

Stephenson County, IL
State of the County Address
John J. Blum, Chairman
April 13, 2011

Good evening, everyone. I am again honored to be able to stand before you to speak of the opportunities and challenges here in Stephenson County and Northwest Illinois. This is my 9th consecutive address occurring each April during our regular county board meeting.

It has become a tradition that each year I take a few minutes to recognize some special individuals who have exhibited dedication and leadership in the performance of their duties serving the people of Stephenson County. Tonight is no different.

There are many people that are elected, appointed, or employed to serve our citizens. Many of them have served for many years. Recently, Bob Fryer and Richard Daughenbaugh retired from the Highway Department with (40) and (32) years of service respectively. We currently have (13) active employees with more than (30) years of service. This is a tribute to their dedication and a credit to our county. I wish to express our appreciation to all who serve Stephenson County.

Tonight you will be recognizing true examples of leadership and service. First, I would like to point out that we now have (7) county officials that have graduated from the UCCI/University of Illinois Leadership Academy. The 2011 edition of the Leadership Academy started earlier this week and we have (4) more enrollees: Ms. Dotson, Ms. Quiggle, Mr. Senn, and Mr. Kane. We will now have the largest group of leadership academy graduates than any other Illinois county. I hope all county board members and staff will consider this opportunity in the future to further develop into effective leaders.

I have made it a point to recognize department heads that reach at least a (15) year anniversary and then each (5)-year increment after that. This year we have (2) department heads that have reached a milestone:

First, I would like to recognize Mr. Ron Kane, Chief County Assessment Officer, for passing his (15) year anniversary. Ron was hired on January 1, 1994, (17) years ago, so I apologize for being tardy. Ron has served Stephenson County with distinction and continues to provide expertise in many different areas. I thank Mr. Kane for his years of service.

Second, I would like to recognize Mr. Russell Mulnix, County Administrator. Mr. Mulnix was hired June 14, 1988 and has passed his (20) year anniversary. Russ continues to serve Stephenson County with professionalism and consistency. I thanks to Mr. Mulnix for his service.

Next, I would like to present the annual Leadership Award. This award is intended to recognize a member of our county organization that has exhibited outstanding leadership qualities in the performance of their duties. It was again difficult to choose just one individual that exemplified true leadership from our great group of people. This year, I am very proud to present the 2011 Leadership Award to Mr. Mike Munda. Mike has been almost indispensable in the development of the county GIS system. His work has added a great deal of technical capability that supports not only many county departments, but

many segments of the public, business, and private sectors. This technology has not only generated better tools for land use, assessment, mapping, and economic development, but has generated a significant new revenue stream that supports many county operations. Mike exhibits cooperation and consistency in all of his efforts. He is often referred to as the “go-to-guy.” Mike, we all congratulate you for your efforts.

For the first time this evening I am unveiling the Lifetime Public Service Award. I have noticed over the years that we have been blessed with many solid and dynamic county elected officials. Some of these distinguished folks have served in many capacities for many years. Since this is the first year, I have a little catching up to do, so this year there are (4) individual recipients. The first criterion for earning this achievement is to have served in an elected position at the county level of government. In addition, after meeting the first criteria, other elected public service is added to county service to determine a lifetime of public service.

Now, in alphabetical order, are the 2011 recipients of the Stephenson County Lifetime Public Service award:

Mr. Dean Amendt served as the County Clerk and Recorder for (27) years from 1971 to 1998. He was succeeded in office by the current County Clerk, Ms. Vici Otte, when he elected to retire. When I was canvassing for people who might qualify for this award, Mr. Amendt was always mentioned. I am told that Dean never really liked to come to County Board meetings, but he and his wife are here this evening. I am honored to recognize Mr. Dean Amendt for his lifetime of public service.

Mr. Bennie Brown currently serves as a member of this county board. He has also served on the Freeport City Council and the Freeport Township Board of Trustees. Combined, Mr. Brown has served in a public capacity for more than (40) years. Mr. Brown was instrumental in moving civil rights issues forward here in our county. He is a respected public servant who has provided a lifetime of service. Mr. Brown is also one of our few remaining members of the “Greatest Generation”, our veterans of WWII. I am honored to recognize Mr. Bennie Brown.

