

**L. Brooks Patterson
Oakland County Executive**

2012 State of the County Address

February 8, 2012
Marriott at Centerpoint Hotel
3600 Centerpoint Parkway, Pontiac, MI 48341



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I. OPENING

Thank you very much for that very generous introduction, Hajj. Hajj Flemings is the winner of our “Elite 40 Under 40” contest. An incredible young man. Over the last few months we sought nominations of young adults under the age of 40 who represent the best of Oakland County. We call them the “Elite 40 Under 40.” We feel they represent where Oakland County is headed tomorrow: charging into the knowledge-based economy, providing strong leadership, and engaged in improving the quality of life in our region. These young men and women truly make a statement about the talent that abounds in Oakland County and, as far as I’m concerned, confirm a bright future for our region and our country.

Miyan Media, who coordinated our contest, received nearly 400 nominations. Those were eventually culled to the Elite 40 from which three finalists were determined. Finally, the selection of our introducer tonight from among the final three was done by popular vote on the internet. Rounding out the final three were Lena Epstein Koretzky and Kerrie Binno. I would like Lena and Kerrie to please stand and be recognized. Congratulations on finishing in the top three. Many of the “Elite 40 Under 40” are with us in the audience tonight as well and I would like them to stand and be recognized. Congratulations to all of you.

- Mayor Bryan Barnette, 36, Mayor, Rochester Hills
- Richard Bernstein, 37 (38), Senior Partner/Public Service litigator/Pro Bono Attorney, The Sam Bernstein Law Firm
- Kerrie Binno, 39 (40), Senior Medical Imaging Sales Specialist, Lantheus Medical Imaging
- Dr. Amanda Boltwood, 31, Dentist, Dr. Komendera & Associates
- Scott Brills, 29, President, mSeven Media, Inc.
- Phil Castonia, 33, Business Development Representative for Internal Services, Oakland County Parks and Recreation
- Aaron Cozadd, 29 (30), Executive Chef, Union Woodshop
- Charles DeVries, 38 (39), Senior Director/Director of Business Development, Automation Alley
- Lena Epstein Koretzky, 30, General Manager and Co-Owner, Vesco Oil Corporation
- Justin Fischer, 28 (29), Accounting Analyst, Ford Motor Corporation
- Hajj Flemings, 39 (40), Founder and CEO, Brand Camp University
- Milan Gandhi, 31, Vice President, Med-Share Inc.
- John Garcia, 33, President, Benjamin Hunter & Harmony Group
- Peter Ginopolis, 38 (39), Partner, Heritage Private Wealth
- Tatiana Grant, 27, President, Infused PR & Events, LLC
- Jeffrey Imerman, 38, Owner/Founder, Imerman Cake Company, LLC
- John Latella, 38 (39), Chief Operating Officer, Garden Fresh Salsa Gourmet
- Dr. Johnny Leung, 33, President/Chief Optometrist, Accent Eyecare
- Laura Loughridge, 39, State Director, March of Dimes
- Ryan Maibach, 37 (38), President, Barton Malow
- Rebecca McGovern, 31, Assistant Vice President, Clarkston State Bank

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- Andrea McNinch, 35, Owner, Regeneration Raw/Heal Yourself Institute
- Steve Minella, 38, President/Special Operations & Marine Division Director, International Union of Operating Engineers Local 324
- Dr. Chris Niedzinski, 35, Doctor of Chiropractic, Innerlink Chiropractic
- Mike Palmer, 35, Owner, Premier Pet Supply
- Shane Pliska, 31, President, Planterra
- Bill Pulte, 23, Managing Director, Pulte Capital Partners
- Silvano Restiotto, 39, Global Director Corporate Quality, TI Automotive
- Jim Santilli, 29 (30), Executive Director, Traffic Improvement Association (TIA)
- Kevin Schnieders, 39, Chief Executive Officer, Educational Data Systems, Inc. (EDSI)
- Jeff Schostak, 28, Director of Corporate Real Estate, Schostak Brothers Real Estate Company
- Cassie Sobelton, 34, System Executive Director, Detroit Medical Center
- Jaclyn Trop, 28 (29), Business Reporter, The Detroit News
- Rick Van House, 32, President, Know Advertising
- Salina Washington, 38, President/CEO, Miyan Media LLC
- Daniel Wisniewski Jr., 36, Branch Manager/Vice President Investments, Raymond James
- Karen Workman, 26, Community Engagement Editor, The Oakland Press
- Norman Yatooma, 39, Founder and Attorney, Norman Yatooma & Associates
- Chris Ygay, 33 (34), Owner, Revitalize Day Spa
- Colby Zemmin, 31 (32), Vice President of Business Development, US Medical Management

I told Salina Washington, who owns and operates Miyan Media, and her compatriot, Cassie Sobelton, that I want the next contest to be “80 Under 80” so I have a chance to participate.

II. INTRODUCTIONS

Before I launch into my three-hour State of the County Address, I would like to recognize a few regional leaders who have joined us this evening. I appreciate their presence. Certainly I would like to recognize the Mayor of the City of Detroit, Dave Bing, with whom I have the pleasure of working on a very frequent basis. We also have joining us this evening my colleague, the low-profile Executive from Wayne County, Bob Ficano. We have the new County Executive from our neighbor to the east in Macomb County, Mark Hackel. And I see candidate for U.S. Senate Pete Hoekstra has joined us as well. Welcome, Gentlemen.

You know you are all dignitaries and notables in the audience, and I thank you all for being here.

The “Elite 40 Under 40” that I just introduced to you could not have picked a better nor more exciting time in which to live and work in Oakland County. Oakland County still remains Michigan’s leader in economic development, applied technology, fiscal practices, and quality of life. Tonight I’ll back up that claim with facts and figures.

