



SUPERVISOR JANET NGUYEN • FIRST DISTRICT
CHAIR • ORANGE COUNTY BOARD OF SUPERVISORS
PRESS RELEASE

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State of the County Address

As we wrap up 2009, and look ahead to 2010, we all know there will be difficult challenges ahead of us. I look forward to working with each of you to address these challenges and seize the opportunities presented to us this year. When we gather again in January 2011, I hope we can celebrate the many goals we will have accomplished together this year.

Following tradition, I will take this opportunity in my first Board Meeting as Chair to address the State of the County. As previous Chairs have done in the past, each year we look at where we have been and plan where we want to go. Orange County has a unique and rich history. That history has helped to shape who we are today. We are a County of enterprising and innovative business leaders, resilient in our strengths and I know these qualities will serve us well in 2010.

Over the past year, the nation has been in the midst of a severe recession that has significantly impacted the ability of state and local governments to support critical public services. For Orange County, the recession has significantly reduced our ongoing revenue from property tax, sales tax and vehicle license fees, which account for 91% of the Net County Cost that supports the County's public safety, infrastructure and safety net services.

The County's jobless rate has grown from 4.4% in January 2008 to 9.4% in November 2009. Similarly, the growth in secured assessed valuations has declined from 8.3% in FY 2007-08 to negative 1.4% as fewer and fewer families are able to afford median home prices.

Although we are beginning to see signs of economic recovery, there are still economic indicators that signal that further challenges may be forthcoming. Until we are able to sustain a steady month-over-month improvement in the jobless rate, we cannot anticipate significant improvement in the County's revenues.

As such, the Board of Supervisors needs to continue to exercise prudent stewardship of the County's finances in order to overcome the challenge of supporting critical public services within the financial means that are available. The good news is that we have taken action early to reduce our costs, we have set aside reserves that are

available to mitigate some of the impacts, and we have completed our Strategic Financial Plan that will provide guidance on the actions necessary during this critical time.

We stand together ready to make the difficult decisions that are necessary to maintain the financial integrity of the County, so that we may preserve our core public safety, infrastructure, and safety net services for the citizens of Orange County.

Despite the economic difficulties we faced in 2009, the County had some excellent accomplishments as well. While this is by no means an exhaustive list, I would like to highlight a few accomplishments from our hardworking County staff and departments, as well as take a look forward to what we can work toward in 2010, to continue the valuable services the residents of this County have come to expect.

The County Executive Office, under the leadership of CEO Tom Mauk, had several noteworthy accomplishments in 2009, including completing transfers of all superior court facilities to the State and retaining some key properties, thus realizing significant ongoing operating and maintenance cost savings.

The CEO's office as our Chief Negotiator helped us to bring forward a new retirement tier (1.62% @ 65) that was collaboratively developed with OCEA members through their Chief Negotiator, Nick Berardino. This will achieve significant cost savings over time. We still have 1 more step to go with this and that is to try to get the IRS to work with us on implementing this new tier.

Other accomplishments include, but are not limited to:

- Improving the County's management of our cash flow;
- Maintaining the highest available short term debt rating;
- Providing emergency cash for operations; and
- Adopting a 2009-2010 budget that reflected the recession impacts on the County revenues.

As a County, it is important for us to maximize our financial resources and better utilize our existing property through the implementation of the Orange County Facilities Master Plan. We also must support the effective management and oversight of construction projects to take advantage of current construction costs. Following these principles, we must support the competitive bidding process and look to eliminate wasteful spending.

The County is a critical component in maintaining and improving our transportation infrastructure. We must coordinate with cities so that resources from the state and federal government are maximized.

Orange County owns and operates John Wayne Airport. JWA is an important component of our transportation infrastructure. Improvements are underway and soon air travelers will benefit from the new Terminal C and Parking Structure C. Additionally, energy needs will be met on-site with a new co-generation facility.

Last year, OC Waste & Recycling successfully negotiated 10-year Waste Disposal Agreements with cities, sanitary districts and facility operators. They also renegotiated a 10-year Franchise Agreement for solid waste collection and recycling in the County's unincorporated areas that will extend through June 2020. Each of these agreements is an example of how the department aligns itself with the County's Strategic Initiative to build healthy communities for the future.

The Health Care Agency had their hands full in dealing with the H1N1 and seasonal flu vaccination process. The clinics held in October and November provided more than 9,500 vaccinations throughout the County in the five districts. The 17th Street clinic also provided an additional 9,500 H1N1 vaccinations. All told, nearly 900,000 doses of H1N1 vaccine were distributed to Orange County providers.

There is still much work to do in continuing to coordinate the distribution of additional vaccines throughout the course of the flu season.

We welcome the addition of thousands of acres to OC Parks in the foothills above Orange and Irvine. Yet, we cannot overlook the need to locate park space in the Central and Northern region of the County where the need is critical. It has been identified that childhood obesity rates are higher in these parts of the County, in part due to a lack of open space where kids can play and be active.

County departments are encouraged to work together to find creative places where existing County property could be improved to have an open space, or recreational component. Though this may be a small step toward increasing open space in these high-density areas, it is something we need to pursue as a building block to larger opportunities.

Orange County is a very special and beautiful part of our nation. However, it is historically prone to the forces of nature. We must be vigilant in our preparation for anticipated disasters such as fires, floods, earthquakes or mudslides. We recognize that the public relies on the response of the County in its coordination with other local authorities when disaster strikes. We must also be prepared for disasters we hope to never see.

Last year, I participated in a drill at the Emergency Operations Center for a hypothetical incident at the San Onofre Nuclear Generating Station alongside then-Chair, Supervisor Pat Bates.

I want to acknowledge the County department heads for their successes over the past year. We look forward to working with you and continuing to assess our goals and accomplishments throughout this year. One of our main goals is to make our county government more efficient, so that we can make our budget dollars go further.

In that vein, with former Chair Chris Norby's leadership, the Board created the Performance Audit Department. The Performance Auditor continues to study and address important and critical issues. The role of this department can be significant in potential reforms which will improve the way the County does business and serves its residents. We look forward to future reports and reviewing your business plan.

As I said, this is by no means an exhaustive list of accomplishments and I want to thank all of our county employees, managers and department heads for their hard work and dedication to the residents of Orange County.

In looking back at all the County accomplished in 2009, one aspect of our success stands out above the rest: Teamwork. It is paramount that we work together — staff, management, the business community, unions, non-profits and so many more, as well as this Board — to address the challenges presented to us and make the difficult decisions that must be made to continue County services and keep us in a stable financial position.

I look forward to working with our team — including my colleagues on this Board, the CEO and his staff — to address any shortfalls and find solutions together this year.

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