State of the County
2019
Chairman Terry Withrow
Presented March 5, 2019
Good morning and thank you to all who are here today or watching at home or online. It’s an honor to come before you and deliver this year’s State of the County Address. Four years have passed since the last time I was here before you, much has happened here in our County since then. Today I would like to review our successes over the last four years, recognize and acknowledge where we stand right now, and set a trajectory path of where we want this County to be four years from now.

I would like to start by acknowledging and thanking a few people. My fellow Board members. You are all my friends. The relationships and trust we have established has allowed us to work through even the toughest of issues, to find that balance to do what’s best for this County. I am honored to work alongside each one of you. To our Chief Executive Office staff, our Clerk of the Board, and all the Department Heads who run an incredibly professional and efficient organization. As I have often said, the confidence and trust we have in your work makes our job easy. To our rank and file employees, your hard work and dedication to this community is so appreciated by all of us. Without you nothing would be accomplished.
I would like to also offer a special thank you to our Sheriff’s Office and all of the public safety agencies working throughout our County. Providing safety and security to our residence is the most basic and essential function of government. Our officers not only fight crime, but at times act as social workers, relationship counselors and a whole host of other community service functions based on our societal challenges. We mourn those that we have lost. Our hearts weigh heavy for their families. We will never forget the ultimate sacrifice they have given for all of us. So again, I offer my sincere thanks and pledge of support.

Most importantly, I want to thank my wife Christen and our four children. I apologize for all that you have had to endure in these years of public service. Time is more precious than anything and Christen you have without hesitation given all of yours to me and our family, God has truly blessed the Withrows through you.

Today, I am pleased to report that the state of our County is strong. Not only have we been able to weather the “Great Recession” and the sluggish economic recovery that followed, we have experienced as a nation, the longest post-recession economic recovery of this generation. As a county we are on solid
economic footing. Since my last State of the County address, Discretionary Revenue has grown $41 million, from $183 million in Fiscal Year 2014-2015 to $224 million in Fiscal Year 2017-2018. General Fund balance has increased $66 million, or 47.8%. Now as good as this sounds, history tells us it won’t last. And almost $62 million of this has been assigned to mitigate projected exposures and budget balancing in the next four years. It’s this kind of discipline that will keep us fiscally strong.

Our County has been blessed by highly competent staff and fiscally conservative Board members who have historically planned for economic downturns, especially in the best of times. Even as we recognize this period of a sound economy, we should never lose the important focus of creating prudent reserves to protect us in order to weather future storms which we will inevitably face.

I am pleased to say that in a very busy year of labor negotiations, we have completed negotiating contracts with 14 of our labor unions, including base wage increases in each year of those current contracts.
That being said, some of these labor negotiations were contentious and at times got a little heated. The rules of engagement for our Board during labor negotiations are stringent and it may, to some, appear we are uncaring or not engaged due to our lack of response during public comment. Please know that this is not the truth. Our Board, along with our Human Resources negotiations teams feel the pain of all involved. In closed sessions we agonize over these decisions because we so much value the work and dedication of our County employees along with the need to find balance to maintain the economic viability of this organization. We recognize the key to this organization’s success over the years has been continuity of our workforce. Long term institutional knowledge of our employees allows us to maintain efficient and effective services to the taxpayers.

They say what doesn’t kill us makes us stronger. I truly believe we come out of these negotiations stronger. We gain more respect for what each of us do and deal with, in our day to day performance of duties. In the end, I believe we ended up with contracts that are both fair and fiscally prudent.
Board Priorities

I’d like to now talk about our Board Priorities. This last year, for the first time in decades, the Board made the decision to change our list of priorities to align them with our County wide Focus on Prevention Movement. I will talk more about Focus on Prevention but right now I’d like to discuss our successes and challenges in each of these priority areas.

