

L. BROOKS PATTERSON
STATE OF THE COUNTY ADDRESS
MARCH 1, 2001
MSU CONFERENCE CENTER

Thank you, ladies and gentlemen, for your warm welcome. I'm extremely pleased and proud to stand here before you tonight as I begin my ninth year as Oakland County Executive.

Tonight I report on the state of Oakland County. I've tried to come up with one word that fully expresses what is happening in the county today. I could say "thriving"; I could say "robust"; I might even say "it only gets better." But the one word I have chosen that accurately sums up the condition of Oakland County on March 1, 2001 is "prepared."

We are prepared to implement and execute technological breakthroughs that other governmental units only dream about. We are prepared to continue to add to our list of firsts, and the list tonight is as impressive as it is long.

Ladies and gentlemen, my administrative team has been preparing for nine years for that moment when our leadership would be challenged by a fluctuating economy.

From the story of the Three Little Pigs, let me assure you our management of the county, our investment in technology, our relationships with our cities, villages, and townships have not been built from straw that can be blown down by the winds of a weakening economy. As well, it has not been made of wood that can succumb to storms that might threaten other businesses and governments around the country.

Oakland County's house is built with bricks and mortar, cured over years of prudent fiscal management, supported by hefty reserves, and bolstered by enduring partnerships with both the private sector and our local governmental units.

In a word, Oakland County is prepared.

Our local economy is stronger today than it was yesterday. We continue to experience robust business expansion, escalating property values, and low unemployment.

In the year 2000 Oakland County became the first county in Michigan with property wealth that exceeds \$100 billion. When the numbers are finally tabulated for this year, we expect to show an increase of more than eight percent in the market value of all of the property in Oakland County.

That would put us on course to equal the staggering \$9.1 billion increase in property values Oakland County registered last year.

Oakland County's economic strength is truly in a class by itself. Over the last 20 years, during good times and bad, our property values have continued to grow steadily from around \$23.3 billion in the early 80s to \$104.8 billion today.

Last year we passed an economic milestone and overtook Nassau County in New York to become the nation's second wealthiest county in terms of per capita income.

And the good news continued as late as last week when the State of Michigan won an unprecedented fourth consecutive Governor's Cup Award for leading the nation in new and expanded businesses. In order to qualify, a project had to have at least a \$1 million investment and create at least 50 jobs. I'm sure it comes as no surprise to you that Oakland County led the way on behalf of the State with 491 qualified projects, followed by Wayne County with 362.

How have we prepared ourselves in Oakland County? Well, consider that we are no longer exposed to the elevator rides of the auto industry as we once were. While we appreciate the investment of the auto industry and its tier one suppliers in Oakland County, diversified economic growth is one of the critical factors that Wall Street looks to when we take our annual pilgrimage to New York to re-enforce our prized AAA bond rating. We satisfied Wall Street when we pointed out that today automotive manufacturing comprises just 7.6 percent of our local economy, while the service sector has grown to 37 percent.

Further, our conservative approach to budgeting has prepared us for today's economy. Oakland County's General Fund Equity (basically our cash reserve at the end of the year) increased from \$38.5 million in September of 1999 to \$43.2 million as of last September. To put that into historical perspective, consider that on December 31, 1992, one day before my Administration took office, Oakland County's General Fund Equity stood at just \$15.5 million. We have engineered a three-fold increase in General Fund Equity in eight years. That's what I call preparation.

And while our general fund equity has been going up, our debt has been going down. County-funded long-term debt has declined to under \$30 million. A \$30 million debt is almost laughable when you realize that Oakland County has basically a \$5.2 billion line of credit.

OAKLAND COUNTY - A LOOK BACK - A LOOK FORWARD

Tonight, ladies and gentlemen, as I address you on the state of the affairs in Oakland County, I first want to bring you up to date on some programs I've told you about in past years. Then we'll take a quick look at where we are now. Finally, I will spend more time than usual tonight looking into the crystal ball to talk about some fleecy clouds on our horizon as well as some threatening storms.

Looking back over the last few years, the story is still the same: Oakland County leads the state, and quite frankly the nation, with many of its technological breakthroughs.

For instance, our CLEMIS program. CLEMIS - C-L-E-M-I-S - is an acronym for Courts and Law Enforcement Management Information System. While we have 43 police departments in Oakland County, we have over 100 police agencies now participating in CLEMIS. Surrounding communities in Wayne, Macomb, Livingston and Genesee have joined with Oakland County to create the largest regional law enforcement crime fighting network in the nation.