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The overriding issue facing all of us in this room, in this region, and in this state is, of course, the economy. Let me focus tonight on Oakland County's leadership in trying to improve the economy through initiatives that my administration has launched.

III. EMERGING SECTORS

All of you know Oakland County was hit hard this past decade. While we might be a strong economic force as a 910-square mile county, we would not be immune to the impact of the Great Recession: there were job losses, property devaluation, shrinking budgets.

One of the first programs devised by me and my administration to combat the effects of a chilling economy is the program that I call "Emerging Sectors." To the credit of my team back in 2003, we saw storm clouds were gathering. We could see that our main employer in the region, the auto industry, was about to be severely challenged. We had no idea, however, that the industry would implode with the bankruptcy of General Motors and Chrysler.

But still, in advance of the implosion, in 2003 we researched future job growth sectors so that we could begin a long-planned process of diversifying our economy. The next year we launched Emerging Sectors. Notably these sectors excluded the automotive industry. We felt we had so much auto investment then and now, we wanted to spread out our risks and diversify into the new high-tech sectors of tomorrow. You can see these sectors on the screen behind me.

- Advanced Electronics & Controls
- Advanced Materials & Chemicals
- Aerospace
- Alternative Energy & Power Generation
- Communications & Information Technology
- Film and Digital Media
- Robotics & Automation
- Defense & Homeland Security
- Medical Main Street
- Finance, Insurance & Real Estate
- Water Technologies

What you can't see is the overall success since 2004.

Our Emerging Sector job creation and retention program to foster growth and diversification into high paying sustainable jobs within the knowledge-based economy is on the cusp of reaching the \$2 billion mark in new investment this month.

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Again, what you don't see and therefore cannot appreciate is that this effort represents the creation of more than 26,000 new jobs within these high-tech sectors, and 10,000 more existing jobs retained. Sure, we lost jobs during the Great Recession – 147,203 by our count since 2002 – but we are on a furious pace to replace those jobs with high paying sustainable new jobs.

The impact of our successful Emerging Sectors initiative on our local economy is clear. In the year 2011 through 2013 the Economic Outlook Report published by the University of Michigan economists Fulton and Grimes said that Oakland County beat predictions on job creation because of their Emerging Sectors program. Here is one statement from the report: “From the end of 2008 to the end of 2009, the County lost 58,000 jobs; from the end of 2009 to the end of 2010, they created 13,000 jobs – a remarkable turnaround by any standard.”

In addition, Moody's and Standard & Poor's frequently cite the Emerging Sectors program as among the County's strengths that helps us retain our AAA bond rating.

On January 11, 2012, the Detroit Free Press ran this story that you see there on the screen: “Oakland County Leads in Job Growth.” The first paragraph of the Free Press story reads: “From June 2010 to June 2011, Oakland County had the ninth largest increase in employment of the nation's 322 largest counties, according to data released Tuesday by the U.S. Bureau of Labor Statistics.”

You should also understand that if you take the jobs created outside of our Emerging Sectors umbrella, then Oakland County over those same nine years has experienced an additional \$1.34 billion of new investment and 8,500 additional new jobs.

IV. MEDICAL MAIN STREET

As our Emerging Sectors program began to unfold, it was clear that one of our sectors was red hot and expanding almost exponentially. I speak of the Healthcare and Life Science sector. I told you in previous State of the County Addresses that economist Pat Anderson had identified that this sector in Oakland County employs well over 100,000 individuals with more than 4,200 identified medical and life science business locations – from doctor offices to hospitals to clinics to pharmaceutical to biomedical to medical device manufacturers, and so forth. This is the strongest and fastest growing job-providing sector in Oakland County, and there is no limit to its ongoing expansion.

The meteoric rise of this sector spurred my decision to establish a marketing and branding initiative called “Medical Main Street.” When I established Medical Main Street I wanted to highlight the phenomenal growth of this particular sector. My goal was to bring together the disparate assets, create an awareness that over the last 15 to 20 years Oakland County had indeed become a center for

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excellence in healthcare, and that it was only a matter of time before Medical Main Street and Oakland County could challenge the Mayo Clinic and Cleveland Clinic for top honors – and we are well on our way.

Since we launched Medical Main Street in 2009, Medical Main Street has assisted 24 companies in their relocation to or expansion in Oakland County. This activity has resulted in the creation of 1,933 new jobs, retaining 638 existing jobs, underscored by an investment of \$212 million. Medical Main Street is coming of age: we have sent delegations to biomed shows in Boston, Chicago, and Washington, D.C.; participated in a medical device exhibition in Dusseldorf. Our membership is growing and we are now about to kick off a very key project. In the fall of this year we are planning on hosting our first Medical Main Street Conference, focusing on medical devices and highlighting Medical Main Street hospitals and device companies. There is expressed interest from around the country already for this conference and it will be an excellent opportunity for us to showcase Oakland County and Medical Main Street at the Royal Park Hotel in Rochester later this year.

I want to thank Medical Main Street Board member and State Representative Gail Haines for bringing this next opportunity to our attention. Medical Main Street is joining forces with one of our Main Street members, William Beaumont Hospital, to support and promote a unique Beaumont program in Southeast Michigan. It's called "Healthy Heart Check." Healthy Heart Check is made up of volunteer cardiologists that go to local high schools to screen student athletes, obviously trying to check for undetected heart conditions that could endanger a student athlete's life.

We have in the audience tonight a Troy family who understands all too personally the need for a Healthy Heart Check program, the Gillary family. You may recall the tragic loss of their daughter, Kimberly, who suffered cardiac arrest while playing in a water polo game for Troy Athens High School back on April 3, 2000. Mr. and Mrs. Gillary appreciate the need for student heart checks and has agreed to come on board to work with Medical Main Street and William Beaumont Hospital as a spokesperson on behalf of free cardiac exams, not only countywide, but eventually statewide. Mrs. Gillary and two of Kimberly's sisters are with us this evening – would you all please stand and be recognized? Thank you for your support of this worthy program.

