



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

ORANGE COUNTY HALL OF ADMINISTRATION
333 W. SANTA ANA BLVD.
10 CIVIC CENTER, SANTA ANA, CALIFORNIA 92701
PHONE (714) 834-3550 FAX (714) 834-2670

2009 STATE OF THE COUNTY

**Presented at the Board of Supervisors meeting
of February 10, 2009**

Ladies and Gentlemen, good morning and welcome.

I appreciate the opportunity to address you as Chair of the Board today, and to present the 2009 State of the County Address. It is an honor to hold office as a public servant of this great county, a place that is so blessed with natural beauty, rich in diversity, and abundant in manmade wonders and natural resources.

Orange County is a place like no other. In fact, our history is firmly rooted in that very notion. The desire to maintain our own identity apart from Los Angeles County, and the recognition that we are unique in our views and approaches is what brought about the official formation of our county in 1889.

At that time, there were only three incorporated cities: Anaheim, Santa Ana, and Orange. Our population was 13,589, our major industry was agriculture and our property valuation was about \$9 million. There were about 3500 students enrolled in public school. Our County Jail was located in a basement rented from Brunner's Furniture Store on East 4th Street, just around the corner from where we sit today.

With that quick snapshot of our humble beginnings, it is clear that much has changed. Today's population is 3.1 million residents (3,121,251), our major

industry is manufacturing, the average home price is \$525,000, and the number of enrolled K-12 students is over 550,000.

Unwavering after all this time is our strong sense of local pride in our ability to be innovators and collaborators, to be prudent self-starters while always reverent of our conservative ideals – to be gracious in our success and resilient in rebounding from our failures. Those are the values that have characterized the citizens in this county since its inception and, from where I sit, I assure you they are alive and well today.

To that end, I'd like to thank the Board of Supervisors for its leadership and effort during 2008. That applies to both efforts within each of our Districts and on a County-wide basis. I continue to be impressed by the Board's attention to detail and to policy matters as we go forward.

I look forward to following the successes of 2008 under the leadership of Chairman Moorlach and the entire Board. In 2009, we have a number of critical issues before us both immediately and in the long term. Among those are:

First and foremost the resolution of the Orange County budget issue and the imbalance being caused by both the economy and the failure to have an adopted budget in Sacramento. As the Board is aware, that has begun to result in a serious reduction of revenues from the State of California.

For example, reimbursement for State mandated Social Service programs were reduced by \$33 million this fiscal year, and we will see the downturn hitting the County budget with respect to a decrease in the annual growth of property tax revenue (0-2%).

Against this backdrop, the County remains committed to fiscal soundness and responsible budgeting – including a balanced budget. As you have seen recently, the consequence of doing this affects our clients, our cities, and the employees of the county.

However, through innovative and proactive approaches such as work furloughs, we have been able to save approximately 400 employee positions from layoffs. Continuing our commitment to responsible budgeting, while difficult in these times, will ensure we avoid another “1994” and a return to bankruptcy status. As we seek new strategies to respond to the decreasing revenues, we are also committed to sensitivity in dealing with service levels in the community and with our employees and their jobs.

It is important as we go through this, and all issues, to have teamwork between and among the Board members, the staff, and various stakeholder groups. The rancor that results from dissention and disagreement does not serve us in achieving our goals of maintaining service levels and protecting our employees.

Though we are experiencing historic economic challenges, not all is gloomy. Our County departments report many accomplishments and goals for the coming year. Let me share some:

OC Community Resources is a County department reorganized in 2008 and includes the functions of Parks, Libraries, Housing, and Animal Care. A few of their many activities to highlight regard Limestone Canyon and Whiting Ranch Wilderness Park, one of the County’s gems of recreation and open space, reopened in July, just nine months after 28,000 acres (roughly 90%) of the park burned in the Santiago Fire. OC Parks’ staff, along with the help of the Orange County Fire

Authority and Orange County Conservation Corps, worked tirelessly to replace more than 200 signs and kiosks, re-grade 30 miles of roads and trails, and clear brush and 35 fallen trees to ready the park for reopening.

