



2007 STATE OF THE COUNTY ADDRESS

BY THE HONORABLE ANNABETH SURBAUGH
CHAIRMAN OF THE BOARD OF COUNTY COMMISSIONERS
JOHNSON COUNTY, KANSAS

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Tuesday, March 27, 2007
Ritz Charles, Overland Park, Kansas

[Introduction by Tom Robinette, Chairman of the Johnson County Public Policy Council.]

Thank you, Tom. Good afternoon, ladies and gentlemen. Welcome to the 2007 State of the County Address. Thank you for taking time from your busy schedule to be with us. It's my privilege to stand before you to report on the state of our community. As in the past, I'd like to offer a sincere thanks to the Johnson County Chambers' Public Policy Council for co-sponsoring this event. I am grateful, as always, for your assistance in helping to bring this message to the people of Johnson County.

I'm also pleased to recognize the members of Johnson County Government's elected leadership team. If you'd please stand when I call your name: District Attorney Phill Kline; Chief Judge Stephen Tatum and Judge Tom Sutherland; First District Commissioner Ed Peterson; Second District Commissioner John Segale; Third District Commissioner David Lindstrom; Fourth District Commissioner Ed Eilert; Fifth District Commissioner Doug Wood; and Sixth District Commissioner John Toplikar. Sheriff Frank Denning was unable to join us this afternoon since he had personal matters that required his attention.

I'd also like to recognize County Manager Mike Press as well as the 4,000 men and women of County Government for all of their dedication and combined efforts to ensure that Johnson County operates effectively and efficiently in meeting and exceeding the expectations of our citizens.

I'm also happy to introduce my daughter, Page, and my son-in-law, Bryan.

Before I begin my formal remarks, I would like to make one final introduction of a very special guest who is with us today. His name is Rodney Price, and he joins us with his wife, Tracy. Rodney has been an employee with Johnson County for ten years. In addition to his direct service to this community, he serves as a specialist with the Kansas Army National Guard in the 714th Security Force. He and his unit were deployed to Iraq last year. He was wounded on October 12 and was awarded the Purple Heart. He is still recovering from his wounds today. I would like to ask Specialist Price to stand so that we can all thank him for his service to this great nation.

Specialist Price is one of more than 30 County employees who have served their country either in Iraq or in Afghanistan since the fighting began. A listing of those employees' names is being shown on the screens to my right and left at this time, and are also provided on page 19 of your program.

Finally, I'd ask you to join me in a moment of silence for all those who have served and continue to serve their country far from their homes and loved ones.

[—Moment of Silence—]

As I begin my speech, I'm reminded of what Abraham Lincoln once said:

“Government can be a powerful force for action...to do for a community of people whatever they need to have done, but cannot do in their separate and individual capacities.”

Johnson County fulfills that vision by providing a wide range of services—everything from aging to zoning—to support this community. This includes countywide services that support all our citizens as well as services that only impact the unincorporated areas. Some of these services and programs are being shown on the screens to my right and left at this time. As you can see, the broad spectrum of services and programs provided by our County Government support all our citizens to ensure that our community remains a nationally-recognized, award-winning, premiere “Community of Choice.”

I’m very proud of what our County Government does. We continue to receive numerous awards, year after year, for innovative and creative programs we provide our citizens. In fact, I could take up the entire time we have today to talk about all the awards we’ve received. Instead, I’m going to refer you to pages 16 through 18 of your program.

As those awards demonstrate, County Government has provided top quality, cost-efficient services. We’ve set a high standard in terms of our citizens’ expectations, and our citizen survey confirmed that we’ve met those expectations every year.

When I became Chairman in 2003, I promised certain core principles would guide my service to this community.

First, I said that fiscal accountability would be our top priority.

