

State of the County

2015

Chairman Terry Withrow

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Thank you all for being here today or for watching at home or online.

It's an honor to come before you and deliver this year's State of the County Address. It's a good thing for all of us at times, to look back at where we've been, to take account of where we are, and to look with hope toward the future. And that is my goal here today.

I would like to start by acknowledging and thanking a few people.

My fellow Board members. I have learned so much from each of you over the last four years and I am honored to work with each of you. I am very thankful for our Chief Executive Office staff, our Clerk of the Board and all the Department Heads who run an incredibly professional and efficient organization. And most especially, our rank and file

employees who power the engine of Stanislaus County Government and without whom nothing would be accomplished.

I would like to offer a special thank you to our Sheriff's Office and all of the public safety agencies working throughout our County. The work they do to keep our county safe and secure is the most basic and essential function of government. Anymore, our officers not only fight crime, but at times need to act as social workers, relationship counselors and a whole host of other community service functions based on our societal challenges. For all they do, I again offer my sincere thanks and pledge of support.

Most importantly, I want to thank my wife Christen and our four children, especially our youngest, Emma, who is a senior in high school. They have sacrificed much during the last four years and I thank you for your love, patience and support. I look at my daughter, who is here today, and I see the amazing gifts within her character and her

potential for the future and how she will help to make the world a better place, and my wife and I feel very blessed.

I see a great need to show our young people that we care enough to lead by example - that when we recognize the need to act, we are willing to act. I tell you, the challenges faced by the youth of our community can be immense, and in some circumstances, almost inconceivable. I firmly believe every child in our community should be able to hold fast to the hope of a bright future. I'll speak more to that in a few moments as I look toward the future of our county.

Today, I am pleased to report that the state of our County is strong.

We have been able to weather the "Great Recession" and the sluggish economic recovery that followed. We didn't get through this just by good luck. This County has been blessed by highly competent staff and

fiscally strong and conservative Board members who have historically planned for economic downturns, even in the best of times, allowing us to weather this storm. As we continue with our sluggish recovery , we should never lose focus of creating prudent reserves to protect us when the economy declines. Planning for an economic downturn should never stop, as a recession is historically seen every 8 – 10 years. I applaud the County's ongoing multi-year financial planning – the very type of planning that is used in the private sector - which has allowed the County to appropriately expand and contract our services as our tax revenues ebb and flow.

I am pleased to say that in the midst of a slow economic recovery, we have completed negotiations with our 15 labor unions, and have begun to restore the pay cuts which our employees courageously accepted to help the County balance its budget. These are not only symbolic

agreements, but also very practical agreements to help recognize our employees and their sacrifice.

I'm proud to report that our Board Priorities continue to be strong and represent the foundation of how we serve the community. Let me briefly touch on each of these:

A Safe Community

After several years of reductions in staff due to the recession, we now are aggressively pursuing the hiring of new deputies and the restoration of critical public safety positions.

With the challenges we have been faced with regarding Assembly Bill 109, prison realignment, causing the increase in our jail populations and the monitoring of probationers, our County has stepped up with multi-departmental cooperation.

As a result of the work of our capital projects team, the County has been awarded over \$120 million dollars in State funds and we are the first County in the State to be under construction on our AB900 major Public Safety Center expansion. This project will allow us to expand our Jail capacity by 480 maximum security beds, a 72 bed Medical Mental Health Facility, an Intake Release and Transportation Facility, and a Day Reporting Center.—important, modern and safe facilities for our staff, the offenders and the public we serve. We are also in the process of building a new Coroners facility by reusing an existing building on the County Center III campus right across from the existing Coroner’s operation in Modesto.

A Healthy Community

Mental illness is a serious concern in our community and across the nation. I want to recognize the efforts of the Board of Supervisors, Chief Executive Office, the Behavioral Health and Recovery Services, the

Mental Health Board, our local hospitals and law enforcement for their efforts to fully implement the 24/7 Secure Mental Health Services Strategic Plan.

We had three goals: the development of a new Psychiatric Health Facility that opened in March of 2013, with capacity for 16 patients in crisis; the second was the creation of a Discharge Team –which has produced excellent outcomes; and third, was the development of a crisis stabilization unit, which is now in the final design phase and will reuse a vacant wing at the Ceres Recovery Center which will complete the continuum of care plan.

Additionally, the County has partnered with the Counties of Merced, Calaveras, Mariposa, Madera and Tuolumne on a Crisis Residential Facility. The new 16-bed facility will be located in Merced County and is funded through an Investment in Mental Health Wellness Act of 2013.