Helping us design and build this third generation system was a \$23.5 million federal grant and a local contribution from Oakland County of \$6.9 million. This infusion of capital allowed us to replace our records management system, install mobile data computers in patrol cars that allow police officers to produce reports from the field. By Memorial Day this year, utilizing technology we now have in place, we will be able to implement computer-aided dispatch employing the sophisticated geographic information system that we have built and shared with our communities.

I spoke to you last year about OakNET, the 380 miles of fiber optic cable that has been laid throughout Oakland County and connects 150 key locations. It is the technological pipeline through which government data will be pumped to our local units of government. All county departments are presently linked to the network and we are now in the process of hooking up every city, village, and township in the county. This process should take approximately three months to complete, and the new fiber optic system will be fully functional by this summer.

Although OakNET will have wide-ranging implications for all of our technology programs, perhaps the biggest potential is in the area of law enforcement, especially our 9-1-1 system and the CLEMIS project that I just referenced. OakNET will be the system through which area police departments will access regional mug shots and fingerprints; warrant

teleconferencing capabilities will be enhanced; and video arraignments will be possible which will increase both safety and efficiency for police who will not have to spend valuable time transporting prisoners back and forth to courthouses across the county.

Oakland County is a national leader among governments when it comes to the inculcation of technology into our daily work processes. This has never been more evident than with our "enhanced access" program that I referenced to you in previous years. By enhanced access, I mean exactly what the title suggests: we have devised a high-tech program to enhance your ability to access and retrieve a plethora of information stored in our databases from remote locations.

We call our trademarked program "Access Oakland." We are the only government in the nation, that we are aware of, that has been able to successfully develop such an Internet access program, although many have tried and failed. "Access Oakland" exposes a range of data never before available for electronic retrieval.

This past year two new Access Oakland programs were launched: the "Tax Profile" program provides current property tax information for a specific parcel on a range of data including tax due dates, tax amounts, payment dates, taxable values and homestead amounts. The other new offering under our Access Oakland is the Register of Deeds' "Recorded Document Profile" which contains a search mechanism showing all document transfers for a specific parcel, including document images, document date, recorded date, amount of sale, and amount of mortgage.

A new product scheduled to go on line shortly is the "Commercial and Industrial Property Profile" that will make available such information as taxes billed, lot size, building type, square footage, year built, building height, digital photographs, and digital mapping.

During my eight years as County Exec, we have spent - or the better phrase is that we have "invested" - over \$80 million in the development and utilization of technology to better improve our delivery of services to the public.

As you might expect, there are some non-technical programs achieving success as well. Last year I told you about Oakland County becoming the only county in America to be accepted into the National Main Street Project in Washington, D.C. Normally Main Street works solely with cities - some 1700 of them to date - as they struggle to revitalize their downtown areas. We were accepted as the first county in this program. Oakland County now has access to a talent pool of urban planners, designers, downtown redevelopment specialists. The first three of our cities

selected to participate under our program were Royal Oak, Walled Lake and Rochester. They are now the beneficiaries of a concentrated downtown development focus. Next year, three more of our county's 30 traditional downtowns and town centers will be chosen to receive help in developing or redeveloping their commercial centers.

In the past I had to report to you on two serious Hepatitis A outbreaks in successive years at Oakland County restaurants. What I like about the people I work with is that they're not just reactive in these situations, they are proactive. My Health Division, led by Dr. Thomas Gordon and Rosemarie Rowney, aggressively explored ways to minimize the possibility of future hepatitis outbreaks. The end result was a Food Managers Certification Program that makes it mandatory for each of the county's 3,800 restaurants to have at least one certified food manager on staff within five years.

We had hoped to put 500 people through the program in this first year, but we were obviously delighted when 800 candidates actually completed the training, far exceeding our original goal. Also encouraging is the fact that Oakland County restaurant owners are not only complying with the new program, they are enthusiastically embracing it.

We were busy on other fronts. For instance, the physical landscape of Oakland County government, much like the population we serve, has experienced steady growth over the years.

In response to this inevitable growth, this past year we took steps to address our future space needs. In December, after eight long and sometimes difficult years of negotiation, we concluded our purchase of 88 acres of land from the State of Michigan, identified as the former Clinton Valley Center. Those 88 contiguous acres are now incorporated into the southern boundary of our campus. Although there are no immediate plans to develop the property, it's comforting to know that we have our expansion needs covered for the next 30 to 50 years.