Supporting Strong & Safe Neighborhoods

The County has committed $8 million in ongoing General Fund support to Public Safety Restoration. This funding restored 84-full time positions in the District Attorney, Probation, Public Defender and Sheriff’s departments. In addition to the Public Safety Restoration positions over the past 4 years, the Board also approved an additional 104 positions for public safety which included staffing for adult detention expansion facilities and expanded services for the District Attorney, Probation and Public Defender departments.
Recently, the Board approved a Deputy Sheriff II classification to assist the Sheriff’s Department with recruitment and retention challenges. The new classification is working well, and the Department anticipates filling all remaining 180 sworn positions in the next few months.

Soon the Sheriff’s Department will be implementing a body worn camera program with a target date of April 2019 for implementation. The program will improve public safety through enhanced operational transparency and accountability.

Digital Radio signal upgrades will improve clarity and radio communications for law enforcement personnel. These upgrades are also underway. It is anticipated this project will be completed this year.

In addition to the above changes, over the past few years, the County has completed the following critical and unique Public Safety Projects—focused on a rehabilitative approach to incarceration:
1. A Day Reporting Center to provide evidence-based programs and services to probationers and offenders who are out of custody.

2. A new modern and safe maximum-security jail with medical and mental health beds and facilities.

3. A new state-of-the-art Coroner’s facility at the County Center III campus.

4. And most recently, we opened the Re-Entry and Enhanced Alternatives to Custody Training Facility, with capacity for 288 modern replacement beds. The REACT facility is an innovative, programs-based detention facility that provides transitional housing and program opportunities for incarcerated adults and is designed to change the criminal patterns of inmates, ensuring fewer return after their release. This facility was selected by the Construction Management Association of America for a distinguished project award and was awarded a Citation, the highest level of acknowledgment, by the 2018 AIA Academy of Architecture for Justice.
All together, these represent over $150 million in state lease revenue bond projects, all completed on time and under budget!!

A Healthy Community

Behavioral Health and Recovery Services (BHRS) is at the forefront of one of the County’s most critical issues, mental health treatment and impacts on the community such as homelessness. We have recently implemented a pilot program for Assisted Outpatient Treatment also known as Laura’s Law, this past year.

Laura’s Law is a means to provide court-ordered intensive outpatient treatment for those with severe and persistent mental illnesses, who refuse medication due to the nature of their illness. Extensive community advocacy and collaboration with BHRS has resulted in the implementation of this 3-year pilot program which has seen 25 referrals since beginning this past October.

The Community Services Agency is also leading the efforts in support of the County’s Focus on Prevention Initiative to reduce
homelessness and stabilize families, with a total of 2,098 families receiving rental assistance through CSA Housing Programs. In partnership with the City of Modesto, the Department and several community non-profits successfully helped 80 evicted low-income tenants of a downtown Modesto apartment complex, access services and find temporary and permanent housing, on short notice. CSA continues to respond to emergency shelter and other needs for our most compromised residents on short notice, most recently witnessed at the motel bankruptcy on McHenry Avenue last month, displacing over 150 tenants.

The Health Services Agency is working with several community partners on an important effort. They launched the Opioid Safety Coalition last year to combat what has become a crisis nationally. There is an educational opioid summit planned for March 27th and much of their work is happening outside of conference rooms as well. Conversations with health care providers and hospitals is just as important as public education on the hazards of opioids.

The HSA is also implementing various portions of the Strategic Business and Master Facility Plan that was adopted by the Board in July of 2018. One of those initiatives was to create a
regionalized public health laboratory for efficiency and sustainability. That initiative was realized just this past month with a joint power’s agreement with San Joaquin County for public health laboratory services.

Visioning for a future sustainable outpatient clinical delivery system is underway with community partners and providers. We are using a broad collaborative approach to ensure access to health care, along with strengthening our commitment to physician training through our involvement in the Valley Consortium for Medical Education.

The Board has recently approved seeking a new future Ground Ambulance Provider. We are looking to strengthened and make a more integrated Emergency Medical Services delivery system of ambulance and fire agencies focused on improved patient care.