Crisis residential programs are an option to avoid psychiatric hospitalization and improve services to those in need.

In total, the continuing efforts of the County and its community partners to provide appropriate treatment and care to residents with mental illness are exceptional. I am the Board's representative on the Mental Health Board and I have seen firsthand how important these efforts are to our community. And remember, in addition to improving the lives of our citizens, all of these capital investments are made with the expectation of a return in the form of lower cost to the county by reducing the services needed.

Also significant inroads have been made in the community's ability to access health care through Health Care Reform.

Since its implementation in January, 2014, thousands of eligible individuals have enrolled in Covered California/Medi-Cal expansion and now have insurance. This has had a huge impact on the County's safety net - last year we only had 8 Medically Indigent Adults. This is down thousands and thousands from years past.

A Strong Local Economy

The government can't create jobs, but it can help promote a business climate that encourages successful business recruitment and retention in our community.

The County has streamlined its permitting process and offers a One-stop Shop to meet the needs of businesses looking to expand or locate in our County. We want to cut through red tape. Our One-stop does just that. The County also works with local partners in business recruitment and retention efforts and was instrumental in a

collaborative effort to land Hilmar Cheese in Turlock, Restoration Hardware in Patterson and Organics and Botanics in Modesto. By working together we can accomplish greater economic growth in our region.

This past year, the County and the Alliance partnered on several projects including a local procurement program where local businesses learned how to more easily work with government, and an effort which educated more than 300 local businesses on how to come into compliance with the Americans with Disabilities Act.

Effective Partnerships

The Board continues to focus on strengthening our partnership approach. Every County Department is encouraged to partner in their business and service approach to maximize public service outcomes.

Each year, we recognize two outstanding partnerships involving County Departments that embody the County's vision to be the best County in America. These partnerships exemplify what can be accomplished when dedicated individuals come together to find creative and innovative ways to achieve exceptional results to serve our community.

This past year, the Effective Partnership Award was awarded to two collaborative efforts that are really making a difference in our community. The first is **The Community Services Agency – Extended Foster Care Youth Partnership** that assists youth who leave the foster care system without a family, or safety net and has created an opportunity for these foster youth to develop lifelong connections that can have a positive long term effect on their future. The second is **The Stanislaus County Affordable Care Act Implementation Partnership** which was recognized for the efforts of the Community Services Agency, Health Services Agency and Behavioral Health and Recovery Services to ensure a seamless transition of care for the uninsured

residents of Stanislaus County to coverage and benefits available under the nations' Health Care Reform. We thank the participants in both of these efforts for their creativity and great benefit to our community.

A Strong Agricultural Economy/Heritage

We are an agriculturally based economy - it's who we are and it's what we are. Last year's farm gate of approximately \$3.6 billion dollars is a staggering number. If you take into consideration the multiplier effect, this industry contributes between \$12 to \$15 billion dollars to the economy of Stanislaus County. Other Counties would love to have this size industry. We need to celebrate and promote it by protecting our best farmland and fighting to maintain sustainable water supplies .

We cannot expect to grow by dismantling the industry that got us here. That being said, we also can't be averse to new industries that can help

our economy be more diverse and prosper and possibly compliment what we already have.

A Well Planned Infrastructure System

At a bare minimum, we cannot expect our existing industries to be able to grow and stay in this County if we do not have sufficient infrastructure to allow their goods and services to move efficiently in and out of our County. And without this infrastructure, we cannot expect to attract new industries.

The County currently has three major regional transportation projects in various phases that will address these issues. The North County Corridor is an east-west expressway serving directly the communities of Oakdale, Riverbank, and Modesto with interregional connectivity to promote goods movement and safe travel for our entire community.

State Route 132 is a critical east-west corridor, with a history of safety concerns and traffic congestion. Our region has taken the lead on implementation of the segment connecting highway 99 to what eventually, as funding becomes available, will go all the way to Interstate 5. The South County Corridor has recently taken a significant step forward with the start of a feasibility study. This study will determine if there is a suitable route connecting Interstate 5 and State Highway 99 in the southern portion of Stanislaus County and if so, if it can be funded for construction.

Efficient Delivery of Public Services

This year, our CEO has asked our departments to stand back and evaluate their service delivery models through the eyes of their customers. This assessment is to include everything from ease of access for services, to asking if we are operating on the right days and hours and how we can more efficiently use technology. Our goal is to

allocate our resources in a manner that reflects the needs of the public we serve. Departments utilizing creative solutions to improve service to the public will receive priority in the allocation of available County funding.