Last year, we also kicked off a program that I think was as important as it was overdue. That is our Senior Prescription Discount Program. It is open to all county residents age 60 and over who currently have no other prescription coverage. Those who sign up are enrolled in a program free of charge for the first three years. Those who choose to remain in the program after that will pay 50 cents per month.

Public response to this program was quick and overwhelming. As of the second week of February, the latest date for which numbers are available, 8,525 seniors have been enrolled in the program. The average savings so far on prescriptions have been just slightly under 20 percent.

Translated into hard numbers, that equals a savings of more than \$100,000 for seniors in our prescription drug program during a one month period. One of the real conveniences for seniors is the fact that this is an open network program which means any pharmacy may participate...nationwide.

Ladies and gentlemen, let me conclude this look back with one other observation, and if it sounds a little bit like I'm boasting, I plead guilty. But I am very proud of the fact that this year, after our most recent visit to Wall Street in January, Oakland County continues its AAA rating from both Moody's and Standard & Poor's. Wall Street looked at our robust and vibrant private sector investment, they shook their heads in amazement when we pointed out that for two years in a row our property values have soared by over \$9 billion. They nodded their approval as we ticked off our investment in technology that will solidify Oakland County's leadership as we move into the 21st century. And Wall Street gave their final nod of approval when they reviewed our financial condition, our solid surpluses, and our very conservative and prudent fiscal management practices.

It goes without saying, ladies and gentlemen, that I didn't do all these things by myself. In fact, I'm one spoke in a very big wheel. There are 4,387 county employees who come to work every day and do yeoman service on your behalf. How good are they? Well, the Oakland County employees are good enough to have been recognized at the federal, state, and local level for outstanding program development. Numerous awards were bestowed upon our employees from the National Association of County Officers, Government Finance Officers Association of the United States and Canada, Southeast Michigan Council of Governments, Michigan Association of Counties, Housing and Urban Development, Veterans of Foreign Wars, Michigan Juvenile Detention Association, 2000 Chief Financial Officer Excellent Awards, Metropolitan Detroit Landscape Association, Michigan International Personnel Management Association...ladies and gentlemen, the list goes on. It truly does. Only the constraints of time tonight prohibit me from listing individually the many well deserved accolades bestowed upon the county's employees who really do labor on your behalf.

Our employees are not only dedicated and efficient, but they are also innovative. The ideas they submitted to the Employee Suggestion Program over the last eight years have saved the taxpayers of Oakland County more than \$3.5 million.

The employees have also proven to be generous. As a result of our employees weekly contribution to the Casual Day Fund, Oakland County had the pleasure of distributing \$30,000 to 22 worthy charities this past

holiday season. Since the program began in 1993, employee donations to the Casual Day Fund have reached \$194,000.

Every so often one of our employees steps up and performs an extraordinary deed - a heroic act. Such was the case for Pam Agelink, secretary to County Clerk Dr. William Caddell.

On January 25, while driving to work, Pam noticed that motorists were swerving on Dixie Highway just north of I-75 to avoid what appeared to be an object in the road. During the early morning darkness, Pam could see that an accident had occurred and that a woman lay injured on the roadway. Ignoring her own personal safety in the busy rush hour traffic, Pam slammed on her brakes and quickly angled her car to protect the woman whose right leg had been severed below the knee, and her left leg severely injured as well.

Pam covered the woman with a coat, held her trembling hand, and reassured her that paramedics were on the way. Pam and the injured woman were all alone in the middle of the busy highway as drivers sped by, unaware of the tragedy that had befallen this poor woman. The injured woman's grateful daughter, in a later thank you letter to Pam, wrote "In a world where too many people ignore life around them, it is comforting to know that someone like you would care enough to stop and help another person in need."

Pam Agelink performed a courageous act which has earned her the undying gratitude of a seriously injured woman and her family, and the enduring admiration of her fellow county employees. Pam, would you please stand for the recognition that you so richly deserve?

You can tell that I'm very proud of Pam, and for that matter, all Oakland County employees. I've said it every year and I would be remiss if I didn't say it again this year: the success of Oakland County is the success of the Team. I mean that. I'm sure every CEO says the same thing in every boardroom, but my directors, my managers, my supervisors, my rank and file employees know that I mean it when I say that I appreciate their hard work - the hard work that allows me to stand here every year and take the bows for their contributions.