As in the past, the financial house of Johnson County remains strong in 2007. Our fiscal practices are sound and the budget is balanced with healthy reserves. As proof, Johnson County’s bond ratings are among the best in the nation. In its latest bond ratings—released just last month—both Moody’s and Standard & Poor’s awarded Johnson County the coveted AAA rating. Now, that’s worth bragging about! Only 36 of the more than 3,000 counties in the United States have received top bond ratings from both agencies. That puts Johnson County in the top one percent of all county governments in the nation. This “double AAA” rating reflects the strong, conservative financial management practices we have in place. And, it will pass along millions in savings to our taxpayers by getting the best rates possible to finance our capital needs and improvements for the future.

When I became Chairman, I promised that we would make every attempt to keep the tax burden in check without jeopardizing the quality of public services and programs. So, in addition to earning a “double AAA” rating, I’m pleased to report Johnson County had the lowest mill levy of all 105 counties in Kansas in 2006, and has continued to hold the line on tax increases during the past decade. In fact, since 1994, the County’s total mill levy has increased by only about one-quarter of one mill. That’s a collective increase of only one-quarter of one mill over a 14 year period. Clearly, County Government is living within its means and the growth of County services is keeping pace with the demands of our growing community.

So, Johnson County Government has lived up to our promise of remaining fiscally accountable.

When I became Chairman in 2003, I also made other promises as well.

I said County Government would protect natural resources.

The new Sunset Drive Office Building is the first LEED Gold certified building in Johnson County and only the second LEED Gold facility in the State of Kansas as well as the metropolitan region; That facility is saving taxpayers about \$650,000 a year in lease costs and operates with 43 percent lower energy costs than typical office buildings.

We also conducted an Ozone Reduction Campaign during the past three years that has reduced 250 tons of emissions pollution.

We approved the use of E-85 fuel and added 33 hybrid vehicles to the County’s fleet. More than 150 vehicles in the fleet now are capable of using E-85 fuel.

And, under the leadership of former Commissioner Dolores Furtado, Johnson County joined with almost half of the cities in enacting bans on smoking in public facilities to improve the health and wellness of the public.

I said we would invest in public parks, trails, and open spaces.

We’ve added more than 1,800 acres of additional parkland, including the first 130 acres from the Sunflower Army Ammunition Plant, which was successfully transferred for private development in the last four years. And, we added 23.5 new miles of multi-use trails.

And, I said we would strengthen the county’s safety net for families in need.

We have added 68 new positions to Developmental Supports in order to reduce wait times and improve services. We added 27 positions, including another psychiatrist, to the Mental Health Center. And, we added nine positions, including three nurses, to the Public Health Department.

Finally, County Government provided critical funding to our public schools in their time of need, resulting in \$66.4 million for school districts and \$38 million for cities over the past four years.

I’m proud to say today that these promises are promises kept.

In a speech like this, it’s tempting to talk about every challenge, every opportunity, and every success and hope not to forget anything. The alternative is to focus on a smaller number of issues that are especially important to the community and which need to be addressed.

To me, it comes down to this basic question: *What kind of community do we want for our children, and for our children’s children?*

This question has been the basis of ongoing strategic planning retreats conducted by the County Commission over the past four years. That question was also at the heart of our collective efforts this past year at the first-ever Johnson County Leadership Summit. It brought together city and county leaders to discuss common concerns and opportunities. One of the top concerns identified at the Summit was transportation.

[—*Public Transportation Video*—]

Will Rogers once suggested that: “The only way we’ll ever solve the traffic problem in this country is to pass a law that the only cars allowed on the roads are the ones that have been paid for.” Obviously, that’s not the answer. But, the idea of public transportation in and around Johnson County is hardly new.

In the early 20th Century, the county was linked by trolleys along Strang Line. The system snaked through the northeast cities for use by shoppers, workers, citizens, and visitors alike. Today, the trolleys have been replaced by The JO, which has been operated by Johnson County Transit since 1980. Last year, Johnson County Transit served about 300,000 riders—an increase of 6 percent from the previous year. This was on top of an 11 percent ridership increase in 2005, which was the highest percentage increase for urbanized transit operators in Kansas.

