you could still pay millions in Single Business Taxes under Michigan's tax code.

More than the global economy, the Single Business Tax is killing this state because it is killing jobs in Michigan.

I have so many examples to back up what I've just said, but let me cite a letter I recently received from an Oakland County company named Silent Call Communications. Let me read it to you:

*January 23, 2006
Lynda Earhart
Oakland County Business Center
1200 N. Telegraph Road
Pontiac, Michigan 48341-0412*

*"Hi, Lynda,
I wanted to say thanks for all the help I received from you as a representative of Oakland County. Despite all your help and support, I have made the tough decision to move out of state.*

*I am so disappointed in Michigan's business climate. I employ nine people and exported 1.2 million dollars in product last year. So, I need a bigger facility to house my growing business. The question is where to locate. My research has led me to the state of Georgia. I have found a great business environment there. The cost to build or buy a building is much less and there is **no Single Business Tax**.*

I have decided to move my business to Georgia. Perhaps they will appreciate my business. This has not been an easy decision since I have been a resident of Michigan my entire life, have raised my family here and have many friends I will leave behind.

Please thank Mr. Patterson for all his efforts in attracting and maintaining businesses in Oakland County but if he doesn't receive better collaboration from the Governor and other state representatives, he will lose more companies like mine.

Sincerely,

George J. Elwell, President"

My Economic Development team has literally spent weeks and months trying to support this Oakland County based high-tech company. But they finally decided they couldn't take it anymore, threw in the towel, and are heading off to Georgia to get away from the onerous business climate in Michigan, most significantly away from the unfair burden of Michigan's unique Single Business Tax.

Our friends in Lansing understand the impact of the Single Business Tax, they really do. They know that it's a job killer, it's a business killer. They've introduced legislation, which quite frankly nibbles around the edges of meaningful business tax reform. The legislation being introduced and debated today in Lansing is simply not enough.

We've been arguing about the impact of the Single Business Tax in this state for more than fifteen years. The endless debates on this subject have produced more flatulence than a Super Bowl party at a MSU frat house.

My friends: it's time for bold action. It's time to end the Single Business Tax! And so tonight not only do I call for an end of the Single Business Tax, but I am prepared to put the question of its repeal before the public on the ballot this November.

To put a question on a ballot in such a short timeframe is a huge challenge. I will need your help. I'm not talking to just my friends in the audience tonight, but to those who may be listening on the radio or who may read about it in the newspaper tomorrow.

As I said, I cannot put this question on the ballot by myself. I have a Lansing law firm and a public relations firm on standby that will guarantee to put the question on the ballot this November. The proposed budget to successfully conduct this petition drive is \$800,000, mostly due to the constricted timeframe.

I won't launch this petition drive unless I know that I have, in advance, a commitment of financial support to raise that amount of money. And the bad news is I must have those commitments within the next ten days.

If you are a businessman or businesswoman in this state, and you want to repeal the Single Business Tax, I invite you to contact me within the next ten days and make a pledge of financial support.

Let me emphasize tonight: I'm not asking for your money now. I am asking for your pledge. I will not call in your pledge of financial support unless the total pledges exceed \$800,000 over the next ten days.

To assist in this effort I have opened up a website called www.RepealSBT.com online and make your pledge with either personal dollars or corporate dollars. Because it's a ballot question, corporate money is acceptable and there is no limit that a company or an individual can contribute.

Here's how it works: If, for example, 800 companies each pledged \$1,000, we would be at our goal. If 400 companies or individuals each pledged \$2,000 within the next ten days, we would be at our goal. I would love to hear from a fed up major taxpayer in this state who would call me and say, "Brooks, collect your pledges for nine days and what you're short on the tenth day, my company will make up the difference."

Again, let me repeat the plan: Since I intend to place a question on the ballot: 1) corporate and personal dollars are both legal and acceptable; 2) there is no limit to your contributions; and 3) remember, it is only a pledge at this point. When we reach \$800,000 in pledges, I will call in the pledges and we will officially launch the gathering of signatures.

If you would like to reach us by phone rather than email, we have set up a special hotline as well. We'll try to answer your questions and take your pledges at 1-888-SayNoSBT (729-6672).

Ladies and gentlemen, let's take a look at what could happen if we repeal the Single Business Tax in November. First of all, the effective date of the repeal won't be until the next fiscal year beginning in October '07. That gives the Michigan Legislature nearly 11 months to determine what type of replacement revenue that they will put in place, and more importantly, at what level.