And finally, under a Healthy Community, to fulfill a promise made by the Board of Supervisors to provide a single location for coordination of services to the Veterans of Stanislaus County, we completed in March 2017, the Stanislaus Veterans Center and Conference Center. A one of a kind one-stop shop for the
County’s Department of Aging and Veterans Services and select programs from the Community Services Agency. Located at 3500 Coffee Road in 37,000 square feet of space, this facility, unique in the nation, provides a beautiful conference center and Banquet facilities for our Veterans!

Developing A Healthy 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.

Agriculture is our number one industry in Stanislaus County. It’s what we are, its who we are. Our last crop report showed the value of agriculture commodities produced in Stanislaus County to be $3.6 billion dollars. The multiplier effect of this to our local economy brings the impact of this revenue to over $12 billion dollars. As this industry continues to grow and become more advanced, we are seeing more and more high paying jobs and the reverse of the so called “brain drain” that happens when our kids go off to college and don’t come back after graduation due to
lack of jobs. It is essential that we continue to make our County business friendly for our agriculture industry.

That being said, it is also essential that we continue to work on diversity and the expansion and attraction of other industries.

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 and cut through red tape. The County is also working with multiple community stakeholders, to reinvigorate local tourism for our region. We know that what is good for one of us, is good for all of us.

This past year we also partnered with Opportunity Stanislaus to identify several Opportunity Zones which have been given a special distinction that will foster business development and defer taxes when people choose to invest in these struggling areas. Our Crows Landing Industrial Business Park is one of these Opportunity Zones and has become one of the county’s priority development projects, which could provide new industry, new jobs, and new revenue for our area. We are on the cusp of starting the Crows Landing Development after having recently finished our environmental impact report and land entitlement.
We are very pleased to dedicate $22.9 million in the 2018-2019 Final Budget to support development of the project. At full build out, Crows Landing will provide 14,000 jobs for local residents, eliminating the need for our resident workers to commute out of county to earn a living.

Another new and exciting idea on the horizon are Enhanced Infrastructure Financing Districts, referred to commonly as EIFDs. Formation of an EIFD in the Crows Landing Industrial Business Park would capture incremental increases in property tax revenue from future development. The resulting positive cash flows would complement other revenue sources to help fund backbone infrastructure for the project.

And finally, with regard to a Healthy Economy, at the end of 2017, the Board adopted a conservative allowance strategy of 61 Commercial Cannabis Business licenses. Last year County staff worked diligently to thoroughly review, process and background check the 61 applications received, and narrowed it down to 33 applicants. These applicants are currently undergoing the critically important public review process so that the Board can make sound decisions after hearing from everyone impacted by these businesses. The revenue derived from the Development
Agreements, that end up being approved, will fund the County’s enforcement strategy in eliminating the illegal cannabis activities in our County. Positions have been added to the District Attorney’s Office, Environmental Resources – Code Enforcement Unit, and the Sheriff’s Department. This team along with staff from the Ag Commissioner’s Office, Chief Executive Office, County Counsel, Fire Prevention, and Planning and Community Development Department are actively putting tools in place to begin enforcement activities to shut down the many illegal operations in our Country and to vigorously enforce the permit conditions for the legal operations.

**Promoting First Rate Learning Opportunities**

Education and life-long learning are important for every human being’s personal development and success, as well as for the social and economic development of the community. The Stanislaus Library system offers early literacy programs for children, basic literacy services to adults, workforce readiness programs, resources for veterans and their families, and outreach services beyond the physical walls of the libraries including online e-resources and community outreach activities. With thirteen locations throughout the County, the Library offers free access to
a diverse collection of materials, computer access and Wi-Fi, Story Times, programming for all ages, and more.

A focus on First Rate Learning is embodied in the Board’s Priority to create two new libraries in Turlock and Empire. These community partnerships will provide for modern and expanded libraries in our communities. Both in Turlock as well as Empire, community planning sessions and input from residents has been critical to our success.