Some of those employees, unfortunately, are leaving Oakland County. In the case of John Mahoney, it was retirement after a distinguished 24-year career in county government, including the last four as Director of Information Technology. He apparently decided it was time to turn in his computer for the open road. In no small measure did Oakland County emerge as a dynamic government recognized for its cutting edge technology but for John's leadership. His successor at Information Technology is Phil

Bertolini who had served as administrator of the Equalization Division and was the guiding force behind the county's much-heralded Access Oakland program.

In his new role, Phil faces the daunting task of building upon John's successes and pushing the technology envelope even further. I wish each of them well as they head in different directions. Phil - to tackle the challenges of a demanding new job, and John - to tackle the challenges of steering his new 34-foot motor home along the highways and byways of America. John and Phil, please stand.

Another departure occurred when Jim Bacon announced late last year that he would be leaving as Director of Community & Economic Development to seek an opportunity in the private sector. Although Jim's stay with us was relatively short, he provided great leadership and vision in guiding Oakland County's business attraction and retention efforts. Assuming the mantle of responsibility for the county's economic development is Dennis Toffolo, a man whose work ethic matches his experience. As the former President of J. L. Hudson's, Dennis is no stranger to the demands of a big job with a big company...and Oakland County is all of that.

I wish Jim Bacon well as he takes his leave and thank him for his dedicated service. To Dennis Toffolo, I extend a welcome to our family and wish you, Dennis, success in your new position. Would you two gentlemen please stand?

Because of the dramatic increase in the number of critical issues facing Oakland County, I thought it wise and prudent to create a new director-level position to assist in the handling of certain complex matters. As a result, I asked Suzie Vogt who had been the chief administrator for the Board of Commissioners for many years to become Oakland County's new Special Projects Coordinator. In that capacity, Suzie serves as a high level support person to the Assistant Deputy County Executives. Suzie, please stand.

CURRENT PROJECTS

Let me now turn to some of the current projects that command our attention. I really direct my remarks to some of my friends in the audience tonight, local mayors, township supervisors, and city managers. I have tried, and I think with some success, to build relationships with our local units of government. After eight years, I believe we have in place intergovernmental agreements that are literally unique in America. You can call it vertical integration, you can call it an ever expanding web of joint ventures and

working partnerships. What we have created is a system of county and local governmental units working together for the benefit of the citizens we mutually serve.

Sure, we have some disagreements, that's only to be expected when you have a dynamic county interfacing with 61 proud cities, villages, and townships that have their own special needs. But those differences are manageable. Let me focus tonight on some of the programs I'm talking about so all of you will get a sense of what has been occurring.

Take, for example, the Geographic Information System, or GIS as it's called. We used to maintain the countywide mapping function on 4500 - that's right, 4500 - manually maintained paper maps. Today we have one seamless digitized map of the 440,000 parcels of property in Oakland County, the backbone of our GIS system.

The county shouldered this \$7.5 million financial burden during the four years it took to create this base map, thus removing the single biggest barrier inhibiting our cities, villages, and townships from participating in the project. As our friends at the local level will attest, we presented each community its own GIS map and software without charge.

I have already referenced the 380 miles of fiber optic network known as OakNET that provides data links to 150 sites around Oakland County. This was a county funded project that will pay huge dividends to our local communities. As an example, we're now in a position to offer to our local communities free Internet service. This was such a novel approach (a county giving its local units free Internet access) that it was written up in *civic.com* magazine.

The spirit of cooperation was never more evident than in the development of the fire records management system. Madison Heights, Rochester Hills, Oak Park and Royal Oak have been selected as pilot sites for the program, although eventually we anticipate 29 communities are expected to participate. To our knowledge, Oakland County fire agencies, working together, may be the first such group in the United States to embrace the concept for exchanging data that will dramatically improve services to our citizens.

One need look no further than the county's Environmental Infrastructure Fund to see evidence of the relationship between the county and its local communities. Appreciative of the fact that environmental costs associated with the required upgrade of sewers, drains and treatment facilities could literally swamp local communities, the County Board of Commissioners, at my request, set up this Fund. We are now in the third year of a five-year program to distribute \$25 million to local communities to

assist them in defraying these types of costs. I venture to say that no other county in Michigan, let alone the nation, has gifted its communities \$5 million a year for five years for such upgrade cost abatement.