Ms. Sheila Hooper currently serves as a member of this county board. She also continues to serve as the Freeport Township Supervisor. She has served on the Freeport City Council as the first ever elected woman to be sworn in as an alderman. Combined she has served the people of Stephenson County for more than (50) years, and she is only (39). I am very pleased to recognize Ms. Sheila Hooper for a lifetime of public service.

Mr. Mark McLeroy currently serves as Stephenson County’s representative to the United Counties Council of Illinois and serves on the UCCI executive committee. Mr. McLeroy served on this county board, including (2) terms as Finance Chairman. Mark served as an alderman on the Freeport City Council and then served as Mayor for (20) years. Combined he has served for more than (40) years. I am honored to recognize Mr. Mark McLeroy for a lifetime of public service.

We are all aware of the value that experience plays in developing leadership skills. Experience coupled with knowledge and a focused, team effort usually generates positive results. Leadership is most definitely a positive component in any quest for excellence.

However, leadership will always be challenged by negativity. Negativity can drain the energy from an otherwise vibrant organization, community, or family. We have seen many negative factors become more pronounced in our county in recent years such as unemployment, poverty, a shrinking population, juvenile crime, and more. It is important to keep a more comprehensive and positive perspective on the condition of our county, our communities, and even our state. You must think, talk, act, and be positive as we work together to eradicate the roots of negativity.

Personally, Stephenson County has always been my home and, as far as I know, it will always be my home. Like many of you here, I can remember life in this county as far back as the 1950's. As I look back just a few decades it is not hard to see that the personality and composition of our local economy has been changing.

I believe that in the 50's, 60's, 70's, and even into the 80's we had a very dynamic local economy. We had a wide array of manufacturing businesses that provided steady employment for many people. I remember companies such as Fairbanks-Morse, Burgess Battery, Stover Steel, Inter-City Box and Paper Company, Structo, W. T. Rawleigh, and many more. More recently, I remember when Micro Switch, Kelly-Springfield Tire, and Newell Window Furnishings were the biggest major employers. Generations of Stephenson County families worked their entire lives at these businesses. The economy was virtually a no-brainer. All that government leaders needed to do was to insure that these businesses had what they needed and then stay out of the way.

Today we have inherited a local economy that requires a great deal of effort and investment to maintain and grow. The loss of jobs and career opportunities has caused a drain on our population, especially those with technical and management skills. Our children look to move away from here in search of opportunity as soon as they can. It is calculated that for every one of our children that move away from home, we lose approximately \$500,000 in lifetime local revenue that would otherwise support our local businesses and public services. The loss of our youth is causing the average age of our population to become more senior, more dependent on government assistance, and more prone to the afflictions of poverty such as poor nutrition, poor health, homelessness, and the inevitable increase in crime. The loss of business and investment is putting increasing financial pressure on the cost of providing services, public safety, and basic infrastructure. As the property tax base shrinks, the cost to each individual tax payer increases. The negative trends in our region that really began decades ago will require intense efforts to change.

Today, our business community is much smaller and does not provide the overall economic muscle that we once enjoyed. It is obvious the strategies must change to bring back the vitality of opportunity that we need to expand the tax base, retain our young people, promote investment, and continue to be a quality place to live.

In the 1960's, Stephenson County enjoyed a very simple set of government responsibilities. We operated out of a county courthouse and county jail building that dated back to the Civil War era. We still had many companies that provided employment and were starting to look toward more growth. Kelly-Springfield Tire was built and added more than a thousand new jobs and new tax revenues.

In the 1970's, with decades of stable revenues and a Building Commission in place supported by a dedicated tax levy, the county had the confidence to build a new courthouse and jail.

In the 1980's, still feeling confident that the local economy was always going to produce, the decision was made to eliminate the building commission and spend away the cash reserves it had built up to maintain the jail and courthouse.