Healthy Heart Check, by the way, is off to an incredible start since 2007. Volunteer cardiologists – several of whom are in the audience this evening – have already screened over 8,000 high school athletes. What's even more amazing and more important is that 49 of those athletes have been stopped from playing sports due to the screening results. That's 49 kids who may have had their lives saved by this screening.

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V. OAKLAND UNIVERSITY WILLIAM BEAUMONT SCHOOL OF MEDICINE

While on the subject of all things medical, let me say a quick word about the progress of the Oakland University William Beaumont School of Medicine. This new medical school, the first in Michigan in nearly 60 years, opened its doors to its first class in the fall of 2011 with 50 students. It is now interviewing for the next class of 75 students from a national field of 3,700 applicants.

The medical school has already drawn national attention and recognition to Oakland County and to Oakland University. And if you think about it for a second, ladies and gentlemen, you've all heard about the invidious "brain drain," where our best and brightest are fleeing to the east and west coasts. Well, the Oakland University William Beaumont School of Medicine single-handedly is reversing that brain drain. The best and the brightest from around the country are coming to Oakland University, here in Oakland County, to get their medical education. And research indicates that approximately 80% of those new doctors who will be educated and trained here will stay and become a part of our community.

When the medical school is fully ramped up to its anticipated capacity of 500 students, the economic impact, on an annual basis for our region, is expected to exceed \$3 billion. Ladies and gentlemen, that words starts with a "B."

While I'm speaking about the medical school at Oakland University, I am pleased to make an announcement tonight about an official Memorandum of Understanding executed between Oakland University and Oakland County, specifically my Medical Examiner's Office.

The Medical School Dean, Doctor Robert Folberg, has been working with my Director of Public Services, Mike Zehnder, on an affiliation between the ME's office and the Medical School. The MOU states, and I quote: "The focus of this MOU is to promote mutual understanding between the parties [that's Oakland University and Oakland County] that can lead to the involvement of academic and educational activities that provide students with the opportunity to collaborate with physicians and scientists in the Medical Examiner's Office on a variety of important research projects ..."

The Memorandum goes on to state, "The University and the County will consider appropriate opportunities to create programs that may include:

- (a) University students, including medical students in the School of Medicine, being taught pathology and neuroscience."

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We are honored – and I underline the word “honored” – to have signed this Memorandum of Understanding that hopefully will allow Oakland County in the future to play a small part in the education and training of Oakland University medical students.

VI. AUTOMATION ALLEY

Another Oakland County job creation initiative proving its worth every day is Automation Alley. It is a consortium of high-tech companies, government entities, and educational institutions that I launched back in 1997 with 43 companies. It now has more than 1,000 members spanning eight counties in southeast Michigan and competes with the likes of Silicon Valley, Boston’s Route 128, and North Carolina’s Research Triangle.

From its beginning Deputy County Executive Ken Rogers has been diligently orchestrating the growth and influence of Automation Alley into a national powerhouse.

In June Automation Alley released its 2011 Technology Industry Report compiled by the Anderson Economic Group. In the report Anderson makes the following comments:

Southeast Michigan has the highest number of advanced automotive industry jobs, accounting for 9 percent of all advanced automotive jobs in the U.S.;

Despite negative media coverage that has painted metropolitan Detroit as a declining region, Southeast Michigan is positioned ahead of Boston, Seattle, and Austin in almost every measure analyzed;

And, Southeast Michigan is second only to San Jose’s Silicon Valley region in the number of people working in architectural and engineering occupations, and has the highest concentration of architectural and engineering employment in the Midwest.

Automation Alley’s 2011 Technology Industry Report underscores what I sensed back in 1997 – Southeast Michigan is a hotbed of high-tech companies and we need to market our region to the nation, and to the world, so we can lead the state and region out of the Great Recession. If you want to read that report in detail, go to automationalley.com.

To get the message out, Automation Alley will continue to sponsor domestic and international trade missions in 2012. All combined, Automation Alley will conduct seven virtual, domestic and international trade missions this year.

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- Fort Lauderdale, FL – Domestic
- United Arab Emirates – Virtual
- Germany – International
- Brazil – International
- India – Virtual
- Canada – International
- Israel and Turkey – International

VII. MAIN STREET OAKLAND COUNTY

Since I'm talking about initiatives where we have focused on job creation, there's one other program that we have in Oakland County that has had a significant impact in many of our communities by creating jobs and adding real value, and that's Main Street Oakland County that we began back in the year 2000. Now, you should understand that this "Main Street" program should be differentiated from our "Medical Main Street" – two different programs.

The Main Street Oakland County program that I am discussing now is under the umbrella of the National Trust for Historic Preservation group housed in Washington, D.C. The purpose of this Main Street program is to preserve America's heritage, in other words, our downtowns. The Main Street program, across the nation, has worked with over 2,200 member cities that go through a rigorous multiyear mentorship before they can be added to the official Main Street roster.

As I said, there are approximately 2,200 cities in this outstanding organization ... but only one county, Oakland County. We joined the National Main Street organization in the year 2000 and have served as a conduit in Oakland County to bring into the program to date 12 of our local downtowns including Clawson, Farmington, Ferndale, Franklin, Highland, Holly, Lake Orion, Ortonville, Oxford, Pontiac, Rochester, and Walled Lake.

