



THE STATE OF THE COUNTY ADDRESS

Presented by

THE HONORABLE ANNABETH SURBAUGH
Chairman of the Board of County Commissioners

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Tuesday, March 30, 2010
12 o'clock noon
The Ritz Charles
9000 West 137th Street, Overland Park, Kansas 66221

[Introduction by Brent McCune, for the Johnson County Chambers' Public Policy Council.]

[-Video: Johnson County – A Decade in Review-]

Good afternoon, ladies and gentlemen and thank you, Brent, for your kind introduction. Once again, I have the privilege of reporting to you on the State of Johnson County.

To the many members of our business and civic community: thank you for taking time to attend this meeting today. I've said many times that the success of our community is due to the active participation of people who care about Johnson County, and who demonstrate their commitment by getting involved. Your presence today reflects your commitment to our Johnson County.

As that opening video demonstrated, we've been busy over the past ten years. We've accomplished much in a short period of time. And yet, while we celebrate a decade of achievement, we cannot—indeed, we must not—rest on our past successes. I'm reminded of the words of Will Rogers, who said: "Even if you're on the right track you'll get run over if you just sit there."

I'd like to extend my sincere thanks to the Johnson County Chambers' Public Policy Council for once again co-sponsoring this event. As always, your help in bringing this message to the people of Johnson County is very much appreciated. And I'd also like to thank the management and staff of the Ritz Charles. They've provided us with a terrific venue for this annual address, and have been wonderful partners.

At this time, I'm pleased to introduce the other members of the County Government's leadership team. I'd ask that you hold your applause until all of them have been recognized. District Attorney Steve Howe; Sheriff Frank Denning; Chief Judge Tom Foster; First District Commissioner Ed Peterson; Second District Commissioner Jim Allen; Third District Commissioner Dave Lindstrom; Fourth District Commissioner Ed Eilert; Fifth District Commissioner Doug Wood; Sixth District Commissioner Calvin Hayden; and, of course, our County Manager Hannes Zacharias. I'd especially like to thank my fellow Commissioners. They are truly among the most passionate advocates for Johnson County that I know. Even when we disagree, we remain committed to our common goals and the central mission of preserving the quality of life that is unique to this community. So, to Ed, Jim, Dave, Ed, Doug, and Cal—thanks guys.

During the past eight years, I've had the privilege to serve as the Chief Elected Official for Johnson County Government. It's a position that was created under the voter-approved Home Rule Charter—the first and, to-date, the only one of its kind in the State of Kansas. When I took office, I promised that certain core principles would guide my

service to the community. First, I said that as stewards of the public trust, our top priority would be fiscal accountability. Second, that we must take action to invest in the future of our community—for our children and for our children's children. Finally, I promised to bring the county government to the people so that our decision-making processes were accessible to all citizens. I'm proud to say that those promises made are promises that have been kept.

Today, I make my sixth report on the state of our county. I do so under some of the most difficult economic conditions our nation has experienced in more than 70 years. The national recession, increasing inflation rates, escalating unemployment, and unprecedented home foreclosures have combined as the "perfect storm" of financial conditions. Despite the enormity of the challenges before us, Johnson County still maintains the lowest mill levy of all 105 counties in the State of Kansas. And that lowest mill levy serves the State's highest concentration of citizens, since Johnson County is the most-populated county in Kansas. Today, Johnson County is home to approximately 530,000 people, growing by about 10,000 residents every year. That's roughly equivalent to adding a new city the size of Mission to Johnson County each year during the past ten years. Still, the average homeowner pays just \$55 in property taxes each month for the wide variety of services, programs, and assistance made available through the 40 different offices, agencies, and departments that comprise the County Government. That \$55 is used to fund everything: From public safety to elections; libraries to parks; and from the infrastructure that builds this community to the social services that serve our citizens.