The most recent addition was the K-10 Connector route, which connects KU and the Haskell University campuses in Lawrence with the Edwards Campus and Community College in Overland Park. In the first month of its operation, daily ridership on the K-10 Connector has averaged 240 passengers per day, resulting in fewer vehicles along the K-10 Highway and reduced vehicle exhaust emissions. All that for only \$2.50 for a one-way trip! Information about The JO and other transit programs is available in your information packets.

For more than a year now, Johnson County leaders have been studying present and future transit needs through a Public Transportation Task Force under the leadership of Second District Commissioner John Segale. That task force has proposed that a Transportation Cooperation Council be created to serve as a forum to identify, study, and coordinate transportation planning throughout the community. Commissioner Segale will be convening a joint city-county meeting to review and discuss the task force recommendations by early summer. I hope all of you will make it a point to get involved in this important, community-wide initiative.

A second significant issue identified at the Leadership Summit was the lack of affordable housing options.

[—*Affordable Housing Video*—]

While defining what is “affordable” remains a topic of debate, the fact remains that the availability of affordable housing continues to fall short of our needs.

I’m pleased to announce that I have put in place a leadership steering committee that will be co-chaired by Gary Anderson, president of the board of directors for the United Community Services of Johnson County, and local homebuilder Paul Robben of Robben Development.

The steering committee has developed a series of broad goals that will form the basis of an action plan we will be presenting in the next year. A description of those goals is included in the flyer at your tables under the heading “Task at Hand.”

The growing need for more available and more affordable housing in Johnson County is not going away. Unless we ratchet up a serious commitment, the red-hot housing market in Johnson County will essentially redline our neighborhoods. Now is the time to discard the myth that we can wait until tomorrow to deal with affordable housing. That time has already arrived, and the clock keeps ticking.

But on these and other challenges the County Government cannot do it alone. We need the help and participation of our community partners. The good news is, we’ve had success with partnerships in the past.

For example, the County Assistance Road System and Stormwater Management Programs have provided approximately \$320 million to cities for road and stormwater projects over the past two decades. This year, CARS again will provide \$15.4 million for road projects and the Stormwater Management Program will fund \$14.1 million in stormwater improvements. Just a few weeks ago, Johnson County approved an interlocal agreement with Lenexa to provide tax incentives to property owners in a newly-created Neighborhood Revitalization District. Similar agreements have been made with Shawnee and Gardner.

Actions taken by cities and counties have the most direct daily impact on the lives of citizens—we are the levels of government most accessible and closest to the people.

Johnson County is a community of many communities. We have small cities and large cities; we have rich and poor; young families and retired seniors; our diversity grows each year. But we are still one community of many families. That’s why this type of city-county cooperation is so good for everyone. It benefits the cities, the county, and it certainly benefits our community.

[—*City-County Partnership Video*—]

Now, there are two significant issues facing our community that I want to address. It should be no surprise that those issues are public safety and infrastructure. Johnson County is not alone in this regard. As a member of the Board of Directors

of the National Association of Counties, I have had numerous conversations with elected officials from our peer counties across the nation. In every instance, the top challenge is public safety.

Folks, Johnson County is at a crossroads. And, it comes down to these three points.

First, how do we address the ever-increasing demand for more jail space and how are we going to complete the jail expansion that's already been approved?

Second, how can we reduce the number of individuals who are incarcerated through viable alternatives in order to lessen the burden to our taxpayers and improve the social fabric of our community?

And finally, how do we prioritize and align our services and needs with appropriate, ongoing revenue streams in order to plan for the future growth and needs of our community?

Believe me, there are no easy answers to these questions – not just in Johnson County, but for all counties across the nation.

Given our community's diverse needs, it is regrettable that Johnson County is spending almost \$55.5 million on an expansion to add 416 more jail beds. But, clearly, we do not have any other choice. As the graphic on the screens shows, Johnson County has come a long way in the jail business since 1987. In the past two decades, the population of Johnson County hasn't quite doubled. During that same time, however, the daily inmate population has more than tripled and the total farming-out cost for housing and transporting inmates to other jails has increased tenfold. As these graphics reflect, increasing fees in housing contracts with other jails, medical costs, and transportation expenses have just exploded.