Our U.C. Cooperative Extension continues to operate the largest, 4-H club youth development program in California. In the spirit of focusing on prevention, Stanislaus County 4-H is partnering with local businesses and the Modesto, Ceres and Turlock School Districts to introduce Science, Technology, Engineering and Math subjects, like using ozzobots to teach basic theories of computer coding. In addition, 4-H is directing educational efforts at minority and low-income youth.
Delivering Efficient Public Services and Community Infrastructure

We cannot expect to live up to our vision, to be respected for our service to the community and known as the best County in America, if we do not have sufficient infrastructure to allow goods and services to move efficiently in and out of our County. Without effective infrastructure, we cannot expect to attract new industries.

In the last year there has been great success on two of the region’s high-priority projects. State Route 132 is nearing reality and Phase 1 will be under construction in 2019, thanks to a Federal TIGER grant, State grant funding through SB1, our local Measure L and our local Public Facility Fees. North County Corridor is the recipient of a Federal BUILD grant and Phase 1 will be under construction by 2023.

Our road and bridge infrastructure have better funding today than in the last 30 to 40 years thanks to our local Measure L in which Stanislaus County receives approximately $6M per year for local street maintenance.
Your Public Works team continues to advocate for state funding to improve infrastructure in unincorporated areas as well. Just this month, the California Transportation Commission awarded the County a $4.9 million grant for Airport Neighborhood improvements like bicycle and pedestrian safety projects. This funding comes from the Active Transportation Program partially funded by the gas tax SB1. The Airport Neighborhood is an historically disadvantaged region, geographically split between the City of Modesto and Stanislaus County. This area of the community has suffered from patterns of disinvestment in basic infrastructure that plague many unincorporated communities. However, the recent 2017 Airport Sewer Project and this ATP grant shows the County’s commitment to improve neighborhoods. Many streets in this part of the community do not have sidewalks. This new money will allow us to address resident requests such as new sidewalks, bikeways and safely defined pathways for students in the Oroville Wright Elementary school area. Various other traffic calming safety improvements like high visibility crosswalks and speed cushions, in addition to bilingual safety outreach education will also soon be coming.

While we build stronger infrastructure, we are also building better internal systems. Our Treasurer-Tax Collector, for example,
implemented on-line payments of e-checks, credit and debit cards. We added account verification with the banks to allow taxpayers who pay online or via e-check to ensure secure and accurate completion of transactions. The department also implemented a sweep account to safely increase the County’s earnings on account balances.

*Fostering partnerships*

The Board continues to focus on strengthening our partnership approach to the work we do 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 recognized two collaborative efforts that are really making a difference in our community. The first highlighted outstanding work by the
Department of Child Support Services with local hospitals, recognizing remarkable work in the category of partnerships with non-government agencies. The second award was for the Outreach and Engagement Center, a true community-wide, multi-sector partnership requiring extraordinary efforts by the Focus on Prevention Team in collaboration with multiple partners.

Water

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

Much of our industry, since the beginning of recorded California history has grown and thrived, as a result of accessibility to water. In the Valley, we have been creatively harnessing our water supply for centuries. Our forefathers-built dams and conveyance systems and learned how to make the water work for them. With it came the certainty of a fairly constant supply; something that most counties in this State would love to have.

As this great State has grown, so has the demand for water. Powerful interest groups have looked at us with envy for years;
They are no longer just looking. They have put into motion a plan to pursue taking a significant amount of our water. Although we are no longer technically experiencing a drought, we find ourselves in a position to be fighting for our water like never before. We attempted to reach a negotiated settlement over the last few years, with various individuals and agencies. We found that we were mostly negotiating with ourselves, with no concessions coming from the other side. Our fight has now gone to the courts. Litigating will mean years in court and millions and millions of dollars in legal cost to the taxpayer.

We are, however, encouraged by the new direction we see the Governor taking with the California State Water Board and we are hopeful that a negotiated settlement agreement can be achieved, one that meets somewhere in the middle that both sides can live with.

Groundwater

The County has been actively participating in implementing the Sustainable Groundwater Management Act (SGMA) through the formation of multiple Groundwater Sustainability Agencies across the region. These organizations are authorized with broad duties and authority under SGMA related to managing groundwater in
the present and well into the future. The GSAs organizational structure are represented by cooperative partnerships among all of the region’s Counties, Cities and Agricultural water purveyors.