In the 1990's the county board found themselves legally compelled to build a new jail. The old jail had become too crowded and a federal court demanded a new jail be built. The county asked the citizens to approve the funding of a new jail through the implementation of a public safety sales tax. This referendum was approved. However, it was later determined that the tax rate approved would only generate enough revenue to pay for the basic construction of the jail facility. No new funds would be available to pay for the increased costs of operation including dozens of new employees, larger utility costs, and the maintenance of a very technically sophisticated building.

In the 2000's we found ourselves drastically increasing wage and benefit costs to properly man a new jail, we faced Y2K, and then we all faced the tragedy of 9/11. The focus on public safety and emergency preparedness skyrocketed. Local governments increased preparedness, added tools and technology, and contemplated what type of disasters, natural or manmade, would test our readiness. You should be very proud of the work done locally by our Emergency Management Agency, first responders, public safety departments, public works, and the health department in the development of a first class emergency response organization. We have since dealt with a number of local disasters and emergencies. We have had serious flood and snow events as well as certain pandemic issues such as West Nile Virus and H1N1.

Today, without a Building Commission in place and a Public Safety Sales Tax that is primarily used to pay the jail construction bonds, the costs of maintaining the courthouse, old jail, and the new jail has fallen on the general fund. We find ourselves continuing to slice our budgets razor thin in an effort to maintain our facilities, provide for public safety, operate the criminal justice system, and continue to administer many required public services. The underlying premise that the local economy was on autopilot and would always grow without much work is now a nostalgic memory. We need to be engaged, energetic, and of one community purpose to deal with this new economy.

County government is labor intensive. During 2010 we had (380) people employed. The total payroll was \$10.5 million.

Public Safety and the Justice System accounted for 48%, virtually half, of this total; the Stephenson Nursing Center about 23%, the Health Department about 12%, and Highway about 9%.all other departments combined, including the county board, county clerk, treasurer, assessor, administrator, facilities management, and zoning, accounted for less than 8% of the total.

Where do the funds come from that help pay this payroll? They come from property taxes, income taxes, sales taxes, motor fuel taxes, state and federal reimbursements, fines, fees, grants, and more. All of these revenues are derived primarily from local economic

activity. The local tax base is comprised of investments in property, wages paid to employees, along with products and services purchased. If a tax base begins to shrink, costs to the individual tax payer, property owner, business owner, and resident increase. A growing tax base, meaning more property, more jobs, more retail sales, has the opposite effect.

It is not hard to see that the days of staying out of the way of the business sector and relying on a steadily increasing stream of tax revenues are over. Our old cadre of employers have either moved or folded. Thankfully, the ones that remain or have appeared are tough and very entrepreneurial. It should be obvious that local government must collaborate with the business sector in order to stabilize and expand the tax base here in Stephenson County. Until the tax base begins to expand the cost per capita of services will either rise or the services must be reduced or eliminated.

The economy is the financial and structural foundation upon which all quality of life issues depend. The economy is where our people, businesses, and government must interact to promote investment, jobs, and opportunities. Without investment, jobs, and opportunities our people will continue to migrate away, business will find fewer reasons to locate or stay here, investment will dwindle; and there will be a slow decline in the condition of our infrastructure that will someday become too expensive to repair. The quality and diversity of our local economy supports the quality and diversity of our people and families.

Redeveloping our local economy is very similar to being a farmer. You must have access to land. You must invest dollars in seed, fertilizer, equipment and supplies. You must form relationships with veterinarians, bankers, insurance brokers, and government agencies. You must work to plant seeds, protect the young plants, pray for rain, and hope to have a good harvest at summers end, all without any guarantees.

In the 80's our county saw the Rawleigh Company sold and then bankrupted; Micro Switch had opened a plant in North Carolina and Mexico and began moving local production jobs to a lower-wage climate; Economy Insurance began looking for buyers; Newell started buying other companies across the country and everyone knew that it would be just a matter of time before one of those other locations would lure the corporate headquarters and manufacturing away from Freeport; Downtown retail felt the pressure of fewer local dollars and the new competitive presence of large volume box stores; Neighborhoods suffered as houses fell into disrepair. These trends were very pronounced. Then a number of visionary people in our community began to work toward developing a system that would counter the loss of jobs caused by changes within the previously stable local business sector. It was a concept of a public-private partnership that was named the Freeport Area Economic Development Foundation.