Several reasons are cited for jail overcrowding. Unfortunately, one factor is the need of policy-makers at all levels to appear tough on crime. The Kansas Legislature has steadily toughened penalties and has enacted mandatory-minimum sentences. Johnson County prosecutors and judges are duty-bound to put criminals away. We all agree public safety is county government's top priority. But this kind of "lock-'em-up" politics has driven incarceration rates sky-high in Johnson County.

Only 16 percent of the inmates are being held in maximum security and 30 percent in medium security. That means that the majority of our inmates—54 percent—are nonviolent, low-risk inmates requiring minimum security. Most of the 300 or so offenders we transport to other jails—to the tune of almost \$9 million—fall into that low-risk category. By all indications, our inmate population will continue to grow if we don't act quickly. We must get outside the box on this issue and develop new, innovative alternatives that will reduce the number of people put in our jails. And thankfully, we already have an excellent model.

The County's Corrections Department does an excellent job of diverting offenders from jail. The department remains the only one of its kind in Kansas to be fully accredited by the American Correctional Association. Corrections offers intensive supervision, substance abuse rehab, mental health services, job counseling and life skills that give offenders a second chance to help straighten out their lives and become productive citizens. The department also oversees a work-release program that allows offenders to keep working, providing for their families and paying taxes while paying their debt to society.

Aside from the growing financial costs of jail overcrowding and the construction of additional jail space, the human cost must be considered. The continued housing of inmates elsewhere only exacerbates their problems, removing them from family, friends, support groups, and legal aid. This contributes to the disintegration of the family unit which creates a domino affect that the county has to address.

Some have suggested that Johnson County should seek sales tax authority to build future public safety projects and increase property taxes to pay for operational costs. I strongly believe that sales tax revenue must be allowed to pay for both the capital and operating costs of these facilities.

The brick and mortar construction costs of the current jail expansion project will exceed \$55 million. It will require about \$4.6 million per year to pay off that debt over a 20-year period. But, after the bonds have been retired, those costs go away. And, with our AAA rating, the costs we do incur will be significantly lower and less burdensome to our taxpayers.

If we had to use property taxes to pay for construction costs of the jail expansion, it would require an increase of roughly half a mill each year for that same 20 years. In addition, the operational costs alone of that expansion have been projected to be more than \$13 million in the first full year of operation. Those operating costs will not go away and continue to increase with each passing year. If the County increased the mill levy to pay for operational costs of that jail expansion, it would require roughly a two mill increase in property taxes for all Johnson County taxpayers beginning in 2010. That growing increase would not go away.

And, the Sheriff has proposed a third phase to the Gardner jail. That project—if approved—would cost \$148 million. In the first full year of operation, that third phase is estimated to require \$30 million to operate. If those operational costs have to be paid through property taxes, the impact will be more than three mills. The combined estimated property tax impact for the operations of phase two and phase three would be a whopping five mills.

That is a significant property tax increase. It would have a lasting impact on the entire community. It would have a rippling impact on affordable housing efforts, increase the burdens on at-risk households and those on fixed incomes, and it would literally tax our average homeowners to death.

That's why restricting the use of a sales tax to fund only the capital costs of public safety projects doesn't make sense. It's easy to build a jail. It's far more costly to operate, and that total expense should not, must not, be on the backs of Johnson County property taxpayers. A sales tax would spread the burden out so that the total impact is not solely upon our property owners. This is a more equitable distribution of those costs, since nearly half of our inmates come from outside Johnson County.

We've already experienced similar funding issues.

In 1995, Johnson County voters approved a sales tax with no sunset to fund the construction and operation of three public safety facilities: the Juvenile Detention Center, the Adult Residential Center, and the Gardner jail. Today—just one decade later—those sales tax revenues have fallen short of covering operating costs. In fact, this year the sales tax revenue will cover less than two-thirds of the \$33 million operating costs for those facilities. Construction costs represent only about one-quarter of the total investment, and those costs end when the debt is paid off. But the operating costs continue and increase each year.

