



PATRICIA C. BATES
CHAIR, ORANGE COUNTY BOARD OF SUPERVISORS
SUPERVISOR FIFTH DISTRICT

2009 Year End Speech

Board of Supervisors Meeting, January 12, 2010

Colleagues, County staff and community members: one year ago, I presented a State of the County address that not only outlined how the County was doing but also laid out my priorities for the direction of this Board during my year as Chair.

Above all, my greatest concern was ensuring we maintained a balanced budget. This included reining in spending and advancing our long-term goal of reducing the County's unfunded pension liability. Additionally, in keeping the campaign promises made during my initial run for Supervisor, I vowed to work toward making our County government more transparent and accountable to the taxpayers.

Looking back over the year, I'm pleased to say we accomplished much in all of these areas.

As we entered 2009, the economy was already experiencing a significant downturn. Our County budget forecast included significantly reduced revenue from property tax, sales tax and vehicle license fees, all of which our budget is dependent on. Those factors were coupled with a state budget crisis in which the Legislature once again looked to local government coffers to balance the state budget which included withholding reimbursement payments for many state-mandated services the County provides. It appeared to be the perfect storm.

As the new Chair, I pledged to uphold the Board's commitment to responsible budgeting and ensuring the fiscal soundness of our County. To that end, over the past year, the Board has steered the County through one of the most concentrated efforts to scale back expenditures in our history; and it has been no easy endeavor.

In June of 2009, the Board of Supervisors approved a \$5.5 billion dollar budget for Fiscal Year 2009-10, representing an 18% decrease compared to the previous year's budget.

The \$1.2 billion in cuts were associated with program reductions, fewer employees, cutbacks in internal service and supply expenses, restructuring of financial programs, and reductions in capital projects. In all, 271 County employees were laid off and an additional 5,705 were affected by furloughs and pay reductions.

Our department heads and executive management team are to be highly commended for working collaboratively with the Board on a budget plan that reduced spending by first targeting administrative costs. In doing so, we were able to minimize direct impacts to the residents of Orange County that utilize our services.

The approach the County took in reaching a balanced budget is truly a remarkable achievement. In fact, an Orange County Register editorial commended the Board of Supervisors for passing a budget that is fiscally sound and serves as “a statewide model for responsible budgeting in the midst of a tough recession.” The Board extends that accolade to our CEO, our finance team and every County employee, as all contributed toward the solution. No one was

unaffected, including the members of this Board, who all took voluntary pay reductions.

In terms of our goal of attaining long-term fiscal stability, the County made great strides in the area of pension reform.

On the heels of our huge success with Measure J, in which over 75% of Orange County voters voted in favor of requiring all future pension increases be put to the ballot, the Board achieved two additional milestones in 2009.

In August, the Board decided to appeal the lawsuit challenging the constitutionality of the retroactive portion of a pension increase awarded to Sheriff's deputies by a previous Board. We agreed to see the case through because of the potential cost savings to the County. A successful outcome at the appellate level will result in significant cost-savings and potentially set a precedent that can assist governments throughout the state with similar pension liability issues.

Additionally, in July, after months of tough negotiations, the Board approved an agreement with the Orange County Employees Association (OCEA), the County's largest

bargaining unit, to reduce pension costs for both the County and employees by providing a new, lower pension formula and an optional employee defined contribution plan.

The new pension formula, which required State legislative approval, was passed by both the Senate and the Assembly. The bill was so popular that many local governments throughout the state are now looking to our approach as a model in dealing with similar pension issues.

Step by step, Orange County continues to lead the way toward a functional model for comprehensive pension reform.

Another goal during my year as Chair was to continue to advance the Board's pledge to identify ways to make County government more transparent and accountable to our residents. I believe we have shown our resolve in carrying through on this pledge.

Aiding us in this ongoing effort has been the work of our Performance Audit Director. The Board established this office last year and it has already proved its worth with such

successes as the Audit of the Sheriff's Department's use of overtime. The Performance Audit Director was also instrumental in identifying cost-savings associated with using Correctional Officers in our jails, rather than sworn deputies, this is a recommendation that we were able to implement this year and it is expected to save the County millions of dollars annually.

In late 2008, the Board of Supervisors unanimously supported Supervisor Bill Campbell's and my request to initiate an audit of the Planning Department. This request stemmed directly from complaints our offices received from constituents regarding the Planning Department's burdensome bureaucracy which was delaying projects and increasing costs for customers.

When the Performance Audit Director presented his final report to the Board in July, it unfortunately confirmed many concerns about the Department. However, recommendations identified in the audit have served as a blueprint for moving forward. Supervisor Campbell and I have taken a hands-on approach in this effort by heading a

subcommittee working with staff to implement the recommendations in a timely manner.

In addition, I teamed with Supervisor Janet Nguyen in requesting a Performance Audit of the County's Information Technology (IT) Department, which is currently underway. When this report is completed, I expect it will help the Board identify a number of areas within our IT Department that can be managed more efficiently to realize additional cost-savings.

As you can see, reducing government spending has been a priority for the Board, but we've also done much to reduce costs for residents and companies doing business with the County.

To that end, we have been proactive in requesting reviews of the fees we charge. Earlier in the year, the Board voted to defer fees for developers struggling to compete for projects in a cash-strapped economy. The Board also deferred scheduled fee increases, including boat slip fees in our harbors and restaurant inspection fees.

At the local level, we've taken steps to bolster the local economy and respond to the national call for economic stimulus. We've managed to accomplish this by helping retain private sector jobs and contracting out services wherever possible.