The foundation was originally a partnership between the business community and the City of Freeport. A number of projects were undertaken to slow the migration of our large employers such as Honeywell and Newell. A number of infrastructure upgrades to support these industries were implemented, but it really only slowed the inevitable. Corporate decision makers no longer lived here. Stock holder value became a driving force as these once local companies began competing in the global marketplace. As focus remained on retention, attention was also turned toward attraction. Companies that grew or relocated to our county included Anchor-Harvey, Vintner's, Adkins Energy, Berner Foods, HB

Plastics, Leggett and Platt, Pinnacle Metals, and Seaga Manufacturing. The jobs and investment that these companies brought to our county are greatly appreciated, but are not in the quantity that we once enjoyed. More must be accomplished.

A few years ago it was certainly apparent that Stephenson County needed to step into this partnership that became known as the Northwest Illinois Development Alliance (NIDA). The vision is the same, but the scope is much broader. The county was experiencing the drain of revenues caused by lost jobs, investment, and negativity. The county also held potential resources that would be advantageous to developing the local economy. Our access to land, rail, and roads was vital. Our ability to develop programs to enhance growth, such as enterprise zone, tax increment financing, and abatements, would be valuable in the overall partnership. So, in the mid 2000's, Stephenson County became an active member of NIDA providing our programming capability, technical expertise, and resources to help the partnership reduce the downward spiral in our local economy. We also became very involved in a number of economic support groups such as the Chamber of Commerce, the Local Workforce Investment Board, the Regional Conservation and Development District, and the Comprehensive Economic Development Strategy program. We received grants that supported a First-Time Home Buyer Program, \$800,000 was secured from USEPA to assess potentially contaminated sites throughout the county and return them to economic viability. More than \$30 million has been invested in the past few years to push a 4-lane US20 west and eventually to the river unlocking a great bottleneck to transportation. We were able to be a recipient of a \$60 million grant to install broadband in our region giving us data transmission capabilities only seen in major metropolitan centers. We have been able to assist in the growth of a number of business ventures in the county including the Pearl City Co-op, Berner Foods, Thompson Eggs, Eco-Grove Wind Farm, Nuestro Queso Cheese, and more to be announced.

Our relationship with NIDA is more important than ever. The private sector is becoming more engaged in the process and will be at least a 50-50 partner with government in the near term. The new Executive Director of NIDA, Mr. David Young, has only been on the job for a few weeks, but I find him to be experienced, organized, and energetic. I believe he can lead our partnership through this current economic storm and help restore priorities, engage the public, and sell our communities and county to the business world. Mr. Young has just completed an intense "listening tour" of many business, community, and government leaders to determine where our collective community needs to go. The consensus of our business, banking, and community leaders is that, and I quote, "In order to be successful in today's global competition for high quality jobs and capital investment, the public and private sectors have to work collaboratively."

One of the biggest investments we have made to date in the local economy is the formation of the Mill Race Economic Development Project Area or EDPA. This area covers approximately 5000 acres and brings a number of economic development tools into play. Within this 5000 acre project area is the Mill Race Industrial Park. This 140-acre park was purchased by Stephenson County and is located adjacent to an active railroad. It is located near an existing interstate highway with excellent truck access. The investment in land and location has been enhanced by industrial zoning, an enterprise zone, a complete plat map, and TIF benefits. The site has been leveled with an overall drainage system installed

including detention ponds. The initial rail and access road beds have also been built. All general utilities and infrastructure have been engineered.

In 2006, NIDA had (3) major projects working toward final plans for construction in the Mill Race Industrial Park. Trim-Rite, Blackhawk Biofuels, and Component Systems Incorporated. These projects would have provided a combined total of \$100 million of new investment and (700) new jobs. As gut wrenching as it was when these projects did not enter a final agreement, it cannot deter our efforts toward supporting the growth of our economy.