Another cost-saving advantage Oakland County provides its local communities is the benefits of our AAA bond rating. All 61 cities, villages, and townships have the opportunity to piggy-back on the county's AAA bond rating for certain projects by seeking approval from the Oakland County Building Authority. The only requirement is that there be a county interest in the project.

All in all, the level of cooperation that exists between Oakland County and our partners at the local level is truly extraordinary, and I believe unequaled anywhere else in the State of Michigan.

PROGRAM UPDATE

Let me close out this portion of my remarks tonight by reporting on some important programs that I know you've heard about.

Automation Alley is the marketing campaign designed to build a national brand identity for Oakland County's high-tech business cluster. Under the able leadership and guidance of Deputy County Executive Ken Rogers and Joan Trusty from EDS, President of the Automation Alley Board of Directors, we surpassed the 200 mark for membership last year - a number we hadn't expected to reach until later this year.

But this explosion in membership ranks wasn't the only good news. Automation Alley received a \$400,000 grant from the U.S. Department of Commerce, which coupled with a cash contribution of \$400,000 from the county and \$400,000 of in-kind services from Automation Alley members itself, will provide \$1.2 million over the next three years for export and trade activity.

One of the first applications of these dollars will be a trade mission to Dusseldorf, Germany in September. Automation Alley personnel will accompany 15 small to medium-sized companies to Interkama which is an advanced manufacturing technology trade show. Our goal is to assist these firms in gaining access to international markets by building relationships with potential clients and suppliers. Trade missions to Mexico City, Hanover, Germany and China are also being planned.

Since its inception two years go, Automation Alley has gained recognition and respect as one of America's premier technology centers. Governor Engler, in his State of the State Address this year, acknowledged Automation Alley by saying "Over 1800 technology focused firms are

thriving along Oakland County's Automation Alley." And thriving is hardly the word. If it gets any better than it is today I'm going to petition the State Legislature to change the state bird from the Robin to the "crane."

A "kissing cousin" to the Automation Alley program, of course, is the very successful Business Roundtable which I started in 1993. The Business Roundtable continues its good work and regularly refers ideas and projects to my Administration - ideas that support and refine an improved business environment in Oakland County. Past Roundtable successes that you might be familiar with include the One Stop Shop, an Export Assistance Center, and job training programs under a county wide Workforce Development Board.

You know I enjoy taking Oakland County government into new, uncharted waters, especially technology waters. Once again we took the plunge this past January by announcing an ambitious plan to establish a Waste Electronics Recycling Complex, that if not the first of its kind in the nation, is at least one of the first. With the help of an \$80,000 Michigan Department of Environmental Quality Pollution Prevention grant and a \$70,000 match from the county, a Recycling Electronics & Prevention Program has been created to address the growing problem of how to dispose or rehabilitate used electronic devices containing chips, such as computers, cell phones and pagers. It wasn't a big problem in 1985 when only 15 percent of all U.S. households had computers, and their average life span was five years. Today, the percentage of homes with computers in Oakland County is over 50 percent and growing rapidly, and by 2005, computers will be obsolete after two years. This environmentally sensitive program was the brain child of our Solid Waste Manager, a creative young man named Marty Seaman.

We have a new project coming on line this year that I am excited to tell you about. For many years Oakland County has used the Ameritech Centrex System to handle the phone needs of the county complex. The county pays for each one of the thousands of phone lines it uses, which adds up to a substantial cost to say the least. Again, employing technology, Oakland County is about to become its own telephone company. This will save thousands of dollars down the road since there will only be 17 phone lines to do the same work done by thousands of lines now. We will be installing a multi-million dollar phone switch which we calculate will pay for itself in about four years. There are other advantages to the new system besides saving money. The equipment is state-of-the-art and will give us greater functionality.

LOOKING AHEAD

Now for a look into the future. Let me talk first about those big white fluffy clouds out there, such as our extremely popular and successful Arts, Beats & Eats Labor Day extravaganza. We drew to the streets of downtown Pontiac over 400,000 our first year and pushed a million last year. And if Mother Nature cooperates again, I'm sure more than a million people will taste Oakland County's finest cuisine, shop the wares of more than 140 artists from around the country, and listen to free concerts on five sound stages for three and a half days. Arts, Eats & Beats is a free family event. It really highlights an aspect of Oakland County that I constantly underscore: yes, Oakland County is a great place to work, but it's also a fun place to live, recreate, and raise a family.

