

State of the County

2016

Chairman Dick Monteith

Presented February 9, 2016

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Good morning members of the Board, Mr. Risen, Mr. Doering, to those who are present this morning and those who are watching online or on television.

I would like to begin by thanking each of our County employees and our department heads for the great work that is being done every day in serving the people of our community. Without your passion and commitment, we could not do the things we do in meeting the needs of the public.

Today, I am pleased to say the state of our County is strong and growing stronger every day.

We are in the sixth year of financial recovery from the Great Recession and since the bottom of that time we have re-grown our reserves, significantly paid down debt, found ways to improve the efficiency of County operations and launched a major community initiative to improve quality of life over the next ten years. Our organization is leaner, better and continues to prepare for the eventual downturns that will come.

We are working harder than ever to serve our community and make the future better for the residents of our County. While we still have major challenges that face our community, we are pleased at our direction and have great hope for our future.

Our Board of Supervisors priorities continue to direct our journey as we focus on safety, health, our local economy, partnerships, agriculture, infrastructure and the efficient delivery of public services.

In 2014, we began a three-year plan to build back critical public safety services through millions of dollars in investment. Our goal is to add back **74** positions by 2017-2018. We have also forged new relationships with the court system to improve efficiencies in getting the backlog

of cases to a completed trial. Also this year, we saw a major step taken as the Police Officer's Standard Training Regular Basic Course was reactivated at the Ray Simon Criminal Justice Training Center. This training had been deactivated during the recession and the new format that could be a model for organizations statewide looking to improve their local recruitment and training efforts.

The County continues to operate a robust outpatient health clinic system serving thousands of underserved patients in our community. Our mental health system is seeing success in avoid hospitalizations through outpatient treatment whenever possible and our Psychiatric Health Facility is providing lower cost alternatives to out-of-county treatment. Our Department of Child Support Services continues to deliver outstanding performance and has turned into a statewide leader for cost-efficient operations. The return on investment for Child Support is now at \$3.49 for every dollar spent on the program. This is an amazing number and we are grateful to the staff of that department for their outstanding work.

A focal point of our Board of Supervisors is a strong local economy. We continue to work with Community Service Districts to assist with water and infrastructure improvements in places like the Airport District, Parklawn, Crows Landing and Empire.

Our agricultural heritage is part of our foundation and we must continue to protect it. Stanislaus County has been leading the State in addressing water challenges that face our State.

In 2015, we launched our Temporary Water Assistance program and have installed 46 tanks for families to get quick access to water after their wells have run dry. The project is working as 6 tanks have already been removed after new wells were drilled. And

The County set up a financial loan program in the summer of 2014 to provide financial assistance to repair domestic water wells for those citizens living in the unincorporated areas of Stanislaus County. This program works to assist those who have no other option when it comes to paying for well repairs. To date, loans have been approved to fund well repairs for six households of senior citizens. Although the utilization of this program has tapered off over the last few months, the Board of Supervisors has continued to support the program by allocating an additional \$200,000 to it in September of 2015. There is currently \$300,000 remaining that can

be loaned to those in need and I encourage anyone interested to review the program details on our website.

I have long said that government is not the answer to everyone's problems – it is finding the right partnership opportunities where the community and government can come together. This past year we launched a major initiative called the Focus on Prevention where the County is helping to facilitate a long-term solutions to major community issues. The community has widely embraced this effort with the Stewardship Council taking the lead role in driving this forward. Our focus on the homeless issue has gained traction countywide and while this is a highly complex issue, we are hoping it is a springboard to tackling other issues impacting our residents.

Our County mentor program continues to impact the lives of young people in our community with more than 25,000 hours of volunteerism since its inception. The program is recognized nationally for its impact and we thank everyone who is involved in reaching out to the youth of our community.