We concentrate on rehabilitating our downtowns, which in many cases need a little TLC, and we bring in urban architects, planners, streetscape designers, and so forth. But the metamorphosis that occurs before and after is truly amazing. Downtowns are rejuvenated and restored and good things happen: stores fill up, new businesses open. Listen to the stats that our Main Street Oakland County program has amassed since we joined the national program in 2000:

\$579 million invested in downtowns

Creating 6,128 jobs

Opening 713 new businesses

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So, ladies and gentlemen, I think you can see from our Emerging Sectors to Medical Main Street to Automation Alley to Main Street Oakland County – when you add all these programs together, you can appreciate that Oakland County started to fight back early and aggressively against the ravages of a prolonged recession. At the time we started we did not know how prolonged and deep the recession would be, but had we not taken these steps early on, our county would have suffered more.

Let's review the positive economic development totals:

Program	Date	Investment	New Jobs Created	Jobs Retained
Emerging Sectors	2004	\$1.9 billion	26,000	10,000
Non-Emerging Sectors	2004	\$1.34 billion	8,500	8,397
Automation Alley - Region	1999	\$241 million	14,434	
Main Street Oakland County	2000	\$579 million	6,128	
Medical Main Street*	2009	\$212 million	1,933	638
SBA 504 Program:	2002			
Business Finance		\$85 million	4,588	
Corporation Economic		\$259 million	6,801	
Development Corporation				
TOTAL		\$4.404 BILLION	66,451	18,397

*[Medical Main Street numbers are included in the Emerging Sectors totals]

On the screen you see the listing of the SBA 504 Program. Let me explain since I haven't commented on that program tonight. Oakland County administers the Small Business Administration 504 loan program under two groups: our Business Finance Corporation which makes loans of \$150,000 to \$13 million, and the Economic Development Corporation which makes loans between \$1 million and \$10 million. These loans, in part, are co-funded by the federal government and local banks with whom we work. They help finance startup companies and/or expansion of existing companies in Oakland County and they are a real job producer, as you can see. This important financing work occurs under the able leadership of Mary Langhauser from our Economic Development team. The success of Mary's work is on display behind me - \$85 million from the BFC creating over 4,500 jobs and the EDC bring in an investment of \$259 million and creating 6,800 jobs. Let's take a look at the totals from all these programs. Added together, we've been able to attract investment of over \$4.4 billion creating over 66,000 new jobs and retaining over 18,000 existing jobs. And we're adding to those totals as we speak.

VIII. OAKLAND COUNTY INTERNATIONAL AIRPORT

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If you want to attract business or expand existing businesses in Oakland County – which all these foregoing programs attempt to do – it helps to blend in an element of marketing. And marketing we do all the time in Oakland County.

As I announced in last year's State of the County, this year we opened the nation's first LEED certified general aviation terminal – the Oakland County International Airport in Waterford. (LEED: Leadership in Energy and Environmental Design.) This airport is the gateway to Oakland County, and nearly every Fortune 500 company comes through the front door of that terminal on an annual basis.

To make that all important positive first impression for business travelers, we went the extra mile in constructing our new terminal. It incorporates a number of advanced green technologies and incredible architectural features that tell the business traveler that they have arrived at a county that embraces technology while preserving the environment.

The new International Airport features heating and cooling through geothermal wells; photovoltaic panels on the roof to capture the sunlight and convert to energy; wind spires that generate electrical power to help offset the cost of our utility charges; a living wall – literally that – a perpendicular garden designed by Planterra in West Bloomfield Township filled with tropical plants from around the world – it's both an eye catcher and air purifier; an acrobatic bi-wing airplane suspended from the ceiling – the “wow” factor; the original copy of our FAA Registration Certificate – No. 000001 – making us the first registered airport in the United States of America. And last, but not least, a 1930 official certificate granting us permission to hold our first air show ... signed by Orville Wright.

This airport is unique, it screams technology, and it has already become a very busy destination for school classes around the county. This modern energy-friendly terminal is the brainchild of my Director of Central Services, Dave VanderVeen. Nice job, David.

I know I have some “Doubting Thomases” out there in the audience who are skeptical about any benefits achieved through the utilization of green technology. Well, we have some early returns and I think you will be impressed.

Comparing utility charges for October, November, and December of 2009, (which predates the installation of our green technology) with the same three months – October, November, and December – of 2011, the Oakland County International Airport Terminal is operating at 44% greater efficiency! Translated into dollars, Oakland County International Airport's cost for utilities has dropped from .70¢ per square foot to .39¢ per square foot.

Those are real savings, folks, so I suggest on your way home that you hug a tree.

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IX. MANAGEMENT AND BUDGET

The first part of my speech tonight has been focused on various programs that were instituted way back in the early stages of this awful recession. These programs are clearly paying huge dividends at this time – dividends in the form of job creation and invested capital. While all that was going on, we still had to operate and maintain our own business affairs here in the county. Let me now turn to that effort for a moment.

Two hundred and one million dollars. That's how much cash Oakland County had on hand at the close of the fiscal year September 30, 2011. We've built up this reserve during the worst economic downturn since the Great Depression. And while other municipalities and counties were risking torticollis stretching to keep their heads above water, we were able to erect this significant cash buffer. This hefty reserve is the result of a balanced three-year rolling budget, accompanied by a five-year lookout which has allowed us to manage declining revenues with essentially no layoffs while maintaining exceptional services for our residents. Over the years, we have developed a mantra here in our Oakland County budgeting department... thoughtful management versus crisis management.

It is important to maintain a healthy fund balance of this size because it is one of the factors Wall Street looks at when analyzing whether we are worthy of a AAA credit rating that has saved us millions of dollars over the years in borrowing costs. As we fight for the AAA rating that we have maintained for 12 years, the Wall Street analysts tell us they look at several criteria: they examine our work practices which they say are stellar; they look at our debt ratio which they say is basically so minimal that we are considered "debt free"; and they look at our liquidity – \$201 million in cash is more liquidity than they see from most of the counties and cities across the United States at this time.