As you know, Stephenson County, along with our partners of NIDA and Silver Creek Township, received a \$1.725 million grant from the Economic Development Administration to assist in the funding of further infrastructure improvements in the Mill Race Industrial Park. These funds were to be matched by county or private funds to secure public improvements in the park. Until a project is in hand the expenditure of funds on major infrastructure is not prudent.

Recently, a large project was announced for Rochelle, IL. The project is a manufacturing plant that will build high-speed rail cars and employ hundreds. Now, some development funding for this project was lost and the project was in jeopardy. In order to keep this project in our region we are working to transfer our EDA grant, along with a smaller grant issued to the Village of Milledgeville, to the Rochelle project. Our two grants combined will bridge the financial gap that currently exists and will insure the project goes forward. This will be good for our region rather than let the funds go somewhere that will have no direct economic impact on Stephenson County. We are working with EDA, Congressman Manzullo, the RC&D, and the Rochelle Economic Development Partnership to make this happen. We plan to have a resolution prepared for this county board very soon to approve this transaction. We will then begin the process of securing future EDA funding for the Mill Race Industrial Park when a project is again in hand.

As you know, we are approaching the maturity date for our \$6.0 million debt certificates held by Chase Bank. These funds were used for the Mill Race Industrial Park, including land acquisition, engineering, initial site preparations, consultant fees, interest, and property taxes. We have been working with Chase for more than a year to develop a plan for a continuation of our financial relationship knowing the condition of the regional economy and the condition of our State of Illinois finances. We have been meeting on a regular basis with Chase, but have not yet settled on a final term sheet. We do know we will receive an extension and that the terms of this extension will be finalized soon. Details will be available for our next Finance Committee meeting.

We are seeing signs of a recovery in the regional economy. Sales tax revenues are stronger than forecast. Unemployment has been trending downward over the past few months. The stock market shows signs of continuing strength. However, this is all tempered by unrest in other parts of the world such as Egypt, Ivory Coast, and Syria. Volatility in the energy markets is caused by a war in Libya and the disaster in northern Japan. Our federal government is looking at massive program cuts that could affect Medicare and Medicaid which could put pressure on the operation of our nursing home. The continued budget

battle in Springfield has shown no real signs of resolution and the concern over pension costs will continue to rumble throughout the public sectors.

The cost of healthcare is a definite wild card as the Congress works to either implement or repeal all or part of the new federal health care law. We were fortunate to receive a federal waiver that kept our health insurance premiums within reason for at least another year. However, we have had some extreme costs come in against our health insurance fund that has decimated our reserves. The cost of workers' compensation, liability, and unemployment insurance along with retirement benefits continue to be a challenge.

It seems to be a catch 22 to be able to improve services while reducing costs. However, it has been proven that an organization that can work collaboratively both internally and externally can accomplish both. Eight years ago I promoted some targets for collaborative government that included combined procurement, insurance consolidation, combining technical resources, consolidating duplicate processes or departments, and more. One of the early suggestions was the consolidation of the two 9-1-1 dispatch centers that were located within two blocks of each other with duplicate responsibilities. The consolidation committee has made every effort to work out a consolidation of 9-1-1, but the remaining dispatching duties peculiar to the Sheriff's Office and the Freeport Police Department could not be consolidated at this time. Efforts will continue, and it is hoped that collaboration will be the replacement for the way we always do it. I certainly commend the ETSB and the Consolidation Subcommittee for their efforts to date.

The condition of our general fund budget is still tight. We began the year with a \$180,000 deficit in order to stave off any further layoffs in the Sheriff's Department. It was hoped that through collaboration, consolidation, and good cost control we could close that gap. Today, projections show a positive cash flow by year's end. However, there are issues brewing that could reverse this trend. We have been advised that we will lose some State reimbursements that have supported a deputy position. There are also some arbitration and legal issues that could be costly. So, while we work to keep a balanced budget and a positive cash flow, the specter of uncertainty continues to be present.