I would like to also recognize another program that has been a long-standing partnership with Stanislaus County. The Latino Emergency Council was formed as a partnership with the County, El Concilio and the Hispanic Leadership Council to ensure effective communications with the Latino community during emergency situations. Since its founding the organization has reached nonprofit status, has expanded its mission into community emergency preparedness education and outreach, and is celebrating a milestone 10th anniversary this year. I want to thank you for your work and to recognize the unique nature of your organization as we believe this is the only organization of its kind in the United States. Our congratulations and thanks go out to you.

Our strong agriculture economy and heritage are a vital part of our community. We've already spoken of our focus on water and our efforts to protect this resource, but we also do much more. This past year our Agricultural Commissioner has had to deal with some significant issues such as avian influenza and a new invasive species to our area, the Asian citrus cyllid. The work of their office is usually very quiet and behind the scenes, but it is vital to our economy and our community.

We are continuing to strengthen the infrastructure of the County and have begun to reinvest in County parks through restoring staffing, making facility improvements and the completion of a marketing plan that will bring increased awareness of the park system and increased revenue. We increased our Police Activity League services for juvenile crime prevention in Keyes and Grayson and we partnered with Orville Wright School and the Head Start program for services at Oregon Park. We also implemented a three-year plan to restore code enforcement services to provide a seven-day-a-week presence in the community and to improve graffiti abatement.

We navigated through a significant challenge in the solid waste area, but as a result were able to secure a ten-year service agreement with all city jurisdictions. Keeping the cities together was challenging as interests for the cities can vary widely; but, in the end, being together makes us stronger, more cost-effective and provides greater value to the community.

The Board of Supervisors has always had a passion for the efficient delivery of public services. Our belief is the tax payer dollar belongs to the tax payer and we are accountable for investing these funds in the best possible way with the best possible impact. That is why I can stand before you today and tell you our financial condition is strong.

- Our General Fund financial reserves are at \$114 million;
- Our debt is extremely low with a Debt to Equity ratio of 4.85% compared to the surrounding county average of 33.3%;
- Our authorized County positions are still 9.8% below our high at the beginning of the Great Recession reflecting our organization restructuring;
- And even in strong financial times, our budget grew only .4% this year, while we have committed \$8 million over the next three years to invest in deferred maintenance to improve our facilities;
- And last, this was the year we finally saw an end to the State Negative Bailout problem that has plagued our County for 30 years costing us more than \$70 million. We thank all of our State legislative leaders who worked so hard on this. This has been a tremendous year.

Our County has some very positive momentum right now and our focus is on targeted, strategic priorities that are sustainable. We know another recession is inevitable, so our long-range financial models continue to be an important tool that we use to plan for fiscal solvency well into the future.

Going Forward

Going forward we know we will still be challenged to navigate through the difficult issues facing our County. I'm proud of the fact our Board has been focused on leading the way through difficult problems in our community and not turning away. We might not always have the immediate answer, but we are committed to participating, and often, leading the way to solutions.

The **Focus on Prevention** effort is off to a great start and will continue to move forward. But to be successful it must be led by members of our community, not the government. We are extremely pleased with how many people from the community have stepped up to engage in this effort and we continue to remain committed to being a facilitator of this project as it develops. So many of the problems we struggle with in California, and right here in Stanislaus County, highlight the loss of connection for people and their perceived loss of value as human beings. With all the programs that government provides, we'll never be able to deliver a core element of self-worth and esteem for individuals that our community can deliver. Government can't tell you your value and government can't give you a hug. All our programs can never accomplish that. But the dedicated and caring members of our community can.

We know **water** will continue to be a significant issue for years and years to come. The work and time being invested now on this issue, the tough conversations being had on this issue as well as the programs being implemented now and in the near future, will help to set a sustainable course to protect and preserve water for the people who live and work here.

Public Safety will continue to be a priority for the Board of Supervisors. We are in the middle of implementing our three-year public safety restoration plan, which is increasing staffing levels in our departments for better service to the community. We have been carefully targeting investment of funds in this area to bring the greatest impact we can.