We've also accelerated a number of capital projects that are funded through enterprise funds, which do not come from the County's General Fund. The largest of these projects is the \$543 million John Wayne Airport Improvement Program which includes building a new terminal, parking structure, and central utility plant.

On the theme of encouraging transparency, the Board has been very active. When the Sheriff brought forward a new Concealed Carry Weapon policy, we advocated strongly for a clear and fair process to be applied for any revocations.

This Board also responded quickly when the County received criticism for our hiring practices, specifically rehiring retirees. As Chair, I asked the CEO to provide a report on this practice to the Board so going forward we can consider

establishing a clear policy that will assure the public of the fairness in our hiring practices.

In the Fifth District, which I represent, we've seen a number of successes in the past year, and if I may, I'd like to highlight just a few before I wrap up and allow my colleagues to offer highlights during 2009 for each of their districts.

In October, after 12 years of planning, the California Coastal Commission unanimously supported the County's efforts to improve the Dana Point Harbor by approving the Local Coastal Program Amendment. This milestone allows us to move forward with the estimated \$140 million Dana Point Harbor Revitalization Plan. The first phase of the plan will consist of improvements to the landside commercial core which includes increased public parking, a new launch ramp, new shops and restaurants and an open public area called the Festival Plaza. We will continue to seek input from local merchants and the boating community throughout this process. In the coming year, we will be developing a finance plan for the project.

Throughout 2009, my office, in partnership with LAFCO, also established a Working Group which facilitated a series of meetings between the City of Rancho Santa Margarita and the unincorporated Fifth District communities of Coto de Caza and Las Flores, to discuss potential future governance options and other local issues. The resulting Working Group has opened up productive dialogue between the communities and the County and they will present their recommendation to LAFCO in March.

In September, I also hosted a South County Restaurant Town Hall for food facility owners and managers to provide important information about the County's new inspection notification system, which took effect October 1st. The Town Hall was attended by over 150 South County restaurant owners who expressed appreciation for our staff's efforts to educate them on the new process.

Additionally, as part of our continuing community outreach efforts, my office was very successful in a number of other areas, including hosting our 2nd annual South County Senior Summit. The 2009 Senior Summit, which was hosted in partnership with our Office on Aging and South County

Senior Services, was attended by over 600 older adults residing in the 5th District and was televised by COX Communications.

My office also had the great pleasure of hosting the 2nd annual South County Disaster Preparedness Expo. The event was attended by over 5,000 Orange County residents and was organized in partnership with the City of Mission Viejo. Attendees were treated to an array of emergency response vehicles and equipment, as well as numerous vendor booths providing critical information related to disaster readiness, response and recovery.

Our Disaster Preparedness Expo was actually the catalyst for two extremely important new countywide programs in 2009: the re-launch of ReadyOC.org and the creation of OC Fire Watch.

The goal of ReadyOC is to educate Orange County residents, businesses and schools on how to prepare for natural and manmade disasters. The new ReadyOC.org website will now display important emergency notifications as well as provide tools to improve preparedness. It also

offers direct access to a number of local and national disaster response resources.

It was during discussions about ReadyOC that the need for an OC Fire Watch program became clear. My office had collaborated with several existing volunteer Fire Watch groups throughout the County that work to deter arson and report behaviors that could lead to wildfire in specific wilderness areas during periods of elevated fire danger, also known as Red Flag conditions.

Yet, until recently, there was no volunteer Fire Watch program for our OC Parks, which manages over 40,000 acres of parkland and openspace.

With the initiation of the new OC Fire Watch program, park volunteers will be deployed to monitor wildlands within and around our County parks during Red Flag conditions. At such times, all Orange County wilderness and regional parks, as well as OCFA fire stations, will also raise Red Flags displaying the words “Fire Alert” to warn residents of the increased risk of wildfire.

I have invited all Orange County cities to participate in this program by joining the County in raising the red Fire Alert flags at their respective City Halls during Red Flag conditions. I would like to thank OC Parks and OCFA for their outstanding efforts in this important countywide effort!

In the area of transportation, the Fifth District also had a productive year with construction contracts being awarded for the Ortega Highway Widening, the Alton Parkway gap closure projects as well as the Moulton Parkway Smart Street Project for Phases 2 and 3. A contract was also awarded for an EIR/PR (Environmental Impact Report/Project Report) for the La Pata Avenue widening and extension project. And, on Laguna Canyon Road, we completed the Wetlands Mitigation Project, a revegetation project and a median and G-line contouring grading project.

As you can see, 2009 was a very busy and productive year for both the Fifth District and the entire County. My goals for the Fifth District in 2010 include continuing to work closely with our unincorporated communities in the development of their plans for future self-governance. Additionally, I intend

to follow through on my commitment to improve regional mobility in South County by working aggressively to implement the goals of the South Orange County Major Investment Study, to find a solution for completing the 241 and to continue to facilitate the various I-5 interchange improvement projects which will dramatically reduce bottlenecking at our busiest off-ramps and relieve overall congestion.

For the County, I will continue to seek greater levels of efficiency in our spending and in the way we provide services to the public. Moving forward, our solution to balancing the budget during these troubled times must not include passing increased costs on to businesses and our taxpayers. We must continue to find ways for the County to live within it means and remain accountable.

We certainly accomplished a great deal in 2009, but much more remains to be done; and I'm confident our newly elected Chair, Supervisor Janet Nguyen, will be successful in moving the Board and County forward in 2010.

And, finally, my remarks would not be complete without expressing my profound appreciation to County staff, my office staff, and each of my Board colleagues for your loyal support and assistance in seeking and finding solutions to the many challenges presented us as we weathered the most significant economic storm since the Great Depression.

Thank you all for allowing me to serve you as the 2009 Chair of the Board. It has been an honor.