Now that Spring is finally coming to Stephenson County, I hope that Mr. Snively and his team can complete the repair work on the grave markers at the "Poor Farm Cemetery." Over the winter, Mary Boeke-Hill at our Health Department has been working to reconstruct burial records for the old cemetery. She researched and was making great progress on recovering a lot of data that we thought had been lost in a fire at the facility many years ago. However, through luck and perseverance she was able to locate the original records. It appears that they were not lost after all. These sensitive documents and records appear to be protected by a number of state laws and we need to confer with the Historic Preservation Agency and the Comptrollers Office to determine how the data can be used to insure every grave is properly located at the cemetery. I wish to publicly thank Mary Boeke-Hill for all her efforts on this project.

This is also the year we begin the 4-year period that marks the 150th anniversary of the Civil War. More than 3000 men from our county served under General Atkins representing Illinois in this "war between the states." The Civil War monument located near this courthouse was constructed of Joliet Limestone and dedicated to the service of the men who dropped their lives here in Stephenson County to fight for the integrity of the union.

This monument belongs to the men who fought in that war and who died doing so. It is our responsibility to maintain this memorial so that all generations may not forget their sacrifices. The monument is in need of some repair. It has some age on it and it continues to be exposed to the weather and vibration from heavy truck traffic moving just feet from its base. I am aware of some growing interest in our community to help with restoration efforts and possibly the organization of a 150th year commemoration of the war. This, to me, is an important obligation that we need to meet.

The monument at Kellogg Grove is also in need of restoration. Again, constructed of soft limestone it has been exposed to the elements for decades and within its shadow are the graves of members of the Illinois Militia that were killed in the historically noted skirmishes with prairie Indians. The present day monument is really a testament to the clashes of two cultures back in the 1830's. It is important that what we do to improve or expand the park and monument be done in a way that is dignified to both cultures and those that died in its shadow.

Sherm Virtue was a long-time unofficial curator of the park and the history that goes with it. He was personally involved in the upgrades to the park along with a number of volunteers from the Kent area. Sherm's family donated the land that the monument sits upon. Sherm died a few months ago and with him some of the legacy that was part of the Kellogg Grove Battle Monument. I am working with the Virtue family to conduct a memorial event at the park on June 25, 2011, a day that coincides with the anniversary of the final skirmish. We will also be conducting an informational event for the Captain Lincoln Statue at the monument on the same day. I will make more details available as they are known.

Next year is the 175th birthday of Stephenson County. We have come a long way and many people have served and even died to create this place we call home. This place has a rare character. It is mostly rural, but has a personality like a big city. In days past we have had dynamic public servants and very charitable benefactors. We have had the benefit of receiving statues, artwork, parklands, and cultural gifts beyond any other county of our size. Gifts from W.T. Rawleigh, the Taylor family, the Read family, and Malcolm Eaton are being enjoyed by generations. John Henney, Henry Ford, Teddy Roosevelt, Abraham Lincoln, and Jane Addams have walked the ground here. We have a very deep heritage that is our responsibility to maintain.

Our past was full of hustle and bustle as many people began their business endeavors here and became very successful. These business efforts created a strong economy of abundant jobs and a great family environment. With these dynamics fading, it is our responsibility to build upon the legacy, to nurture new entrepreneurs toward local success; to invest in our people and our economy. Negativity is the sand in the gears. It is the water in the gas that reduces the power of a community.

I ask that this county board lead by example. That even in the face of all these challenges, we replace negativity with positive efforts to strengthen our economy. Take on an attitude of a builder or benefactor and engage in the process of community and economic development. If we are truly a community we will do whatever we must to keep it safe and clean. We must not talk it down, ever. We cannot condone divisive talk or actions. The days of managing our economy from the sidelines are rooted in our past. I ask the community, our county, to concentrate on our future, a collective future.

Last week, at the Chamber of Commerce Annual Dinner, Dr. Hardy, the new principal of Freeport High School and a new Stephenson County resident, told the more than (400) guests present that, “Ain’t nobody gonna come and save us.” This purposeful statement, wrapped in a humble vernacular, is a warning and a charge. The time for waiting and doing nothing is over. We must work together, ignore negativity, find the common mission, reduce our tolerance for unproductive behavior, and invest in ourselves. “Ain’t nobody gonna come and save us, but us.”