This summer will also see the second annual Quake on the Lake where 60 of the fastest inboard hydroplanes compete for national championship racing points out in the Pontiac Lake Recreation Area. The first year we drew 14,000 spectators; we should easily double that number this year. Quake on the Lake is a joint venture of the Waterford Lions Club and Oakland County. Look for it this July on Pontiac Lake.

Following on the heels of Quake on the Lake is the perennial Woodward Avenue Dream Cruise in August. Last year it drew an estimated 1.5 million people and provided an economic impact to the area of more than \$100 million.

Some 3,000 classic cars from the 50s and 60s roll down Woodward during this week-end spectacular. Clearly a local success, it now has reached international acclaim.

YOKELAND EGG HUNT

Tonight I'd like to announce the first of what I hope becomes an annual event here in Oakland County. It should be a fun day for county employees, their children, and their grandchildren. On the Saturday before Easter, April 14, we will stage our first annual Easter Egg Hunt on our county campus. It will be a three hour event kicking off at 10 a.m. with an Easter Bonnet Parade from Little Oaks, our campus child care center, and concludes at 1 p.m. with a marshmallow drop. It is open to all children and grandchildren of past and present county employees. This family focused event will feature face paintings, fire truck rides, pony rides, puppet shows, and of course the highlight of the day an Easter egg hunt for kids from 1 to 10, broken into age groups. The eggs will contain a variety of goodies, everything from family dinner coupons to \$50 savings bonds, to four \$250 cash prizes, to Parks & Rec wave pool passes, sports cards, Pokemon cards,

marbles and candy. Other prizes to be awarded include stuffed animals, jump ropes, kites, and membership cards in the Republican Party.

There will also be plenty of good things to eat and drink - popcorn, cotton candy, hot dogs, chips, donuts, coffee, lemonade. It promises to be a lot of fun, rain or shine, and I hope all Oakland County employees will make what we are calling the "Yokeland County Executive Employees Easter Egg Hunt," part of their Easter weekend activity. [I could have gone all night without saying "Yokeland County."]

STORM CLOUDS

Now let me tonight finally address the storm clouds on the horizon. What would any State of the County Speech be without reference to that old bugaboo, our roads. Nothing is more vital to Oakland County's sustained future economic growth and quality of life than our ability to move people and product in and around Oakland County in an efficient and timely manner. Hyperbole notwithstanding, I truly believe we face a significant crisis - an economic crisis as well as a quality life strain - if more is not done to fix our roads to relieve congestion.

We must convince Washington to open the spigot wider and let transit dollars flow back to Michigan, still a donor state. For every dollar in federal gas taxes we send to Washington, we get back 95 cents.

I have suggested, in other forums, a reform that I think makes sense and I repeat my call tonight for a change in the distribution formula of Michigan's sales tax on gasoline. Did you know that only eight states in America have a sales tax on gasoline and Michigan is one of those states? You don't see that six percent sales tax because it's buried in the price of the gallon of gas you purchase. It is fair to point out tonight that the sales tax on gasoline does not go toward roads where it belongs. The sales tax proceeds are sifted through a complicated formula and basically find their way back into the State's General Fund where, unfortunately, they are spent on other programs outside the transportation arena. Tonight I ask our friends in the Legislature to reexamine the six percent sales tax on gas, and, over time, wean those State departments away from the gas tax revenue and put those dollars back into roads where they belong.

While I'm on the subject of roads, it's a natural segue to the subject of transportation, and in particular public transportation. I see my good friend in the audience tonight, Dick Blouse, who's President and CEO of the Detroit Regional Chamber of Commerce. Dick is pushing a program of his own to develop a regional transportation plan. I applaud his commitment

and his energy, but with all due respect to my good friend, we already have a regional transportation program in southeast Michigan and it's called SMART, Suburban Mobility Authority for Regional Transportation. It serves Wayne, Oakland and Macomb, and serves those counties very well. Five years ago we went to the public for a modest millage to support public transportation. Macomb and Wayne joined with a number of communities in Oakland County and we fought our way back from a \$20 million deficit in 1995 to last year, where we were in the black and, in fact, ended the fiscal year with a modest surplus that we plowed back into the system.