It absolutely makes no sense to levy a sales tax that only addresses a fourth of the funding problem.

There has been much talk about Johnson County's healthy reserves. It's true that the County now has \$125 million in reserves. However, it's also true that more than half of those funds are restricted by state law or voter approval. For example, some of these restricted reserves include the Heritage Trust Fund, as well as Wastewater, Airport, Stormwater, Mental Health, and Developmental Supports.

That means only \$55 million in reserves is available from our expenditure budget. While the County can, and will, spend down its reserves, we must be careful not to tap this resource too heavily, or we will jeopardize the financial health of Johnson County.

Like the adult jails, the Johnson County Juvenile Detention Center in Olathe is being used too often, is operating beyond its 72-bed capacity, and we're sending youths to other facilities. Perhaps that's a reflection of getting tougher on crime and zero tolerance policies. Unfortunately, many of these troubled youths are nonviolent, low-risk offenders accused of minor felonies and misdemeanors.

For several years now, the County has wanted to build a new juvenile services building. But we envision something more than a new facility. Our vision is for a Family Resource Center, which would be a beacon of hope for at-risk juveniles and their families. The Family Resource Center would provide family-friendly access to comprehensive counseling, substance abuse services, and corrective programs in a centralized location.

To achieve these goals, we need to reform the juvenile justice system to focus on early intervention and prevention strategies to improve the quality of life for all of Johnson County's citizens. It will take time and it will take political courage to bring about positive change. But, as it's been said: "A politician looks to the next election; but a statesman looks to the next generation."

By making these investments today, we can prevent kids from becoming trapped in an escalating pattern of delinquency, violence, and crime that ultimately leads to an endless cycle of incarceration as they grow older.

No one—absolutely no one—wants to be accused of being soft on crime. But there has to be a better way. It won't be easy, but acting with foresight never is.

Therefore, as Chairman, I am establishing a Criminal Justice Advisory Council to identify and recommend alternatives to incarceration without compromising public safety. The advisory council will bring together professionals from the full spectrum of the criminal justice industry as well as key community stakeholders and average citizens to provide insight and guidance on what Johnson County can and should do in this regard.

We must begin with preventative measures that reduce the number of juvenile offenders in our system. We must also help offenders get back on track while they're in our custody. And finally, we must provide adequate support for all offenders—both juvenile and adult—after they've paid their debts and have been released so they can return as productive, healthy members of our community.

But public safety is only one-half of the challenge that we face. We also must address how to finance our county government in the face of limited and decreasing federal and state funding. Therefore, as Chairman, I am also forming a new County Government Financing Commission.

This will be a blue-ribbon task force of community leaders, business entrepreneurs, financial and tax experts, and others in the industry to examine financial costs associated with strategic priorities, particularly in the areas of public safety and infrastructure. The commission will make recommendations on policy direction concerning how to finance County services, including how revenues should be applied toward community needs while balancing these needs against other budgetary commitments.

Through the work of this commission, the Board of County Commissioners will gain a broader, citizen-based perspective on how to prioritize and fund critical community needs. Moving boldly to anticipate problems and resolve conflicts invariably will open us up to attacks from naysayers. It is always easier to criticize than to correct in times like these.

It's been said wisdom is knowing what to do next, but virtue is doing it.

After all is said and done, these actions will be seen as the best possible “down payment” we can make for advancing a positive future for our children and for our community. We owe them nothing less. Much hope and promise exist for seizing today’s opportunities toward building a better, brighter tomorrow for Johnson County. I believe this is the public’s mandate for their elected leaders, and we will work to make it happen. I welcome your continued help, energy, and commitment as we work together to build a better community for all.

It won’t be easy. It’s going to take a lot of time and a lot of hard work. But I am reminded of a Chinese proverb:
“The person who says it can’t be done shouldn’t interrupt the person doing it.”

Thank you for joining me today.

May God continue to bless our great nation and our great home, Johnson County.

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