I understand, just last week, House Tax Policy Committee Chairman, Representative Fulton Sheen was seeking input as he convenes a new subcommittee on business tax restructuring. Fulton, if we repeal the Single Business Tax, as I propose we do tonight, it will give you and Speaker DeRoche a clean slate to work from – good luck.

There are many options available to Representative Fulton Sheen (my friend Craig DeRoche) and their legislative colleagues as they look to replace the \$1.8 billion in tax revenues lost through the repeal of the Single Business Tax. Possible options to explore and research would be a fair corporate tax on profits ... dropping the sales tax from 6% to 5% but extending its base ... a sales tax on gross receipts ... charging a fee for business licenses based upon gross sales. There is a host of options to explore.

According to the Tax Foundation Report on State Business Tax Climate, below are the top ten states that have the most hospitable pro-business environment in the United States. I suggest our legislature examine each one of these ten states' tax structure and adopt the best practices from each.

Nevada	Maryland
South Dakota	Virginia
Washington	Utah
Wyoming	Florida
Colorado	South Carolina

The Tax Foundation Report measures the ranking of the 50 states looking at several different variables such as the structure of the tax code, tax rates and corporate tax base. In the Tax Foundation Report, Michigan ranks 50th.

For purposes of discussion, let's say that the State Legislature comes up with \$1.3 billion in fair new business taxes in our state to replace the \$1.8 billion they lost: obviously, the difference is \$500 million. The State Treasury would refer to that difference as a "shortfall." I like to refer to that difference as a "window of opportunity for business expansion."

I caution the Legislature. You do not have to replace the \$1.8 billion lost due to the repeal of the SBT with \$1.8 billion in new taxes. That would be like kissing your sister. (Sorry, Harriett ... perhaps I should have used a better analogy with my sister in the front row. How about this example? When I owned the Clarkston Dairy Queen years ago, there was always this one portly woman who would come up to the window and order a banana split and diet Coke.)

I'm trying to illustrate futility here, folks.

And an exercise in futility for the Legislature to replace \$1.8 billion in Single Business Tax revenues with \$1.8 billion in new business taxes.

Here's my logic: when the damnable SBT is gone and there is a fair corporate tax in its place, businesses will expand. Jobs will be created. New businesses will locate here and those businesses that are about to pull up stakes will remain. From all those new businesses and new jobs, new revenues will begin to flow immediately into the State Treasury.

The expanding economy in the wake of the repeal of the Single Business Tax will more than makeup for the apparent "shortfall" in tax revenues to the state. That's how we climb out of the cellar. That's how we get into the top ten states in America recognized for business activity and economic momentum.

Ladies and gentlemen, I ask you again, not just my friends here in the room tonight, but those who hear this speech on the radio or read about it in the papers tomorrow, if you want to assist in the economic recovery of this great state, if you're tired of the rest of the country scornfully and mockingly referring to us as "Michissippi," if you want to keep your kids here in Michigan with good jobs, then join me in this noble fight. You have ten days from tonight to make your pledge on the website www.repealsbt.com.

When I told a couple of friends of mine what I was preparing to say tonight (about launching a petition drive to repeal the SBT), one said "What happens if you try and fail ... won't that be a political embarrassment for you?" I thought about it for awhile and said, "No. One should be politically embarrassed if he sees a problem and doesn't try to fix it."

Ladies and gentlemen, this will be a hell of a fight. But I'm absolutely convinced that we can put this question on the ballot in November and win at the polls on Election Day. And when that happens, we will have sent a message around the world that Michigan, once again, is "Open for Business."

Are you with me?

Conclusion

Ladies and gentlemen, in closing just simply let me say despite the challenges that the future of Oakland County is bright. We are blessed with some of the world's most innovative companies. We are blessed with a quality of life like few other places in the country can offer. We are blessed with strong economic growth that spurs new development and creates jobs. And I am convinced we can spread those blessings around the state for all to enjoy if you join me in the bold call for action that I've issued tonight.

Ladies and gentlemen, let me say one final thing to you tonight. Thank you. Thank you for giving me the job that I love so much as your County Executive. I love coming to work each day to do the people's business. But there's so much yet to be accomplished and I plan on sticking around as long as it takes to get the job done.

In 2006, I again ask you for your friendship and support as we together continue the job of moving Oakland County and the State of Michigan forward.

Thank you and good night.