Did you know SMART last year was the recipient of a national award for being the fastest growing public transportation system in America? We now enjoy 44 straight months - that's 44 straight months - of expanding growth in both ridership and service. Those who avail themselves of this system, praise it. John Hertel, Chairman of the Macomb County Board of Commissioners says that his communities love it. The routes are tailor made to suit the needs of senior citizens or handicapped individuals. SMART moves public transit dependent citizens around Macomb County in a timely, efficient manner.

Those same stories are replicated in Oakland and Wayne as well.

Let's be blunt tonight. There's nothing wrong with the SMART system, it's the Detroit system that is struggling and now requires a \$65 million subsidy from Detroit's general fund just to stay afloat. I'm not here to detail the problems of D-DOT, I simply want to make the point that dissolving SMART will not help Detroit, it will only serve to disenfranchise the public transit dependent people in the three outlying surrounding counties.

And what would a State of the County address be without my annual lament about the fact of our donor status as a taxpaying county? A friend of mine who is known for massacring the King's English said to me last year "Why are you so tittinacious about Oakland County's donor status?" Well, let me tell you why. Last year Oakland County was again the major taxpaying county in the State of Michigan, sending \$3.35 billion to Lansing. We got back in services \$2.48 billion. Therefore we left on the table \$871 million that was spent in other counties on their local programs. In other words, Oakland County citizens are subsidizing programs in 82 other counties. We are the only county in Michigan that today remains in that dubious class known as a "donor county." My appeal again this year, as it has been in the past, return more of our tax dollars back to the residents of Oakland County.

Where would we spend those dollars? Let's start with our roads. Let's widen our congested highways, and that includes additional traffic lanes on the busiest expressway in the state of Michigan, Interstate 75.

We could use the tax dollars to fund an initiative now undertaken by my Health Division to reverse the disturbing trend of infant mortality rates among African American babies born in Oakland County. While the infant mortality rate for all children born in Oakland County is 5.3 per 1,000 live births, in Pontiac the African American infant mortality rate is 23.5. This is totally unacceptable.

We could pour our tax dollars into very costly programs to improve our environment. Ladies and gentlemen, the mandates being handed down by the EPA and funneled to us by the Michigan Department of Environmental Quality are now starting to come into focus. We're not talking millions, we're not even talking hundreds of millions over the next decade, we're talking billions of dollars to clean up our lakes, to clean up our rivers, to reconstruct our sanitary and storm water systems, to build new state-of-the-art treatment facilities. This is not just wild speculation about what might be coming in the years ahead, it's here!

This is not a storm cloud, it's closer to a tsunami.

Another cloud on the horizon, and moving very quickly as I speak tonight, is the brouhaha over a program called CSES - Child Support Enforcement System. Some of you may have read about Oakland County's reluctance to abandon our own system of child support enforcement and join the State CSES system.

By everybody's assessment, Oakland County's child support enforcement system is technologically far superior to the State system being forced upon us. We service over 100,00 individuals through the Friend of the Court operations, and the innocent children in the system need their support checks to be there on time and in the right amount.

Why am I so concerned about joining the State system? How do I know that their system will be less efficient than ours? Let me read you something tonight, and then I think you'll understand why we are being dragged, screaming and kicking, into this statewide system.

I'll read a paragraph to you, then I will tell you where it came from: "I've never seen anything so screwed up in my life....It's a nightmare trying to figure out who you're supposed to talk to. [The CSES] tracking system and a companion centralized collection and distribution system have caused misery to the people they are intended to benefit, as well as to child support caseworkers.

"Both clients and caseworkers agree that the new computer systems chronically generate incorrect payment histories, fail to send checks on time, mail checks for the wrong amounts of money, or mail them to the wrong people."

Ladies and gentlemen, I just read to you from the front page of the Cleveland Plain Dealer for Sunday, February 18, 2001. Cleveland was forced to put in place the very system that we're being forced to implement in Oakland County. And I mean being "forced," because if we don't join the statewide system we could be fined up to \$38 million this year, and higher fines in succeeding years. As County Exec, I cannot allow that to happen.

It's a complicated issue, but let me say that I do not hold Governor John Engler nor the State responsible. This is a mandate from the federal government to all 50 states: create a central statewide system for child support enforcement. And if the State doesn't force all 83 counties into such a system, then it will have to eat some hefty fines.

Ladies and gentlemen, this is government at its worst. A federal mandate forced through the State down to the counties, and everybody admits the end result will be chaos and inefficiency.