The ability to develop such a strong year-ending balance in our general fund general purpose budget required the skill and talent of my much-heralded management and budget team. My Deputy County Executive in charge of the County's budget finances, as many of you know, is Bob Daddow; and Director of the Department is the very talented Laurie VanPelt; and backing her up is her experienced Manager, Tim Soave. Bob, Laurie, Tim, and their solid staff, have made Oakland County the poster child for budgeting in tough times. This budget team continues to rack up financial reporting awards and is cited by Wall Street as among the reasons Oakland County still enjoys the benefits of a AAA bond rating.

Over the last few years, given the economy, we've been forced to make significant budget cuts in Oakland County government, and with the unflinching and resolute support of our independent elected officials – Sheriff Mike Bouchard, Clerk Bill Bullard, Treasurer Andy Meisner, Prosecutor Jessica

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Cooper, Water Resource Commissioner John McCulloch, and the Oakland County Board of Commissioners, along with our very distinguished and cooperative judiciary in the circuit, probate, and district courts – we’ve been able to cut over \$50 million from our General Fund expenditures since 2008. Most of those savings came from a 309-person reduction in our work force, starting in 2007.

While I am thanking people, I would be remiss if I did not acknowledge and thank our employees for their significant support and sacrifices endured during these budget cuts.

The good news going forward: there will be no more budget cuts scheduled for the current fiscal year 2012, or 2013, 2014 and 2015. Let me repeat that: there will be no budget cuts for fiscal years 2012 through 2015. Because of the past eight years of “thoughtful management” and carefully planned structural changes in our benefit costs, Oakland County’s financial position has actually improved at a time when nearly every other government struggles to avoid red ink.

Back in 2003, I did one of the smarter things that I have done during my tenure as Oakland County Executive – and I will concede that that list is brief – back in 2003 I formed an in-house Budget Task Force to help me deal with the complex financial issues that are intertwined with politics, policy, and projections. Back in 2003 I could see that I had to assemble my best and brightest to guide and advise me as we went into uncharted financial waters.

The Budget Task Force that I brought together includes my five deputies: Jerry Poisson, Bob Daddow, Ken Rogers, Phil Bertolini, and Matt Gibb. I also added to the Task Force directors from two essential departments – Management and Budget and Human Resources. That would be Laurie VanPelt and Nancy Scarlet respectively. These seven people meet virtually every Monday, and sometimes two or three times a week, to wrestle with the budget and make recommendations to me about how to resolve the continuing challenges that confront an organization as large as Oakland County.

Without their expertise, knowledge, and sage advice, I could not have been as effective as Oakland County Executive. I want to acknowledge them and thank them publicly this evening for their hard work and their commitment. Please join me in acknowledging their exceptional work.

[And of course, as with all things successful, there’s a tendency sometimes to go too far ... two years ago these bastards took my car away.]

X. INFORMATION TECHNOLOGY

As you would expect in the economy that we faced during this last decade, job creating initiatives and good fiscal management dominated the agenda at my staff meetings. But to the credit of my deputies

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and directors and the other officials with whom I work, we are able to walk and chew gum at the same time. One area of county government where we continue to excel is that of IT – Information Technology. Oakland County continues to be ranked as the most digitally advanced county in the United States by the Center for Digital Government. This award-winning department is led by Deputy County Executive and Chief Information Officer Phil Bertolini and Director of the department, Ed Poisson.

As some of you may recall from last year's State of the County address, I said Oakland County was entering a new realm: the realm of "cloud computing." Cloud computing is the positioning of IT applications out in cyber space so that other governments can use them on an as-needed basis. Well, I have good news on that front. We have six communities in the cloud right now the first of which was the Village of Wolverine Lake.

The Village's contract with its internet service provider was ending and it was going to be without a web presence. Realizing the urgency of the situation, Oakland County worked with Wolverine Lake to keep them online through our innovative cloud capabilities. In fact, if you go to wolverinelake.com, you'll see the words, "Powered by: G2G Cloud Solutions." That's Oakland County – G2G (Government to Government). Since November 1, 2011, the site has had over 16,000 page views – not bad for a small community.

Because of our trailblazing leadership in cloud computing, I am proud to announce tonight a first-of-its-kind partnership between Oakland County and the National Association of Counties to create a national catalogue of applications available for use by other public entities around the country. Cloud computing will create opportunities for state, county, and local governments to collaborate and to lower the cost of using and owning technology and more importantly will be an income generator for Oakland County.

This is the ultimate in shared services. This is where cloud computing will take Oakland County.

XI. OAKFIT

We're always looking for ways to cut costs in county government – and if we can't cut them, then at least avoid increases. Either way the taxpayer wins. I want to report to you tonight on the success of a program that is five years old and is literally knocking the socks off a major cost center: employee healthcare.

As with most businesses, Oakland County healthcare costs were increasing from year to year. Sometimes double digit increases. It was impossible to manage a budget effectively with such unpredictable spikes. Back in 2007, under the brilliant leadership of Nancy Scarlet, my Director of

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Human Resources, along with Dawn Hunt, our Wellness Coordinator, a program was established to help us manage our healthcare costs. The program eventually launched bears the name “OakFit,” and is so simple in design and yet so remarkably successful in dollars saved.

Here’s how it works. Our eligible employees are asked to come into our Conference Center where an outside medical vendor initiates the procedure by extracting a drop of blood. While the employee sits there, their blood is analyzed within approximately 90 seconds and that individual finds out immediately his or her cholesterol level, glucose/sugar level, and a blood pressure reading is also taken. There is also a health risk assessment that requires about 15 minutes of the employee’s time to be filled out. If they participate in the blood draw and fill out the health risk assessment, they get a gift card for \$100 – that’s the carrot.

The next part of this program occurs when the indicators are reviewed and assessed by professionals. The medical team onsite can decide immediately if the employee is a high-risk individual. If that determination is made, they will refer that employee to his or her primary physician.