The mortar in our foundation has been—and continues to be—the conservative financial policies which strengthen all our planning efforts. In short, we've been prudent but visionary in exercising our fiduciary responsibilities. And I'm pleased to report that outside, objective experts concur with that assessment. All three of the leading credit rating agencies have reaffirmed Johnson County's enviable status with the coveted Triple-A bond rating. That means that in the past decade, Johnson County earned the highest credit score possible from three rating agencies—all of whom praised the County's financial policies, strong reserves, and favorable debt position. And because of our Triple Triple-A rating, Johnson County is able to pass along significant savings to taxpayers.

In my last campaign for office, I took some heavy criticism over the level of the County's reserves. And yet, those reserves—which equal roughly 35 percent of the general fund—are a critical component of our projected five-year financial plan to address the impact of the current recession as well as federal and state revenue reductions. Our five-year model allows us to draw down a portion of our reserves so that we can retain our exceptional credit rating and, maintain our quality services. Of course, that's nothing new. It's simply good business strategy. We have worked diligently to maintain and build the County's reserves for that unplanned "WHAT IF" moment. You might call it a "rainy day" fund. And given the state of our national economy, I'd say that our reserves are just the umbrella we need to help make it through the storm. We cannot make any promises or guarantees, but we can persist, just as we always have, with responsible management, conservative fiscal policies, adequate reserves, and the courage to make tough decisions. No one knows where the economy will take us. But Johnson County will continue to lead the way, helping our residents during this difficult time. And, I can think of no better way to do that than to have no property tax increase as our goal in 2011 while maintaining our current level of services, where possible.

In the past two years, we took action to save money and cut costs. For example: we imposed hiring restrictions; froze employee compensation; and eliminated positions with minimal service impacts, saving almost \$9 million. We have worked hard to improve our efficiency both internally and in the services we provide. Our long range financial stability is key to the recovery of the Johnson County economy. The plan, however, is a two-edged sword. We cannot have our cake and eat it, too. On one hand, the plan uses our well-managed reserves, keeps the property tax at current levels, and maintains a 20 percent balance at the end of five years to retain our Triple AAA bond ratings. Yet, there's a flipside. If our economy and property valuations do not improve in the near future, we cannot balance our budgets in 2012 and beyond only by using reserves. That would be unrealistic and unachievable. The balancing act will require additional, perhaps even significant, reductions in public services and cuts in our workforce.

This year—and in the immediate years ahead—our goal must be to plan for brighter days while we maintain critical services that support our community. To be sure, the choices we face will be difficult. But, as Peter Drucker has said: "Management is doing things right; leadership is doing right things." And Johnson County has a long and distinguished track record of leadership. Our agencies and departments are routinely recognized for their innovative business practices and cutting-edge programs.

In 2007, I called for the creation of a Criminal Justice Advisory Council to identify viable alternatives to incarceration which reduce public safety expenses while increasing the support for offenders so that they can break free from the cycle of recidivism. Public safety services and programs account for 53 percent of the County's total operating budget. In the past two decades, our community's population has nearly doubled, but the inmate population at the County jail has more than tripled. And, the total cost for managing inmates has increased about tenfold. The Council has already

made great strides under the leadership of former Attorney General Bob Stephen. Most recently, thanks to the Council's efforts, Johnson County was selected by the Council of State Governments as a national test site to improve outcomes for people with mental illness who are placed in the criminal justice system. And while one goal is focused on reducing the costs to taxpayers, the second—and more important—goal is about helping those who have paid their debt to society to reintegrate as productive citizens.

I'm also proud that Johnson County has been "LEED-ing" the way in sustainability. Our green has turned to gold. In the past decade, we've opened the Sunset Drive Office Building and the County Communications Center—both have earned LEED Gold Certification by the U.S. Green Building Council. The LEED certification provides third-party verification that a project was designed and built to save energy and operating costs, reduce carbon emissions, and improve the building's environment. It's a rigorous process that's intended to encourage environmental stewardship and innovation among government agencies, engineers, and builders. Since the Sunset Drive Building opened three years ago, we have trimmed our energy costs by 45 percent. That's a savings of \$378,000. And, we have plans in place to open additional LEED facilities in the coming years. Specifically: a new Crime Lab, a new Juvenile Justice & Family Services facility, and a new Public Works building. These new facilities represent a fundamental change in the way County Government approaches construction. Green construction is only part of our vision. We are creating a green legacy for present and future generations.