To the 55,000 moms in Oakland County who will find inefficiencies and disruptions in their child support payments sometime late next year, I apologize. If you've been reading the press you know Oakland County has been putting up the good fight for years, and we are the last to join, only in the face of decimating fines.

On this subject, I want to thank Chief Judge Barry Howard for his support given to my Administration during these tough CSES negotiations. And by the way, Barry, good luck as you leave the bench April 15 to pursue a career in the private sector.

Finally, tonight, one last cloud out there. I don't know that I would call it a cloud on the horizon, it's more of a tack on my chair. I think all of you in this audience know by now that Covisint is the e-commerce automotive Internet Exchange formed by the Big Three last year. It has the potential of becoming the largest Internet Exchange in the world, approaching revenues of \$750 billion. The day that Covisint announces the site for its new world headquarters and tech center is the day that some community has international bragging rights.

I have argued long and hard that Covisint should be located in Oakland County. In fact, it's temporary headquarters have been in Southfield for more than a year and a half now. My argument for Covisint's location in Oakland is simple: your customers are here: DaimlerChrysler World Headquarters, GM Truck Product Center, tier one suppliers, like

Delphi, ArvinMeritor, Lear, Textron, Siemens, and too many others to mention that dot the interstate corridors we call Automation Alley. The very people that Covisint will work with on a daily basis - over 42 of the top 100 suppliers - are within a 10-mile radius of where we sit tonight.

I invited more than 300 business leaders to a "Courting Covisint" breakfast at the Troy Marriott in September to hear the case why the world's largest business-to-business Internet portal should stay and make its permanent world headquarters in Oakland County. Many of those in attendance responded to my request to write letters and make phone calls to Covisint. I want to thank those men and women for writing their letters informing the Covisint decision makers that Oakland County is not only a good place to do business, but the only place for Covisint to do business.

I expect the CEO of Covisint to be named within a couple of weeks, and the long awaited siting announcement will follow shortly thereafter. If there are any business leaders in the room tonight, or in the listening audience, who would like to add their voice to the chorus of other business leaders in letting Covisint know about the opportunities and advantages of doing business within these 910 square miles that we call Oakland County, I ask you to join with me in these final days of our letter writing campaign.

Out on a table in the lobby as you leave will be the names and addresses of the Covisint Board of Directors to whom you should correspond. (And if you're listening at home or picking this up off the Internet, please contact my office at 248/858-1048 and we will send you the names of the Covisint Board to whom you should write.)

Ladies and gentlemen, every year I talk about doing business in Oakland County and tonight you've heard me make a direct appeal to bring yet one more business into our high-tech cluster. You might ask, why am I so tittinacious? It's very simple. When a business comes to your community and opens up shop, the first thing they do is hire employees. Those employees get a paycheck every other Friday. It's spent in the barbershop, in the grocery store, in restaurants, car dealerships, appliance stores, malls, theaters. Basically those paycheck dollars are spun back and forth around the community, like a ricocheting pinball, to the benefit of us all. Such spending and re-spending creates a thriving, vibrant, robust economy. From all those paychecks, of course, we in government take a small slice in the form of taxes. It gives us the ability to set aside park land for future generations, to put nurses in the schools, sanitarians in the restaurants, judges on the bench, cops on the beat, teachers in the classroom. What we do, in other words, is create a quality of life which is unique in this state and perhaps in this country.



Our citizens live in good quality homes in safe neighborhoods; they send their children to challenging schools for a fine education; they take time off to enjoy the leisure activities that abound. Ladies and gentlemen, that's called "quality of life." And it all starts back with that decision to open up a business and provide jobs in this community.

So why is it important for you to write Covisint? Should they select Oakland County for its world headquarters, it will add to our premier reputation, and other high-tech businesses will follow. More jobs will be created, and ultimately, an even greater quality of life will be shared by our citizens.

Ladies and gentlemen, you honor me by your presence here tonight, and you honored me this past November by returning me to elective office as County Executive for four more years. It's a privilege to report to you every year on how we do the business of government in Oakland County.

Thank you and good night.

**OAKLAND COUNTY RESEARCH LIBRARY
1200 N. TELEGRAPH ROAD DEPT. 413
PONTIAC, MICHIGAN 48111-0413**

**REFERENCE BOOK
FOR ROOM USE ONLY**