The first year, 2007, out of 2,000 participating staff members, 15% were referred to their primary physician. Fast forward to this year, only 4% were referred to their primary physician which means one thing: we are detecting our high-risk employees and getting them in for proper medical attention before a chronic medical condition can manifest itself. You can appreciate the long-term savings – we catch it now; the employee makes the necessary corrections in lifestyle; that employee later on will be more healthy, and since we’re self-insured that’s important to us; absenteeism will not be a problem in my work force; and most importantly the quality of life of my employees is significantly enhanced. It’s a win-win-win for all sides.

And, oh yeah, there is one more thing: back in 2007 we were spending \$38 million on employee healthcare. Last year, because of the impact of the program where we are filtering out our high risk employees and referring them to their primary physician, our healthcare costs in Oakland County actually dropped to \$37 million – a one million dollar cash savings! A million here and a million there, pretty soon you’re talking about real money.

Here’s another very important point: had we not instituted the OakFit program, our costs today for our self-insured healthcare program are projected to be at \$56 million. Therefore, we avoided a potential of \$19 million in additional costs, a real savings to you, the taxpayers.

We’ve brought additional programs in-house now that enhance the success of OakFit: Weight Watchers on campus, Yoga, Pilates, Zumba, and very soon a smoking cessation class.

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XII. DEPARTURES AND ADDITIONS

Last year, Doug Smith, my Deputy in charge of Economic Development, left to join the Snyder Administration in a similar role. I looked for real talent to replace real talent and I found such an individual in the person of Matt Gibb, my newest Deputy County Executive. I chose Matt because, as the former Orion Township Supervisor, I watched him perform in that role. He had a “go get ‘em” philosophy that made him very successful in attracting business investment to his community. Plus he was a part of the team that helped keep the GM Orion Plant open, building its next generation of cars. He would and he does fit in perfectly with our top team of deputies in Oakland County.

On the heels of Doug leaving for Lansing, my Director of Economic Development and Community Affairs, Maureen Krauss, was recruited to join the Detroit Regional Chamber. Maureen is an extremely talented lady who worked for Doug and was directly responsible for one of the most important functions of my administration: economic development. In the tough times over the last decade it became critical to bring in new investment and jobs as the county, state, and region suffered under the bankruptcy of General Motors, our largest employer, and the bankruptcy of Chrysler Corporation headquartered in Auburn Hills. Maureen faced those challenges with the successful implementation of our Emerging Sectors initiative. Obviously her talents were not overlooked by those with whom she worked on a daily basis, and ultimately the Detroit Regional Chamber made her an offer she couldn’t refuse and she joined them as a vice president.

Maureen has been replaced by Irene Spanos who was previously one of my Senior Business Development Representatives in the Economic Development Department. Frankly the decision to promote her was easy. I had the opportunity to observe Irene in action on trade missions and in business recruitment meetings. She quickly understood the background and the nature of the actual businesses we were pursuing. Her conscientious practice of immediate follow-up, and her genuine and warm personality, made her an outstanding choice to be the new Director of Economic Development and Community Affairs in Oakland County.

Most recently through retirement I lost Mike Zack who was the county’s graphic artist. He’s the one over the years who has brought this State of the County Address to life. All the graphics you’ve seen on the screen during the years were Mike Zack’s talents on display. Many of the publications that we rely on to get the word out about our various programs bear his fingerprints as well, and I think you agree his talents are obvious. Don’t feel too bad for Mike as he leaves county government. Mike and his wife Marga are packing their bags and heading to Hawaii for an idyllic retirement. Thanks, Mike, for your many years of service.

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To close out the loop here, it is my pleasure to announce that Mike Zack's replacement is Pam Tremble, a ten-year employee of Oakland County, who brings her own set of talents to the party. And what you see tonight behind me on the screen is her creativity on display for the first time.

Another valuable employee is scheduled to retire later this year and I wanted to make sure that I mentioned his name tonight. I speak of Jack Smith who serves in my Department of Management and Budget as the Manager of Oakland County's Purchasing Division. This is Jack's last State of the County Address (unless of course he chooses to come back on his own time next year) and I want to make special mention of Jack's role in Oakland County government.

In government, whether it is a city or a county, the place where you are most vulnerable for bad decision making and/or corrupt practices would be in the Purchasing Department where lucrative contracts are meted out on an almost daily basis. For instance, Oakland County has 900 vendor contracts in existence right now.

In the past, and today, Oakland County enjoys a reputation for honesty, fairness, and openness in our contract bidding process. Under Jack's scrupulous leadership he has placed all of our contracts online so taxpayers can see how the money is being spent, and with whom.

Jack Smith will retire later this year after 36 years with an unsullied record for making the Purchasing Division the standard for the way things ought to be done in government – open and honest. Jack, I want to thank you for your years of service. But more importantly, I want to thank you for being an honest, hardworking government employee who has brought respect to yourself and to Oakland County government. Ladies and gentlemen, will you join with me in recognizing Jack's contribution with a round of applause?

XIII. BROOKSIE WAY

As I draw near my close tonight, I would like to bring you up to date on the Brooksie Way Half Marathon. I know you all recall the unfortunate circumstances that led to this race being named in memory of my son. At this very State of the County Address in 2007 I announced that I was going to plan a half marathon and 5k race. That was on February 7th. I lost Brooksie on February 10th, three days later. We did launch our first race in October of 2008, and since then the half marathon/5k has grown into a premier quality of life event, not just here in Oakland County, but across the State of Michigan. More than 5,000 people answered the call to challenge themselves in the Brooksie Way last October. We look forward to building upon that success this September 30th starting on the beautiful grounds of Oakland University.

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In case some of you may not know, let me explain the origins of the name the “Brooksie Way.” At the funeral, my son-in-law Gary gave a beautiful eulogy and he said to many of Brooksie’s friends gathered in the church, “Look, if you’re going to live life, live it to the fullest ... live it the Brooksie Way.”

