

**The State of the County**  
**Paul Gielegem**  
**Chairman**  
**Macomb County Board of Commissioners**  
**Feb. 11, 2009**

I want to begin by thanking the Chamber Alliance of Macomb County for hosting us today and for the leadership your organizations provide every day in our community.

The work you do – supporting our local businesses, providing a forum for discussion and new ideas, and fostering stronger connections – is what helps make us a community. In these difficult times, we need your leadership more than ever and I am looking forward to working closely with you in my new job as chair of the County Board of Commissioners.

I want to thank DuPont for sponsoring today's event and I want to thank Alisha Baker for her introduction. Alisha Baker is a representative of DuPont here in Mt. Clemens but we recently received word that she has been have been appointed by Governor Granholm to serve on the Board of Trustees for Ferris State University. We are very happy for you and proud to have one of our own representing us in such a prestigious position.

Thank you to the county-wide elected officials that are here. And thank you to our local city and township officials. It is clear that we need the benefit of your experience and that no one level of government can surmount our problems alone.

Finally, I want to thank my colleagues on the County Board of Commissioners – not just for being here but also for your confidence in supporting me for chair. I understand that I am 1 of 26. While I intend to move aggressively and speak forcefully, I will always work with you in a collaborative way.

I feel that our situation here today requires us to dig deeper and really explore who we are, what we must work together on and chart the course of where we need to be as a county and as a community.

I want to talk about reform, about our budget, about economic Development and about Higher Education. I want to talk about how they are interconnected, as we all are, in positioning Macomb County to be able to not just survive, but to thrive in the very high stakes globally competitive world that we now find ourselves in.

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***Leadership through Reform***

I believe that Macomb County can emerge from our current crisis as a leader in our region, our state, and in the global economy. To get there, we need clear, vocal and visible leadership. To get there, we need reform.

The people of Macomb County need someone they can both rally around and someone they can hold accountable. We need someone who speaks with a strong voice for us in the region, in Lansing and in the effort to attract global business.

Macomb County voters began a process last May that will increase our county's clout. We must continue with the charter reform that will give us an elected county executive chosen directly by the people, and reduce the number of county commissioners.

I'm starting a new job and pressing for a reform that could put me out of that job. I'm doing that because it is not my job that is important – it is the jobs of every family in Macomb County that we must keep, first-and-foremost, in our minds.

With this reform, we will be able to respond more quickly – with more accountability and less bureaucracy.

These are times of hard choices and tough competition.

We need a county government that can spearhead a new era of innovation and economic development. We need a county executive who can go toe-to-toe with any other county in the region and the nation.

Reforming the structure of our government will position Macomb County for the leadership role we must take in the future. It will help us turn our challenges into opportunities and our problems into prospects.

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### ***Facing Our Problems***

But, we cannot wait for a county executive to face these problems. We have a structural budget deficit and that deficit is growing.

Our deficit is similar to the ones faced by cities and counties across the country. The fact that we are not alone, the fact that we, in Macomb County, are facing a crisis that is in large part not of our own making, is no excuse. We must take our problems into our own hands.

These are not ordinary times. We cannot apply ordinary solutions. The times demand reform. The times demand realistic analysis. The times demand change.

Our budget has been swamped by waves of economic shocks and aftershocks. Our property base has devalued rapidly. This was the engine of county government, and that engine has come to a screeching halt.

For the past generation and more, new home construction and the rising value of homes brought in new property taxes, which in turn, allowed us to maintain a strong tradition of service to the people of this county.

In 2007, that growth stopped. In the last two years, home-ownership and property values have been spiraling downward at an alarming rate. The most devastating effect of all this, of course, is felt by our families who are struggling to make ends meet.

For county government, the old foundations have been shaken. We are not standing still. We are losing income every year. County government has no choice but do more with fewer resources.

Add to this the increasing cost of health care. This is a crisis that affects all of us. It is felt in our homes where parents struggle to provide medical care for their children. It is felt by businesses who seek to compete in a global economy, while carrying a burden for workers' health insurance that companies in other nations don't have to carry. And it is squeezing the budget of county government.

The nation's health care crisis must be addressed at the national level. President Obama has made it one of his highest priorities. It is a national problem that calls for a national solution. But in the meantime, we must rein in costs at the local level.

On top of these factors, add pension costs. In 1980, the county had 5.1 employees, to every retiree. That ratio is now 1.1 worker to every retiree. Our pension system has always been funded 100 percent in the past. We will be able to meet our existing obligations to retirees. But fewer workers, contributing to support a greater number of retirees means pensions will continue to cost the county more and more.

Finally, we have been hit by the declining stock market. We have always been a county that saved and invested our funds. Today, those investments are yielding less and less of a return.

The budget problems faced by the county are difficult, they are structural and, in a period of economic crisis, they will not be easily solved. But we are committed to solving them. We have no other choice.