We have worked hard on planning for a **one-stop facility where veterans** from around the County can come together to get services they need and socialize as a means of getting healthy and staying healthy. There has been a diligent planning process being led by the Veterans Advisory Commission to identify what type of a building will be needed and the services offered. Through their leadership, a nonprofit organization called the Veterans Foundation of Stanislaus County has been formed that will become a financial partner in this effort. The City of Modesto has come on board with a significant annual financial commitment and we are already in the process of getting proposals on possible site locations. The County has committed \$1 million from the sale of the Medical Arts Building to this effort, ongoing funds from rent obligations from the Department of Aging and Veterans Services as well as significant labor hours in planning and building specifications. Our great joy will be when we can open the doors on this facility and bring our veterans together.

Our **roads** in California have been underfunded for years. We have huge maintenance needs, let alone the need to expand roads, build new roads and enhance our transportation system. To do this, we need funding to improve our infrastructure to allow the movement of goods through our County. We can't afford to have our County bypassed by industry because we don't have adequate roads. Our local cities have committed to standing side-by-side with the County and we are finally in the best place to make this happen, but our voters will ultimately have the final say.

I have discussed some of the past and the present and now it is time to acknowledge the challenges we have in the future.

As we all know, the population of California will continue to grow. It has approximately 39.1 million people and we know that other parts of our country have severe climate conditions. Historically, our California population has increased significantly by people seeking a nicer climate. But what does that increased number of people coming from outside the area mean? That means some changes. That means we'll have people moving here who their closest relationship with agriculture is in the supermarket, in their cart, and picking up food product off the shelf and going to the checkout counter. That will be the closest connection they've had with

agriculture - perhaps ever - understanding the water challenges to create food, or where food comes from.

I'll give you a little story. As I had an opportunity to represent Stanislaus County and six other counties in the State senate and was on the Ag and Water Committee, we talked constantly about the challenges of water. And when I talked to those legislators who were from metropolitan areas, we would talk and they said, 'well, you know, Dick, I go home, turn on the faucet and there's water.' And that seemed to be their only concern and they wouldn't discuss it any further than that. Then I'd ask them, well, where do you think all the food comes from? Don't you realize it has to be grown in agricultural areas? They'd say, 'Dick have you ever gone to a grocery store and not seen plenty of food?'

So those are the arguments you get. You will never win those arguments with people who come from that arena. So what we have to realize is most people really do not care if their food comes from Argentina or Chile. However, that is something we understand here as it is our economy. But they do not understand that. So consequently, as the population growth comes, and it will because I'm talking about 10, 15, 20 years from now, and I will not be here in 20 years and some of you in this room will not be here in 20 years, but that does not take away the responsibility of addressing the challenges we have coming into the future.

People coming into our area will not understand the economy, they will not understand the lifestyle we are used to.

Some people have a tendency to want to draw a line around some area and say that's it for growth. And that is usually done through a passing of the law. I want to point something out - if laws solved problems, how come we keep having the same problems? The other issue is this. When you pass a law, all you're doing is freezing a period of time where, if you like the law, you want to maintain it and you want it to continue. If you are against it, you want to weaken it and you want it eliminated. So laws, sometimes, all they do is prevent us from truly addressing the issue. And so I would highly like to see people get together and realize that passing laws in itself is not the manner in which you resolve problems. It takes a community to give and take.

There are two definitions that have changed and I don't think people realize it. We talk about negotiating. That used to mean, at least in my mind, I give up something, you give up something, you get something and I get something. That definition has changed today. It's turned into a "take." If I have the power and the votes and it's on my side, I take and you don't count. The other problem that we're confronted with is activism. That used to mean that people would get together and try to address issues to make people aware of a problem and come up with solutions. Today, I'm sorry to say most activists are looking for a pound of flesh and the means justify it and the manner in which they go about it is justified by what they're trying to accomplish. Law is thrown out the window.

With these two definitions that have changed, our divide has widened. That's why it becomes more and more difficult to get things resolved. Everyone has a tendency to protect their own interests. I understand that. We all do that. But if we are going to survive, in order to keep our economic growth and preserve our agricultural heritage, I believe it's time that we have to sit down and recognize the challenges now.