Later, the committee that I had put together for the half marathon, decided to name the race in his honor and called it the “Brooksie Way.”

And by the way, there is now a program set up to disburse the net proceeds of the race. About a year and half ago we commenced a “Brooksie Way Minigrant” program. Any organization in Oakland County that promotes an active and healthy lifestyle for its members or community, through programs such as a dance club for seniors, a swim class for challenged kids, “Blessings in a Backpack” to make sure needy children have nourishing lunches, and so forth, such organizations can now apply for a minigrant from the Brooksie Way, with a maximum of \$2,000. My goal here – of course over time – is to elevate the health and well-being of the residents in Oakland County that I serve by putting the money back into community-based programs that support healthy and active lifestyles. So far the Brooksie Way Minigrant program has given out \$73,000 to 62 organizations.

The race this year is September 30th. This will be our fifth race, and there is no question that the participation in both the race and the number of grant applications shows us that the Brooksie Way has taken on a life of its own.

And a shout out to HealthPlus for being our Half Marathon Presenting Sponsor over the years.

XIV. MI Great Artist

As you can see from my report tonight, my administration has been busy in many areas. Given the economy, we spend a great deal of time refining our budget, the only three-year rolling county budget, by the way, presently anywhere in the United States. We relentlessly drive our Economic Development team to drum up more business, more investment, and more jobs for Oakland County residents. We also siphon off a fair amount of time for quality of life events that we originate like the one I just mentioned, the Brooksie Way. But then there are also Arts, Beats and Eats; Quake on the Lake Hydroplane Races which draws 30-40,000 enthusiasts; the Oakland Edge Hockey Tournament, which now draws over 600 participants; the Uptown Film Festival – last year’s inaugural two-day festival drew more than 3,500 attendees and featured three major Michigan Premiers; and Fire and Ice, which draws 40,000 spectators – when the weather cooperates. And now I’m going to burden my staff a little further and ask them to take on yet another exciting quality of life event.

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Let me step back and set the stage slightly for this announcement. As I try to recruit business to Oakland County from around the state, from around the country, and from around the world, inevitably the conversation goes to what are your schools like, what are your neighborhoods like, what's the housing market, and before the conversation concludes, what amenities do you have as it relates to arts and culture?

Of course I talk about Cranbrook, the Chrysler Museum, 89,000 acres of park land, our great Zoo, and ultimately I brag about our neighbors to the south, the DIA and the DSO, to name two of the most outstanding institutions in our region. Over the years I've come to understand that appreciation of art is one of those universals. Every country throughout history has enjoyed, appreciated, and supported the arts, and does so to this day. In recognition of that fact and in recognition of trying to create an even more attractive environment for companies around the world to take a closer look at Oakland County, it is my pleasure tonight to announce our next quality of life event.

Oakland County will launch later this year an art contest called "MI Great Artist." It will be an online art competition for visual artists living, working or attending school in the six county region which I call the Economic Growth Alliance – Oakland, Macomb, St. Clair, Livingston, Lapeer, and Genesee Counties.

It will encourage and showcase creativity by engaging our regional artists to paint, sketch, or draw original works. Participating artists will be able to upload up to five images with descriptions of their work to the MI Great Artist website for public voting – think "American Idol." The top 20 twenty artists by public vote will then be submitted to a panel of arts professionals to determine the top five semi-finalists. Those artists will have their works framed and exhibited at Southeast Michigan's great art gallery, the Park West Gallery on Northwestern Highway in Southfield. During the group exhibition at Park West, the MI Great Artist winner will be announced.

MI Great Artist prizes will include a \$2,000 cash award; entrepreneurial training opportunities through the Oakland County Business Center; the winner's artwork will be featured on a poster to promote one of Oakland County's signature quality of life events; and the several solo exhibitions over the course of a year at select venues throughout the Economic Growth Alliance region for other communities to enjoy.

I want to thank Albert Scaglione for his support of MI Great Artist and allowing us to include the Park West Gallery in this contest.

XV. AWARDS

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Finally tonight, as I do every year, I like to single out many of the awards that Oakland County and its employees receive throughout the year. As usual there are too many to mention in the speech ... so you will see them scrolling on the screen behind me.

- Oakland County International Airport - County's first "green" building
- Oakland County International Airport - Keep Michigan Beautiful Award
- Planning and Economic Development Services - Earl E. Borden Historic Preservation Award
- Planning and Economic Development Services - National Green Infrastructure Implementation Award
- Kathy Williams, Community & Home Improvement - Chairperson of the Oakland County Taskforce on Homelessness & Affordable Housing
- Bill Bartlam, Circuit Court Family Division – 2011 National Association of Court Managers Justice Achievement Award for Permanency Project for the Court
- Information Technology – Second Place, 2011 Best of the Web County Portal Category/Center of Digital Government
- Information Technology - 2011 Digital Government Achievement Award /Center for Digital Government for Mobile Touch
- Information Technology - Fourth in nation, 2011 Digital Counties Survey/Center for Digital Government
- Information Technology – 2011 National Association of Counties award for Advanced Payment System for Local Municipalities
- Information Technology – 2011 National Association of Counties award for E-Health Mobil
- Information Technology – 2011 National Association of Counties award for Facilities Management Campus Energy Map
- Information Technology – 2011 National Association of Counties award for Mobile Touch
- Information Technology – 2011 National Association of Counties award for NetVolunteers
- Information Technology – 2011 National Association of Counties award for Parks Network Expansion and RF
- Information Technology – 2011 National Association of Counties award for Health Division Web-Based Services Registration