All agencies are actively engaged in developing their long-term Groundwater Sustainability Plans for each groundwater basin in an integrated and coordinated fashion. The GSPs will include not only the identification and implementation of policies, programs and projects aimed at managing groundwater, but also will integrate surface water management and improved ways of capturing storm water during high rainfall events for use as a means of actively recharging the aquifer to better manage our groundwater resources.

**Safe Drinking Water**

The Modesto Irrigation District and the City of Modesto are entering their 25th year of a partnership involving the operation of the Modesto Regional Water Treatment Plant that provides the citizens of Modesto with high quality drinking water without being 100% dependent on groundwater alone. This Treatment Plant is a shining example of inter-government coordination and cooperation.
Meanwhile, in the south County area, the Stanislaus Regional Water Authority is making significant progress toward the construction of the Regional Surface Water Supply Project wherein the Turlock Irrigation District will provide highly treated surface water from the Tuolumne River to the cities of Turlock and Ceres, further lessening their dependence on groundwater.

*Focus on Prevention*

Speaking of basic needs such as water…I would like to talk now about a topic near and dear to my heart, something I have personally been fighting for during the last 5 years. 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.

In 2015, I shared a little bit about this brand-new County initiative called Focus on Prevention. I shared a plan born out of frustration, about the fact that we spend a lot of resources treating the symptoms and not the disease. We were then initiating this journey toward community transformation and prosperity, a county-wide initiative that aims to improve the quality of life for all
Stanislaus residents and families through coordinated prevention efforts that work across multiple sectors to promote health and wellbeing. These sectors include government; business; health; non-profit; philanthropy; education; faith; neighborhood; media; and arts, entertainment, and sports. We formed a Stewardship Council to lead this effort, made up of two industry leaders in each of these 10 sectors. We have been meeting monthly for the last three years. Much of our work has been foundational and structure building, involving breaking down silos and building relationships amongst the sectors. We worked to align intentions and objectives around shared goals. We committed to the long game and to holding ourselves accountable to measurable outcomes, and continuous learning about what works and what doesn’t work for our community.

Our hope was that Focus on Prevention would extend beyond a simple initiative and lead to a shared community vision, laying the foundation for ongoing transformation and culture change to inspire deeper connections and tangible improvements in the lives of Stanislaus County residents.
A better quality of life would ultimately mean a substantial return on our investment in the form of reduced crime rates, higher educational attainment, jobs, and healthy lifestyles.

Our focus on these four target areas will improve the quality of life of Stanislaus residents: Reducing Homelessness, Strengthening Families, Investing in and Supporting Youth, and finally Reducing Recidivism & Re-entry back into the Criminal Justice System.

We started with the homelessness crisis which has plagued our entire state. Out of this have come the following milestones toward addressing our homeless population.

1. In 2016, the County led efforts to put in place our region’s first Outreach & Engagement team, made up of approximately a dozen experts who go out daily and engage the homeless in our County. They work on getting them into services and transitional to permanent housing. This also established a place where people can go to find help, on 12th St. next to the old jail.

2. Our C.A.R.E team: It was determined that among the homeless, there is a relatively small population with acute
issues in need of immediate help. These are individuals experiencing significant distress for themselves while also causing distress to the community. This population often exhibits high-risk health and safety behaviors, engages in vagrancy-related criminal behavior, experiences high-frequency emergency department use, and high-frequency jail detention, due to their serious mental illness and substance use disorders. Many experience frequent detention for evaluation and treatment. The CARE initiative is an innovative approach to a complex problem. Over a 90-day period last year, our work group met weekly to map assets, unpack problematic processes, and identify service gaps while building a new approach that could increase accountability, and alignment, developing a system and service model that has never been utilized in our community. In short, this team of approximately a dozen individuals, made up of law enforcement, nurses, social workers, the DA’s office, probation and the public defender’s office, have identified about 150 people who were on everyone’s list of most frequent users of the system. This team is also out daily and making good progress on getting these people off the street.
3. The County partnered with City of Modesto and the private sector to establish the Downtown Streets Team. This organization uses a volunteer work experience model in which unhoused Team Members beautify their community in exchange for case management, employment services and a basic needs stipend. Through their volunteer work, Team Members rebuild effective work habits, take on leadership opportunities, further their education and ready themselves to reenter the workforce and housing through the support of a positive community. It’s a win for the community, a win for the environment, and a win for the increased self-sufficiency of the Team Members.