OC Parks increased the number of customers participating in programs in the parks from 29,300 customers in 2007 to 129,437 customers in 2008 – an increase of 341%.

OC Parks moved its base of operations and most of its administrative staff from downtown Santa Ana to Irvine Ranch Historic Park – which more than 100 years ago served as the headquarters for the Irvine family’s agricultural operations. A future goal for the park, which also houses the new Katie Wheeler Branch Library, is to eventually become the County’s newest historical park and give visitors a look at the storied agricultural history that gave the County its name.

The number of volunteers for “California Coastal Clean-Up Day,” the largest marine debris pick-up in the world, increased 28% over 2007, and in 2008 Adopt-A-Park volunteers saved the County more than \$1 million in costs to OC Parks. OC Parks added nearly 300 acres of County regional parkland for a total of 38,935 acres. Between October 2007 and 2008, 4½ miles of unpaved regional trails and a half mile of additional off-road paved bikeway were added to the County’s system of trails.

Future goals include developing a Wildlands Management Program to ensure stewardship of these valuable resources for future generations.

In addition to Parks' accomplishments, Community Resources also completed construction and grand opening of the new customer service and animal intake areas at OC Animal Care Center.

In the area of employment services, the department responded to more than 100,000 customer visits for employment and training services at the One-Stop-Center system. Approximately \$4.4 million in discretionary grant awards were received for employment and training services in Orange County.

Future goals focus on:

- Improving customer service at the libraries by implementing a Call Center where patrons can call for information, even if their local library is closed or busy,
- Developing a large animal rescue program,
- And providing comprehensive employment assistance and development services to help people get jobs and keep them.

Our OC Waste and Recycling Department secured permits for the Frank R. Bowerman (FBR) Landfill to extend disposal capacity through 2053 and obtained environmental clearance for full build-out of the Prima Deshecha Landfill through 2067. Landfill capacity is a valuable commodity in these difficult economic times. Securing permits for expansion of the Bowerman Landfill and CEQA clearance for Prima Deshecha demonstrates how OC Waste & Recycling is making the most of existing resources and planning for the future of county residents. Additionally, awarding an agreement for the construction of a Material Recovery Facility (MRF) at Prima Deshecha signifies the County taking another significant step in promoting the most effective and efficient processing of waste possible. By

capturing more recyclables from the waste stream, less residual waste will go into the landfills and use up finite capacity.

Looking to the future, OC Waste issued a Request for Proposals for a contract to study the feasibility of a conversion technology at County landfill sites. Pursuing this study places the County at the forefront of re-inventing itself and actively exploring new technologies and alternatives to traditional landfill practices.

OC Dana Point Harbor achieved one of its major 2008 goals by completing the 2008 Maintenance Dredging Project as scheduled and under budget.

In 2008, the Harbor developed and implemented a number of policies focusing directly on improving water quality in Dana Point Harbor, and the East and West Marinas continue to exceed California's Clean Marinas Program requirements.

The focus for 2009 will be the Harbor Revitalization Plan:

Calling for improvements to the 40 year old regional facility, the final approval needs to be granted by the California Coastal Commission and is currently being reviewed by their staff with anticipation of being heard by the Commissioners during the April 2009 meeting. Once approved, the final plan will need additional local approvals, prior to construction (late 2010).

John Wayne Airport:

The \$652 million Airport Improvement Program is fully underway, on-time and on budget. Last month, the Board of Supervisors approved plans and specifications for the new terminal and parking structure and authorized the Airport Director to solicit bids for construction. It is important to note that no tax dollars or County of

Orange general fund revenues are being used to support this project. All funding is coming from internal airport revenues, grants, and revenue bonds that will be issued this spring.

OC Public Works:

Clearly, this department's staff has proved the claim that Orange County has many of the best and brightest in service to the residents of this County. Consider this:

- Ignacio Ochoa, Chief Engineer of OCPW, was awarded the Outstanding Engineer in Government for 2008 from the American Society of Civil Engineers
- And Nadeem Majaj, Assistant Chief Engineer of OCPW, was awarded the Government Engineer of Merit Award for 2008 by the American Society of Civil Engineers.