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- Waterford Oaks County Park - Park Design Award for Paradise Peninsula Playscape/Michigan Recreation and Park Association
- Sharon Greene, North Oakland Headwaters Land Conservancy - Michigan Recreation and Park Association Community Service Award
- Dennis Rahn, North Oakland Headwaters Land Conservancy - Michigan Recreation and Park Association Community Service Award
- Pecky D. Lewis, Jr., Oakland County Parks and Recreation Commission Chairperson Emeritus - 2011 Outstanding Public Official/National Association for County Parks and Recreation Officials
- Independence Oaks County Park, Volunteer Nordic Ski Patrol - Best Small Patrol/Eastern Michigan Region of the National Ski Patrol.
- Jim Dunleavy, Oakland County Parks and Recreation - Friend of the Oakland County Fair Award
- Fiscal Services Division – 13th consecutive Distinguished Budget Presentation/GFOA
- Fiscal Services Division – 14th consecutive Popular Annual Financial Report Presentation/GFOA
- Fiscal Services Division – 20th consecutive Certificate of Achievement for Excellence in Financial Reporting/GFOA
- Sheriff's Office, JAWS Program - National Association of Counties Award
- Oakland County Economic Development & Community Affairs, Prosper – 2nd consecutive Best E-Newsletter with a Population of 500,000+/Michigan Economic Developers Association
- Kristie Everett Zamora, Economic Development & Community Affairs - Appointed by Governor Snyder to the Michigan Commission on Services to the Aging
- Sheriff's Office, Forensic Science Laboratory - First in Michigan to receive international accreditation competency from American Society of Crime Laboratory Directors/Laboratory Accreditation Board
- Claudia Martello, Chief Assistant for the Friend of the Court for Financial Operations - 2011 FOC Supervisor of the Year/Michigan Family Support Council
- Lorie Savin, Friend of the Court Referee, Lorie Savin – 2011 Service to the Board Award/Referees Association of Michigan
- Alisa Martin, Friend of the Court Referee – 10 Years of Service Award/Referees Association of Michigan
- Betty Lowenthal, Friend of the Court Referee - 10 Years of Service Award/Referees Association of Michigan

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- Arthur Spears, Friend of the Court Referee - 15 Years of Service Award/Referees Association of Michigan
- Justin Quick, Friend of the Court Systems Support Unit - Circuit Court MVP
- The Friend of the Court, Intergovernmental (Interstate) Unit - Circuit Court MVP
- Ron Campbell, Planning and Economic Development Services - President's Award/Michigan Chapter of the American Institute of Architects
- George Miller, Health and Human Services - Collaborative Champion Award/Oakland County Human Service Collaborative Council
- Children's Village, Life Experiences for Youth Placed in Residential Treatment Programs - 2011 National Association of Counties Achievement Award
- Health Division, Environmental Health Services Electronic Inspection Program, To-Do List Organizational System - NACCHO Promising Practice Award
- Health Division, Nurse on Call Program - NACCHO Promising Practice Award
- Health Division, TB Program - 2011 HIV Status Award
- Charlotte Burckhardt, Planning & Economic Development Services - President of the Michigan Association of Planning
- David J. Schreiber, Oakland County Economic Development and Community Affairs - President's Award/Michigan Economic Developers Association
- The Brooksie Way – Listed nationally as one of 11 “Picture Perfect” Fall Half Marathons by Active.com
- Health Division, Perinatal High Risk Case Finding – 2011 Achievement Award/National Association of Counties
- J. David VanderVeen, Central Services – Appointed by Governor Snyder to Michigan Aeronautics Commission
- Facilities Management - First in Michigan designated Certified Environmental Steward 2011-2013/Michigan Turfgrass Environmental Stewardship Program at Michigan State University
- Lola Are', Oakland County Business Center - Outstanding Michigan Small Business Counselor/U.S. Small Business Administration

But I'd like to highlight just a few:

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Our Medical Examiner's Office enjoys an international reputation for excellence in forensic pathology. A couple of months ago Oakland County received the coveted accreditation by the National Association of Medical Examiners. This is truly a big deal – it's a recognition that says we've met national standards that very few medical examiner offices around this country can boast. Kudos to Drs. Dragovic and Virani, Manager Bob Gerds, Director Mike Zehnder, and the entire medical examiner staff.

My Health Division also received significant recognition in 2011. The State of Michigan renewed its accreditation. That's not the news. What is the news is that the Health Department met or exceeded all 117 factors in the state's evaluation. That kind of score is unheard of in health accreditation. Kudos to Director George Miller, Manager Kathy Forzley, and all the staff at the Health Division for their hard work.

I'd also recognize the outstanding work of Karry Rieth who manages our Community and Home Improvement Division. In these tough economic times, part of her responsibility is to engage in housing counseling which has become a critical need in the tri-county area and in Michigan during this recession. I mention her name because I want you to know that through her efforts, and that of her team, she has kept 80% of those people who sought our help while facing foreclosure in their homes. An incredible statistic.

And finally, I would like to recognize Garth Wooten, my Manager of Veterans' Services who became the president of the Michigan Association of County Veterans Counselors. Their mission is to assist veterans and their families in obtaining any and all county, state and federal benefits to which they are entitled. As our veterans return home from two wars, the pressures will be on us to provide them the essential services to which they are entitled, and Garth will be leading the charge. Congratulations, Garth.

XVI. CONCLUSION

When you look up the word "excellence" in the dictionary ... there's a picture of Oakland County. Well, ok, there should be. My administration strives to put forth programs and initiatives that support my claim that Oakland County leads the State of Michigan in economic development, technology, fiscal management, and quality of life. My team and I have worked hard over the years to make you proud. If you like what you've seen these past 19 years and appreciate the leadership from me and my team, then I would ask you for your support as I seek re-election this year.

Thank you for coming tonight. Now please join me across the hall for an afterglow sponsored by our friends from AT&T.

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Good night.