There are different approaches to getting there. We will have a spirited debate on where to go from here. But, letting this downward spiral continue is not an option.

Our hard working county employees are caught in the middle of this debate. These are the people in our community that provide health care, run our court system, patrol our streets, maintain our infrastructure and thousands of other things. Because they perform their work effectively, most of us simply go about our day without having to stop and think about who makes it all possible.

We are now asking county employees to make changes that will affect their lives. While this doesn't make the sacrifice easier we know that every family in this county and in Michigan is having to face the harsh reality of this economic downturn.

What we are trying to achieve is a balance. We will tighten our belts, but we will not stand still. We will ask for shared sacrifice. We will be fair and forward-looking.

Any one who heard or read about Dr. Jim Jacobs economic forecast speech a week ago understands that Macomb County is far from out of the woods. We may have another 2 or 3 years of very hard times.

We have already experienced a seismic shift in our economy. There is no time to rummage around in the rubble.

There is no time to cast blame for what has or has not been done in the past. Our future hangs very much in the balance, if we do not face it squarely today, we will be far worse off in the end.

We need everyone's input and involvement. Beginning on March 3rd, I will be holding a series of budget information meetings for the public.

We will be going to every corner of the county. We will present the facts and suggest some options. Citizens will have a chance to better understand what we face and help us make the best decisions to move Macomb County forward.

As a leader of this county, I will not define my role as the caretaker of a county in decline. As the Bible says, "where there is no vision, the people perish."

If I am going to err, I will err on the side of initiative, rather than inaction.

Macomb County can become known as a place of ideas and innovation, a place of quality and cutting-edge products, the home of a well-trained, highly skilled workforce that is ready for any challenge. Macomb County can and will be recognized as a world-class economic competitor.

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### ***New Engines of Economic Growth***

For new engines of economic growth, we need to begin by looking to the businesses and employers we have now. We in county government have taken these relationships for granted for too long. We have gotten too comfortable each in our own worlds.

But times have changed. We need to forge new ties. The day after I was elected I lead a group of county commissioners and local officials to meet with the leaders of GM at the Tech Center in Warren.

We all know the Tech Center. But have we really stopped to think of what an incredible resource it is? There is no place in the world that has this kind of high tech research facility. 17,000 people in one square mile of Macomb County dedicated to the highest quality research in the world.

But do we think of ourselves as the center of technological innovation? Do we think of Macomb County as the place to go for cutting-edge research for the 21st century global economy? That is how we should think of ourselves. We have the resources and the facilities to back it up – right here – throughout Macomb County, but especially in this one square mile.

I am committed to leading an effort to go door-to-door to the employers in this county, to sit down and ask – what do you have going here, what would you like to get going, how can we help?

This is the beginning of a new initiative we are putting in motion to strengthen our relationship with our largest employers and taxpayers.

We have not just been to GM, we went to Washington Township to TRW. This is a Michigan based company with 65,000 employees around the world. Sixty-five percent of its sales are outside of the U.S. But, right here in Macomb County is the home of their R & D operation with 300 to 400 of the highest tech jobs in the industry.

And we went to Dodge City Truck Plant in Warren. This plant was built in the 1930s but proved it can still compete and win new product lines. Chrysler invested \$200 million here to produce the new Dodge Ram 1500. Cutting edge, world-class innovation, in Macomb County.

The Chevy Volt will be built in Hamtramck. The battery research is being done, you guessed it – right here in Macomb County at the Tech Center. Where is the logical place to locate the plant that will manufacture those batteries? Why not here in Macomb County?

Economic Diversification is also a priority for us. Emerging Sectors — life sciences, alternative energy, information technology and small business. We are working to reach out to all the businesses in our community. But we will also stand up and support that which has made us great! Our auto industry in Macomb County!

Our region is still the hub of North American manufacturing, and we will help our auto industrial based companies. We will help them make the transition, if necessary, to advanced automotive, defense and homeland security, alternative energy, and medical equipment.

We may not get everything we dream of. Not every vision will become a reality. But, this is not a time for the faint hearted. We need a bigger vision of ourselves. My view is – if we don't go after everything, we won't get anything.

I am committed to leading a county government that has well-forged relationships with business, a commitment to path-breaking research, and a highly-skilled workforce so that, when it comes time to invest and expand, Macomb County is the first location on the list for any company in the world.

This new economic development strategy will involve every one in the county.

As we look to the future, we need to activate five elements:

- County and municipal governments
- Business and chambers of commerce
- K-12 schools
- Colleges and universities
- Cultural education and exchanges

These five elements will work together like a hand. We will extend that hand to every corner of the world, to build a future for our families with good jobs and a decent standard of living, in our county.

When business leaders travel abroad to explore new investment or marketing strategies, we need to bring them together with students who are studying foreign languages and culture. When non-profits and educational

institutions promote cultural exchanges, we need to bring them together with the businesses seeking new opportunities.