In 2009, department goals include: completing the construction of the Civic Center Cogeneration Project, which will use the waste heat from the central heating plant to generate electricity serving the County, Federal, State, and City buildings in the Civic Center. This project will eliminate County dependence on electric utilities, and save the County approximately \$5 million per year in electricity costs.

Within the Sheriff's Department, 2008 brought us a new Sheriff, Sandra Hutchens, who shares our commitment to public safety as the highest priority of the County. In 2008, our contract cities including Lake Forest, Mission Viejo, and Laguna Woods again garnished acclaim for some of the lowest crime rates in the nation. Most crime indicators in our County are on a downward trend, including juvenile and hate crimes as well as domestic violence.

In 2009, we face a number of challenges, including resolving issues of security and budget reductions with Sheriff Hutchens, and I would hope that we can resolve the continuing issues with CCW permits.

We will need to face our jail issues, whether it's health care in the jails or having an adequate number of cells and beds. In 2009, a major goal will be the implementation of the solutions under review through the Crout and Sida Jail Audit process. These are essential to repairing the negative and past images, and instilling a sense of confidence throughout Orange County that our jail system is a model in California.

And, last but not least is our Registrar of Voters.

The Registrar of Voters conducted four major elections in 2008 without major problems or incidents. They also processed 2.3 million ballots and nearly 2 million voters in poll sites (both are historical numbers for Orange County elections), and will begin the 2009 year with a project to study the potential for all mail ballot elections in the future.

So as a county, through our many departments and activities, and I have mentioned only a few, we have witnessed a successful 2008 in spite of the national downturn. We must now engage with the same energy and spirit to continue to move forward into 2009.

In the coming year I, personally, look forward to the resolution of a number of important labor relation issues which include a number of important and wide-ranging labor negotiations that will be coming forward in 2009.

I have, as a personal goal, the continuing oversight of the Administrative Technology projects and staffing. I look forward to working with Vice-Chair Nguyen, who is Chair of the committee that oversees this area. The most important projects facing us are under the direction of Auditor/ Controller David Sundstrom, Assessor Webster Guillory, and the County Treasurer-Tax Collector Chriss Street. These are huge dollar projects that need to stay within budget and on schedule.

We have a number of important projects facing the County on a County-wide basis. The most high profile of those is Prado Dam, and we hope that through the stimulus package at the Federal Government we can continue work on that project with adequate funding through the Corps of Engineers. We also have the development of the Greenspot property in San Bernardino County, resolution of the Harbor Patrol issue, the South Justice Center, Musick Jail, and the transfer of Courts to the State of California. All of these will take an intense amount of Board and staff time, but are important to move forward.

On a more “esoteric basis,” we need to go forward with projects that are not brick and mortar, but are critically important to the future of this County. Those include:

- Wildlands Management program – mentioned earlier,
- Water Quality improvement,
- Resolution of homeless issues,
- And high on my personal list is the siting of a new Animal Control Shelter and securing Federal funds for the Aliso Creek Super Project, which is vital to land stability within the watershed as well as water quality.

Finally, in the Fifth District, as I outlined in my January report, we accomplished a number of things in 2008. Now, in 2009, we look forward to the following:

- Partnering with Mission Viejo Ranch on the development of their properties in South County,
- Resolving land use issues including annexations and incorporations
- Getting Coastal Commission approval on the Dana Point Harbor Revitalization project
- And securing Federal funds for the Aliso Creek Super Project – vital to land stability within the Watershed as well as water quality.
- In conclusion, the achievement of the County's mission is important as expressed in January by individual Board members in their District report and in these comments today. We can have continuing success and overcome the economic obstacles that may momentarily slow our progress as we all pull together and work together in 2009. I look forward to working with each member of the Board, elected and appointed Department Heads, and the staff to achieve quality results so we may look back on 2009 as another record of accomplishment for our great County.

Again, thank you for the opportunity to present this report and I speak for my colleagues and our County staff in restating, it is an honor to serve the people of Orange County.