4. We recently opened the Modesto Outdoor Emergency Shelter in the Tuolumne River Regional Park area under the 9th St. Bridge. This is a short-term temporary shelter with uniform weatherproof tents. We have contracted with an outside provider to manage this location as we work to transition people out of tents and into transitional and permanent housing.
5. The County partnered with the Housing Authority to use 20 units of migrant farmworker housing in Empire during the off season for temporary shelter for homeless families.

6. We recently reached agreement with Salvation Army to expand their facility for the operation of the Permanent Access Center. This site will provide approximately 180 additional beds and a one stop shop for services. The key to success with our homeless is not just locating temporary shelters, the answer is in getting them into services that can transition them back into our community as productive citizens. We believe this Access Center does that.

7. The County and City of Modesto along with the 8 other City Managers and Focus on Prevention Stewardship Council members are currently working with the Stanislaus Community System of Care (CSOC) to further develop systems of accountability for our community’s homelessness efforts. The new leadership structure now known as the Stanislaus Homelessness Alliance will be the central governing body for developing vision, strategy, and outcomes to reduce homelessness in Stanislaus County.
With this final step of establishing the Stanislaus Homelessness Alliance as the governing body for everything dealing with our homeless population in the County, it is time for Focus on Prevention to turn our attention to our next focus - strengthening families.

Every person is born into a family, and all of us are stronger when we have the support and love of a family, be it a family of birth, a family of choice, and/or a community of people bonded by a commitment of love to be family to each other. We’ve started a learning process with Probation focused on breaking the cycle of generational criminal behavior. We’re looking for evidenced based prevention programs for families and seeking ways for the community to support these families that are wanting to change their lives. One recent approach is a program implemented last year that allowed the County to move two social workers to the Public Defender’s Office. Now we have the ability to meet people where they are and provide assistance through a process that could otherwise feel hopeless.

I would like to finish this morning with a couple thoughts.
All that I have discussed here today involves various aspects of things happening in our community, of change. Whether it’s new goals and ideas, new personnel, new programs, new buildings, new infrastructure. Its all about doing things better, doing things different, all to effect positive change.

**Change comes at the speed of Trust**, I’m going to say that again, **Change comes at the speed of Trust.**

Building relationships is how Trust is established.

As a County governing body, I believe our organization operates as a group of individuals who have built those relationships amongst each other and established that Trust. As a result of that, I have had so much change to talk about here today.

But we are not the lone governing body in our region. We share governance with many other agencies, the largest of which being our nine cities and three irrigation districts.

We are at a critical time in our County’s history. In order for our region as a whole to succeed and move forward with positive change, we must build those relationships to establish that Trust.
In order for all our Cities and County to be successful, we have to **Trust** that we have each other’s best interest in mind and not just our own. Our jobs are to be self-giving not self-serving. **We must** all think regionally.

Building that Trust to get to regional thinking requires more time together, between County Board Members, City Councils, Mayors and our Irrigation Districts. We are elected by the same voters, and we need to demonstrate to those voters our ability to govern as a region. This only happens when we spend more time together, and become more comfortable having uncomfortable conversations.

I have asked our staff to develop and prioritize a framework to pursue regional collaboration on the major challenges and opportunities that face our community. I will also reach out to our sister agencies to express my personal vision for regional collaboration in the coming weeks. Relationships, trust and collaboration are the key to delivering positive change for our future. This must be a priority for all of us in 2019 and beyond.
I see great things and have much hope for our County over the next four years, I am honored for the opportunity to serve our community, and thank all of you for being here today, may God Bless Stanislaus County!!