In the past decade, we've added 3,300 acres of new park land, effectively doubling the size of Shawnee Mission Park. Today, the Park and Recreation District encompasses almost 10,000 acres spread across 12 developed parks and future parks. The total acreage owned by the Park District is roughly equivalent to the size of Leawood!

We've also adopted a goal to achieve zero waste by the Year 2020, reducing our greenhouse gas emissions by one-third by that year and by a total of 80 percent by the Year 2050. We're leading the way in sustainable business practices through reusing, reducing, and recycling wherever and whenever possible. For example, we have conducted award-winning annual ozone reduction campaigns for six years that has cut air pollution by more than 1.4 million pounds and operated a free Household Hazardous Materials program since 1993 that has disposed of more than 133 tons of unwanted hazardous chemicals. Our leadership in sustainable practices was rewarded with \$15 million in federal stimulus funds for our Middle Basin Treatment Plant's gas-to-energy project. That project uses discarded grease and oil from local restaurants to generate electricity to operate the treatment plant. As a result, we cut utility costs paid by our ratepayers and significantly reduced greenhouse emissions.

Our innovations also touch citizens' lives more directly. For example, in 2008 our Human Services Department launched its CHAMPSS program. CHAMPSS stands for Choosing Healthy, Appetizing Meal Plan Solutions for Seniors, and is funded through the Older Americans Act and donations. No County tax dollars are allocated to this program. In essence, the program is a partnership with local Hy-Vee grocery stores and provides senior citizens with healthy meals that are planned by dietitians in three different locations. This is the only program of its kind in the entire country, and has won 4 national awards for best practice and innovation. Today, the program is operating at maximum capacity with more than 1,500 participants. Everyday county government touches the lives of citizens. Sometimes unrecognized; but always in meaningful ways.

[--Video of social services impact on Johnson County families--]

As that video demonstrates, many of our citizens are struggling to make ends meet. The demands for food, clothing, utility and housing assistance, and other social services provided by our County Government have skyrocketed in recent years. After a life of hard work—and through no fault of their own—many citizens see the American Dream slipping through their fingers. As I've said many times before, the County Government plays a critical role as the community's safety net. People need our services and support now more than ever. But the lethal combination of unfunded mandates and budgetary cuts hinders our ability to serve our most vulnerable and at-risk populations. The message from local governments to state and federal lawmakers is: Please, please don't make your shift our shaft!

Local government is where the rubber meets the road. We are closest to the people, and we are the most directly responsive to their needs. We must remember that Johnson County remains a community of many communities. We have small cities and large cities; we have rich and poor; we have young families and retired seniors,...our diversity grows more each year. But we are still one community of many families.

I would be remiss if I didn't comment on the efforts of our employees—who go above and beyond the call of duty—to give back to this community. We are truly fortunate to have so many men and women who see public service as a calling; who embody the true spirit of "public service." Through their voluntary contributions, Johnson County Government has been able to lead the way in local campaigns to support our nonprofit and philanthropic organizations. In particular, Johnson County has set records with its contributions to the regional Feed the Need food drive and

fundraising campaign. Since 1987, Johnson County Government has collected more than three million pounds of food for local pantries. Just last year, the County Government raised more than 186,000 pounds of food. And, during the past decade, County employees have raised more than one and a quarter million dollars in voluntary contributions to the United Way campaign. By participating in these annual campaigns, County employees actively demonstrate their commitment to our community. I'm very proud of their accomplishments, and we appreciate how much they care about the welfare of the people who live here. They are the hands and hearts that enable us to do so much good for so many.

As I said, our goal must be to continue moving forward to build an outstanding Community of Choice. Over the past decade, Johnson County Government has invested significantly in the infrastructure that supports our community and contributes to the local economy. For example, we expanded wastewater treatment capacities to meet unfunded, mandated environmental federal standards and increased demands as our communities and neighborhoods continued to grow. With the second Public Safety Sales Tax, we were able to double the capacity of our jail; construct a new and improved Youth and Family Services Center; and a state-of-the-art Crime Lab. We expanded library service in four cities. We contributed to road improvement projects in 18 cities through our CARS [*County Assistance Road System*] program. We completed stormwater projects in 13 cities. And, we provided more than \$100 million in economic development grants to our local public school districts over a six-year period to help offset state shortfalls.