Fostering partnerships

Stanislaus County is continuing to work hard to strengthen our relationships with its nine cities. We look to support development within local cities, away from prime farmland. We believe that prosperous and successful cities make for a prosperous and successful County.

Our County and city governments need to cost-effectively deliver the services our taxpayers are funding each year. But, we need to stop fighting over which agency receives those tax dollars, and focus our energy on making sure the taxpayer is provided with the best service.

Our region – and I will add this is *not* uncommon among government entities – at times will experience infighting and competing for the same monies. The reality is that federal and state funds are finite.

While competition is good among the private sector, we in the public sector need to collaborate at every opportunity. We are partners and cannot act as competitors.

A good example of how we can work well together is the North Valley Regional Recycled Water project where the County, the cities of Modesto, Ceres and Turlock and the Del Puerto Water District are working together with state and federal officials to access funding for this important project. And I have numerous other examples like this.

But, I also know that in local government, we are not perfect and there are times when our collective actions are not as noble as they could be.

I encourage all government staff and each elected official in local

government to keep our eyes on the ideals that can be realized through local governance. Let's listen more to one another and sometimes talk a little less. Let's listen more to our most important customer – the public. And let's continue to strive to do the best thing for the public and not just to benefit our own individual agencies or agendas.

Water

And while we're on the subject of regional cooperation, let's talk about water.

We are all here today, and our County has grown and thrived, as a result of the vision of our forefathers. As a result of their building dams and conveyance systems, water - our life blood - was brought here.

With it came the certainty of a fairly constant supply; something that most counties in this State would love to have. In fact, therein lays the problem.

As this great State has grown, so has the demand for water. Powerful interest groups have looked at us with envy for years; but, they are no longer just looking. They are now pursuing taking some of our water.

As we are entering into what could be the fourth year of a drought, we find ourselves in a position this region has never had to deal with before. Not only do we have decreasing groundwater levels, but our ability to recharge our aquifers with surface water is being threatened.

The two go hand-in-glove. Surface water from our rivers allows us to reduce our reliance on groundwater pumping, while simultaneously recharging our aquifers and making them available in years of less rainfall when the surface water is reduced.

Over the last year, our County has worked hard on groundwater issues.

We have put in place an ordinance that deals with maintaining the sustainability of our region's groundwater. This was done faster than most Counties in this State and ahead of legislation passed recently by

the State. Our ordinance was created as a result of an unprecedented partnership and collaboration of irrigation districts, city water agencies, and private sector farmers and well drillers. It's a perfect example of us working regionally to solve our own issues.

Unfortunately, that is only half of the problem. As I said before, groundwater doesn't exist without surface water to recharge the aquifer.

As I stand here today, the State Water Resource Control Board plans to require an increase in the flow rate of the Stanislaus, Tuolumne and Merced Rivers by amounts that could lead to the loss of hundreds of thousands of acre feet of water to our region. This is not just a problem for the irrigation districts and the farmers to deal with. The reduction in water to our region could have a significant economic impact on employment, family farms, local business development, land values,

our tax base and the very foundation of our agricultural heritage. The true potential impact of this water grab is staggering. For a region with historically twice the nation's unemployment rate and starving for some good news on the job and economic development front, this is daunting. The ultimate downstream effect of the water grab is a reduction in tax revenues to all the agencies in our region, impacting areas such as local services like public safety and education, causing higher unemployment, crime and a greater burden on public assistance.

So on one hand we have legislation from the State telling us we need to manage our groundwater better, and on the other hand the State is about to virtually eliminate our ability to manage that groundwater by taking away substantial amounts of our surface water.

This is our Forefather Moment !!! We must negotiate, not as individual agencies, but as a region, to arrive at an amount of increased flows that will be acceptable to both state and local entities.

I would like to talk now about a topic near and dear to my heart. It involves the concept of refocusing our government resources on treating the disease and not the symptoms. This is a topic which goes down to the core of our community and our families. Let me start by telling you “The Tale of Scott”.