You know, I think of an organization one time I belonged to and some people were not happy in the manner in which it was going so you know what they did? They went out and got new members. They took control. I'm saying today that is what we could be looking at in 15 to 20 years as people come from the outside and do not understand the value of agriculture.

I believe the best way to address that challenge is to set out some industrial areas. That way you protect agriculture and yet you provide some industrial areas where it can grow. Now, that can be very controversial. It should not be a take. It should be a situation where we sit down and talk reasonably about the challenges. We should have a northern part of the County, a southern, a western and the east. Now, some people believe it should go in all one area. Well, logistic-wise, that doesn't work. I'll give one example: if you want it all on the east side, and industry is looking for a location, and it's 25 miles one way from where another location could have been and they run trucks every day, going back and forth at 50 more miles per day times a hundred trucks, times 365 days a year. They will not come. Many times, we think we've come up with solutions that we may all agree upon, but it never works because we aren't meeting the needs of people looking for certain locations or business. The east side may work fine for some.

The west side maybe . . . the north, the east. But this is what we're going to have to do in my opinion if we're going to be able to responsibly address the challenge.

There's one other situation. We're constantly looking for improved, access of convenient transportation. You know, we've talked about the ACE Train. Eventually something of that sort is going to happen. Wow. You can jump on that and go see the 49ers; you can go see the Raiders, and have a great time and not be out on the freeway which, today, regardless of when you go to San Francisco or when you come back, it's really a mess.

But also, with those conveniences, there is something else I believe we have to be realistic about it. It provides transportation for population who are working in the Bay Area and Silicon Valley. We're talking about the Bay Area where jobs are plentiful and we're looking at, in the Silicon Valley, where homes start at a million dollars. An apartment in Oakland is now \$3,000 a month. So you see, with the convenience of transportation, that also provides people who live here and commute to their work. Now, that means that we could end up being a commuter community which creates additional challenges. That means we need more residences, homes, and apartments. But, that tax base will not take care of the increased public services. In fact, we have that challenge today throughout the County where we're struggling because we don't have adequate revenues to address public services. Then when you have this added population coming in that only creates a tax base on property taxes, we're going to get deeper and deeper and deeper. So once again, I do believe industrial zones can do that because industry is what creates the tax base that pays for the public services.

I'd like to go into the third, and this will be the final. I graduated from Turlock High School in 1950. Turlock wasn't over 7,000 people. Modesto wasn't over 18,000. Those who had the opportunity to go on to college . . . there weren't too many of us. But, the only ones that came back were those whose families were in business and it had to be in agriculture because that was our economy. My father was an International Harvester Tractor and Truck dealer. That's what I was raised in. But many people whose families were not in business or in agriculture had to go elsewhere. I'm sorry to say that, regardless of the constant striving by Alliance and Chambers of Commerce, we're still confronted with the same problem. So consequently, I don't know if you're aware, but when we had our population growth, which you

may like it, you may not, approximately 10 to 15 percent of the increase in population were your own children and grandchildren coming back because they couldn't find a job. And now I'm going to ask each and every one here, how many of you have children or grandchildren that had to, you're constantly telling your children to go to school, prepare yourself, you can have a better life, you can make a contribution. But we are not providing the jobs for them. We are not providing the jobs for those who can be successful and lead our community and meet our needs. So my question to you is very simple. How many of you had your children, grandchildren, have to go elsewhere to find a job because they couldn't find it here? We have a community that offers a great deal. We have a community that is going to change in 10, 15 and 20 years from now. And I merely suggest are we willing to step forward and sit down and talk without getting angry and face the challenge of how we still can control the growth of our community, still maintain agriculture which is extremely important, but address the issue rather than having it taken out of our hands? Those are things I'd like for you to give some thought to. You may agree with me. You may disagree with me and that's okay. I also want to point out this, some of you may think I'm against agriculture. I am not against agriculture. But I'm trying to figure out a manner in which we can address it which we can preserve our agricultural heritage.

I want to thank you for your time and God bless.