We must pull together our multiple resources to form new partnerships that will strengthen our understanding and expand our outreach.

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## **World Class Education**

This brings us to education. We know from Lt. Governor Cherry's Commission report on higher education that Macomb County has more people who start college but do not finish than any other county in the state. Twenty five percent of our existing workforce has completed some college but has not earned a four-year degree.

We in Macomb County understand that higher education is the gateway to better pay and more security. We start college and then we experience the obstacles to completion. For people with a job, a family, and a mortgage, the cost of education is too high, the structure of classes is too long, the distance to travel is too far.

Many of us in this room overcame these obstacles. I did so before I had a family. My wife Sara took advantage of an OU program offered here in the county to earn a teaching degree while helping to support our family.

We were determined, Yes. But we were also fortunate. For too many Macomb County workers and their families, the goal of earning a four-year degree is elusive.

Our world has now changed. Economic growth is now tied to the percentage of people with a four-year degree. To retain and attract world-class companies we have to have a world-class educational system.

Macomb is the largest county in Michigan that does not have a four-year public college or university within its borders. It is the 3rd largest such county in the nation. That is unacceptable.

As a graduate of Macomb Community College, let me assure you of my commitment. I believe it is arguably, the best community college in the country. It is a wellspring of opportunity.

It needs to stay strong and stay on its mission. At the same time, nothing can take the place of having a four-year university dedicated to the people of Macomb County.

I am, however, a realist. This vision of a new engine of educational opportunity will not come to our county over night. But, by pressing on, taking the interim steps and working cooperatively with our areas universities like Wayne State and Oakland Universities, we will make progress toward this goal.

I want to applaud former Macomb Community College President Al Lorenzo for his leadership in creating the University Center at the college. Without his determination we would not be as far along as we are.

But, even as we praise the work that has been done so far, nothing can take the place of a vigorous campaign to secure the public investment necessary to expand higher education here in Macomb County. We have seen results already from our efforts.

When some of us joined with the leadership of our Congressman Sandy Levin and State Representative Fred Miller and took up the cause, other universities took notice and new doors opened.

Wayne State is working to establish a new bachelors and masters engineering program at South Campus. Wayne State also entered into an innovative partnership with Macomb County to turn the former library into a research center. Our residents will soon be able to access greater information resources and take graduate level classes there.

Oakland University, the city of Sterling Heights, and Macomb County have entered into a partnership to create a new 'smart zone incubator' to stimulate job growth for the future. Oakland University is our largest partner at the University Center and has made a new commitment to us by naming a university vice-president and dedicating staff to an effort to expand course offerings here in Macomb County.

And we cannot forget the tremendous community effort to bring the MSU osteopathic medical school to the University Center, where 50 aspiring doctors will begin their training this fall.

We need to keep fostering these kinds of partnerships and investment, at the same time as we keep up the pressure to establish our own university.

I served on the Governor's Commission on Higher Education and Economic Growth in Macomb County. The commission report concluded that it is critical that the county have a four year state university within its boundaries.

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## **Closing**

I am optimistic about our future. I believe that optimism itself will be a catalyst of our economic growth.

I have faith that we can reform our government through the charter process. I believe that we can increase our position in the region by a sustained economic development effort that supports our existing businesses and reaches out to attract new ones. And by expanding higher education in the County, we position ourselves to compete in the global economy.

I believe in the interconnectedness of these issues and will fight to make sure we make progress on them.

I am dedicated to this county. My wife Sara and I are raising our daughters here in Clinton Township. We send our two little girls to local schools. This is our home. This is the place of promise for our children. I will

not settle for anything less than a bright and vibrant future for them and for all the children of Macomb County.

Working together we can do this. The county must lead the way. We must set aside the ways of the past. Let's be straight. Sometimes we in Macomb turn our firepower inward. We have our differences and we are not shy about them.

But it is time that we stop facing off against each other and start facing our problems. It is time we stop seeing ourselves as separated by jurisdictional lines that can become battlegrounds, and start thinking of ourselves as Macomb – a proud, determined, innovative leader in the region, the state and the world.

We have come here in mid-February. The sun is low, the days still seem short.

We have come to a place on the shore of one of the lakes and waterways that define our great state of Michigan.

We are fortunate to live near these waters. They are ours to preserve and protect and to pass on to our children. And in the hardest times they sustain us and help us better understand who we are and where our strength and values lie.

The surface may seem frozen and foreboding now but underneath the waters are moving.

Though these times seem hard, spring and summer will come. Our lake will give us times of laughter with our families, a place to gather with our friends, and moments of quiet reflection.

Through the seasons, we have been given this beautiful place to call home – on the shores of one of the natural wonders of the world – the Great Lakes. May our spirits rise to greatness as we, together, face our challenges.

Thank you.