Two weeks before this last Christmas, around 11:30 at night, I got a text on my phone saying Woodland Fire Department was responding to a call on our street where we live out on the west side. Fearing something could have happened to one of our neighbors; I jumped in my truck and headed out. I found our fire chief, Mike Passalacqua, with his lights on sitting behind a little SUV that was leaning over, stuck in a

field. Mike said the man driving was very drunk, didn't know where he was or where he had been, had almost hit a house and a couple cars before he finally went off the road. As Mike was questioning him he saw a boy in the back seat, he asked the man is that your son and how old is he. The guy replied yes it is and he's about 16 or 17. A small voice then came from the back seat that said "dad I'm seven ". One of our Deputies and Highway patrol arrived, and we spent the next two hours trying to figure out where Scott would go that night. We all wanted to take him home, but that's not the way it works, eventually a grandparent was found. I went home, didn't sleep much the rest of the night and wondered what is going to happen to Scott.

The next day, in a meeting with our CEO and staff, I relayed "The Tale of Scott". I asked, based on our historical data, if we could come up with different probable life path scenarios for a young person like this and the cost to the County of those scenarios. Within a week they did.

Please realize these are general scenarios for illustration purposes. The best outcome, involves Scott having a strong role model in the home who provides stability, allowing him to thrive and he goes on and gets a diploma and possible college degree or takes on a trade. The tragedy outcome for Scott involves no strong role model, instability at home, and Scott eventually working his way into our criminal justice system.

Two things are going on here in the tragedy outcome: one is the heartbreak of the wasted potential of a child in our County; the other is the cost of that tragedy outcome. For the County to care for Scott in the worst case scenario over the next ten years is projected to be over \$750,000. Now let's take that one step further. We have approximately 9000 kids who are Scott's age in this County right now. Let's say fifty percent of those 9000 kids come from a broken home where one or more of the parents have abandoned their parental responsibilities and of those let's say ten percent end up in our worst

case scenario. That ten percent, 450 kids, equates to a taxpayer cost of approximately \$343 million dollars over the next ten years. And this amount doesn't even consider the additional cost incurred in the education system. If these numbers seem extreme, please understand that over \$750 million of our \$1 billion dollar budget this year will go towards treating these symptoms of what often started at a child's early age.

This year, our County has embarked on a paradigm shift in how we look at this issue. As a new Board member four years ago, I was amazed at, and made the comment, that we in government seem to spend all our money treating the symptoms without ever treating the disease. This is where we spend the overwhelming percentage of state and federal funds. In fact, a lot of times our treatment of the symptoms seems to facilitate the spread of the disease. We have good people with the best of intentions trying to band aid these symptoms. But in the end, they

have been limited in what they can do and the disease continues to grow.

Too many of our children come from broken families. These kids end up in our County system at an early age, working their way from Child Protective Services to Foster Care to Juvenile Justice to Adult Detention to the Public Defender to the District Attorney not to mention our health system. This has to stop and it is time to take a new approach.

Our plan is called “Focus on Prevention”. This is not a new government plan that we’re going to throw millions of dollars at. It’s actually that mentality that got us into this situation. Over the years we as citizens have stepped back and assumed that government will solve our social problems. Well, that has failed and we need to now reverse that mindset. The County will serve as the facilitator to convene this process. It is the Community that will need to step up and lead. We

will begin this Community transformation process in four areas critical to the quality of life in Stanislaus County: Homelessness, Strengthening Families, Youth Early Intervention and Reducing Recidivism. The goal is to develop capacity within the community to embrace this approach and champion this effort. We will ask for the participation of nine sectors or pillars of our community: Faith Based, Media, Arts Entertainment & Sports, Non-Profits, Education, Business, Neighborhoods, Philanthropy, and Government. We will start this off with four convenings dealing with each of the four critical areas.

This will not be a quick fix. This is a long-term solution that could easily take ten years or more before we start to see results. But those results could dramatically transform our community. We have a legal obligation and duty to the taxpayers of this County to be good stewards of their funds. I believe this Board is fulfilling that obligation to the highest degree. We have an ethical, moral and I would say divine

obligation to the children of this County to ensure they have *all* the opportunity this great country has to offer.

We are a Board willing to make difficult decisions. We are a Board willing to lead. We are a Board with vision. And we are a Board willing to stand tall and, if need be, take some arrows in order to do the right thing.

Now is the time to help change the course for the future of our County. The cries of our young people cannot be ignored. The plight of the homeless cannot be sidestepped. And the death of the family will not be accepted.

Let the arrows come our way. We will stand firm. There is too much at stake for our community. It is our time to step up and change our path for this County, this state and this country, out of respect for those who came before us and for the sake of those who will come after us.

I want to thank all of you for being here today.

God Bless You.