In total, that represents more than \$1 billion—that's billion with a "B"—of public investments in the past decade made by County Government in our Community of Choice!

These investments are complemented by our many partners in the community, including: the cities, which provide vibrant neighborhoods and work side-by-side with the County to serve all our residents; the businesses which provide jobs and fuel our local, regional, and state economies; the nonprofit and philanthropic organizations and faith-based community which tend to the personal and spiritual needs of our citizens; and, of course, our nationally-recognized schools which have driven so much of our community's development through the years. Together, we've made Johnson County a premiere community—a place people are proud to call home, a place where people want to live and to raise their families, a place where businesses can thrive and prosper. And that's exactly what nine out of ten people indicated in our 2009 Citizen Survey.

In 2005, 2007, and again in 2009, the County has surveyed citizens with the help of our local ETC Institute. Happily, our scores have continued to improve during this time—even when scores for comparable communities across the nation have declined. In fact, the results for our 2009 survey showed that Johnson County outranked virtually all other communities in terms of the quality of life enjoyed by our residents. Albert Einstein once said that in the middle of difficulty lies opportunity. I believe he was right, and as the results I've outlined clearly illustrate, your County Government has approached the difficulties of the past few years to pursue opportunities. And we have been successful.

And through all these accomplishments, we've become a more transparent, citizens-focused organization as well. My third promise was to bring the county government to the people. It's been a guiding principle throughout my years of public service. And I'm proud to say your County has lived up to that promise, too. When I became Chairman, I established within the Board's Office a Constituent Services Bureau to function as the County's "customer service department." The Constituent Services team provides a single point of access to the 40-plus offices, agencies, and departments of County Government. I'm pleased to report that we were able to establish this unit within the Board's Office with no increase in operating funds and using existing personnel. But that's not all we have done. In fact, we've done a great deal more to open Johnson County Government to the community.

In 2001, the Board Office launched its nationally-recognized E-AGENDA process, providing on-line accessibility to interested citizens. That process was designated a "model program" for local governments by the International City/County Managers Association. But we didn't rest there. In 2007, we launched the Legislative Information Management System—a comprehensive system that provides real-time access to public notices, calendars, agendas, key reports and documents, and a wealth of other information that supports the core decision-making processes of County Government. We also began broadcasting the Board's public meetings, both on local access television and through live and on-demand streaming video on the County's website.

Finally, we continue to provide opportunities for citizens to get actively involved in County Government. This includes public hearings and meetings as well as volunteered service on various boards, commissions, committees and task force groups that operate within the organization. These appointed boards and commissions provide citizens the chance to become personally involved in the decision-making processes on important community issues. As a result,

we're able to ensure that Johnson County Government remains close and inclusive to the people who live and work here.

Despite our many achievements, the years ahead will be about redefining what government is. What role will the County Government play? And, how will the County help sustain and build this community to new levels of greatness? Responsible spending, prudent investments, and constant monitoring have kept us moving forward. But we are reaching a new phase in the game; one that requires a new approach to how we conduct the people's business. As has been said before: "A politician looks to the next election; but a statesman looks to the next generation." Now is the time for us to be statesmen and to carefully consider the future of our community.

[--Video of community leaders: the impact of Johnson County Government--]

President Reagan once said history was written by those who dream great dreams and dare to try whatever is required to make those dreams come true. In my address last year, I called for the creation of a Citizens Visioning Committee, and I'm proud to report that we were able to convene that committee this past October. The Visioning Committee is charged with creating a shared future vision for Johnson County that will serve as a roadmap through the Year 2040. Of course, a vision is only as good as the many talents that help shape it. That's why I'm pleased that the Board has appointed 37 individuals who represent the diverse interests and backgrounds of our community. The Board specifically required that the Visioning Committee provide for ample public involvement in its process; therefore, I encourage all of you to look for opportunities to give your feedback and ideas about the future of our community to the Visioning Committee.

And while the Visioning Committee looks to the future of the whole community and, what role the County Government can and should have to achieve that vision, it's time for us to once again examine the structure and form of our County Government through a second Charter Commission. Under the provisions of the publicly-adopted Home Rule Charter, the County must convene a new commission every ten years to study and make recommendations about the structure and operations of the County Government and submit those recommendations, if any, to a public vote. Therefore, the Board must now begin the process of establishing the next Charter Commission, in anticipation of convening that group in early 2011.

There still is much work to do, but author Malcolm Kushner once noted: "People who are resting on their laurels are wearing them on the wrong end." For the past four years, I have convened an annual Leadership Summit—a facilitated dialogue between city and county leaders to focus on common concerns and shared interests. The summits have been an excellent opportunity for our community's leaders to come together and strategize how to tackle the big issues facing our community. Each year, the issue of transportation has been identified by city and county officials as being in the top five priorities that needs to be addressed. Citizen surveys conducted in the past several years confirm that this is a priority for our residents as well.

Transportation is critical to our future as a community of choice. Through effective road networks, we enable citizens to move throughout the community—in fact, the entire metro area—to connect with jobs, public services, health care centers, local businesses and shopping destinations, entertainment venues, and more. Transit programs allow residents to take advantage of various transportation modes. And this, in turn, can have a positive effect on our environment, by reducing the total carbon emissions from vehicles on our roadways. We've spent a great deal of time already talking about the issue—trying to define what we can and should do and how we should do it. But it's now time for us to take action. And we will do that this year. In a few weeks, the Board of County Commissioners will receive a proposal to establish a Strategic Transit Action Recommendation Taskforce, or START. That taskforce will study our strategic plans for the future of transit programs and make recommendations with respect to funding options for a county-wide transit system.

One example of our early transit success is the \$10 million federal TIGER grant that we secured to develop the new Metcalf Avenue/Shawnee Mission Parkway bus-rapid transit corridor. We were able to get those funds through a partnership between the County and the cities of Overland Park and Mission. The new corridor will link Johnson County to other areas in the metro region.

As with transportation, the future state of our community will depend on our ability to work together to find solutions to our common challenges. Last year, Johnson County worked to get our share of federal stimulus funds. So far, we have received more than \$42 million for projects, ranging from building a bridge to expanding weatherization of homes, and from providing energy through "green" wastewater improvements to increasing transportation services. We also are working with local chambers, economic development corporations, and the cities to allocate more than \$23 million in tax-exempt federal stimulus "Recovery Zone Facility Bonds" that will be used to improve our economy.

More importantly, those bonds will be tied to specific private development projects that will result in the creation of jobs.

Our goal has been – and will continue to be– to turn today’s challenge into tomorrow’s promise. Our citizens deserve a County Government that works as hard—and dreams as big—as they do. They deserve to live in a place that sets the stage for them to be successful. As we enter a new decade in this century, this is my pledge to all citizens of Johnson County. We will not be run over by the challenges of a recession. We will not fail to plan for the future, knowing that we must be ready for success when it comes knocking. We will continue to act with certainty, and be ready to adapt. We will be accountable for our actions. We will engage our citizens so that we remain a community of choice.

We can achieve these things and more through partnerships that bring people, resources, and ideas together. The actions we take will be part of the best possible “down payment” we can make for advancing a positive future for our children.

Serving as your Chairman has been the second greatest privilege of my life. Of course, you know that being mother to my daughter, Page, is my number one priority and privilege. To be sure, the job of Chairman hasn’t been easy. But I am always reminded that I am not alone—that there are so many who truly love this community, and who are willing to get involved and to make a difference. In fact, in many ways, I’ve merely been the head cheerleader for a team of many active, engaged, caring citizens—I’m pleased to be in a position to work on pursuing our shared vision and ideals for the home we all love.

God bless our great nation. And, God continue to bless our home—Johnson County.

Thank you.

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