



EDWARD FITZGERALD
Cuyahoga County Executive

I. Introduction:

Good Afternoon. It is always an honor to speak at the City Club of Cleveland, which for a century has provided a forum for public discourse, both in Cleveland and for the rest of the country.

Thank you all for being here, and I want to recognize Jim Foster, who recently announced his retirement, and who has served both this organization and this community with dedication. I also want to recognize all the public officials in attendance here today, particularly Council President Connally and my colleagues on County Council, Mayor Jackson, and the numerous suburban mayors, state legislators and other officials here today.

I am gratified to see the turnout we have here today, which is a compliment not to me, but for the new form of government that we have in this county.

This is my third state of the county address;

In 2011, you and I met here and talked about our aspirations for our new form of government, and for the Greater Cleveland area as a whole.

In 2012, we discussed the Western Reserve Plan, a 12 point long-term plan for our future.

In 2013, I want to review with you our progress to date, the challenges that remain, and my optimism for what is to come.

In its more than two hundred year history, our county has faced a host of challenges. Our early citizens built a center of commerce which helped win the Civil War. They helped drive an industrial revolution that transformed the world. And we weathered those growing pains to emerge in the early 20th century as one of the premier metropolitan areas in the United States.

One hundred years ago, an essayist described this county as a place which embodied “boundless optimism.” A few years later, the effects of the Great Depression took a toll on that optimism, and I know that not just from history books but from the stories my dad told me about growing up here in the 1930s.

In some ways, our community may have never fully recovered from that economic dislocation. But I believe times – and our fortunes – are changing for the better.

We have certainly seen moments of improvement in recent decades, but consistent growth has been a challenge. But just as periods of decline were apparent, now our resurgence is undeniable. We’re catching our breath, and the ingredients are finally here to build a new and stronger foundation for progress.

Because while in the past we were frozen in part by our fragmentation, we have never been as united as a county as we are at this moment. Earlier this year, all 59 communities in Cuyahoga County signed on to a business attraction and no-poaching agreement.



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Just think about that for a moment. When I set out to bring every community in this county to the table, there were plenty of skeptics. But all 59 communities sat down with us, and all 59 communities signed on to affirm not just our mutual goals, but our unrelenting belief in this county's future.

And now there are daily examples of communities working together to explore shared services and better ways of cooperating with each other- from IT services to health insurance benefits.

It's worth noting that our route to that greater unity was difficult, and faced a major obstacle when this community was hit by the corrupt activities of some individuals who betrayed the public trust; fortunately, federal law enforcement stepped in and righted those wrongs.

Steve Dettelbach, the U.S. Attorney for the Northern District of Ohio, this community owes you and your colleagues a debt of gratitude- for helping to return local government to the people, and on behalf of the citizens of this county, I want to extend to you a long-overdue thank you for your zealous pursuit of corruption and support for integrity.

The actions of federal law enforcement were really just phase one; upon taking office, we launched phase two of the cleanup.

We dismantled the political patronage machine which was choking county government, the who-you-know not what-you know system, and we'll never let something like that ever again grab the reins of our local democracy.

But the specific methods of our management are important – and I want to speak briefly about the strategies we've implemented and the results we have achieved on your behalf.

II. Our Reforms

Our system is reviewed and guided by a process called Countystat, which is a data-driven system of performance measures, with an emphasis on proven best practices implemented around the state and around the country. We scrutinize everything - from the number of vehicles, to fuel usage, to utility payments to personnel costs in all its forms.

A performance-based approach, exemplified by Countystat, allows a government to make decisions based on reality, not anecdotes, and to make decisions based on long-term strategies, not short-term fiscal emergencies.

So, half-way through our term in office, is it working? In a word: yes.

Personnel costs are our number one expenditure, and that was our number one focus for reducing costs. There is a frequently repeated myth about government that it always gets larger, it can never become more efficient, and we have proven that wrong.

In 2007, there were 6,374 county employees, and at the end of 2012 we were down to 4,507, a reduction of over 1,800 positions.



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We didn't obtain these efficiencies by taking the easy route- there were no across the board layoffs. Our data-driven process led us to increase staffing in a few areas, while other departments like the former Auditor's office, where inefficiency was brought to an art form, saw significant reductions.

We have 31 separate bargaining units we negotiate with, and we have asked all of them to work with us to contain costs, and they have responded.

Now, I know there are some who believe the road to good government runs right over the government worker. But I don't believe that you can serve the people by attacking the people's employees. In this process, our unions agreed to unprecedented concessions. County employees were part of the solution- they made suggestions for efficiencies, and they saw the challenges we faced and they helped us tackle them head on.

Saving money on personnel is just one part of the story. We hunted every loose penny down every corridor of county government. Working with our partners in the private sector through our loaned executive program, we reduced printers, vehicles, office supplies, redundant software programs, and now entire buildings- saving additional millions of dollars.

And services were not cut, because we had a parallel focus on efficient service- our customers were served more quickly, backlogs in the Board of Revision were finally addressed, and our ongoing update of our tech system allowed us to respond more quickly to constituent concerns.

Perhaps the strongest indication of the effectiveness of our fiscal policy is reflected in our financial position. All three major bond rating agencies recently reviewed our financial position, and reached the same basic conclusion: we are fiscally responsible, fiscally strong, and our financial future is bright.

They described your county government as follows:

“Conservative budgeting and proactive management of expenses has resulted in strong financial operations and consistently healthy reserve levels”;

“The new government has taken measures to create a merit-based culture, emphasize data-driven results, and make staff efficiencies”;

“Economic development has been strong with a number of large projects currently under construction.”; and,

“We expect these [economic development] efforts to translate to a healthier economy.”

But if you're like me, you're thinking, that sounds good, but what are the actual numbers?

Government finance experts usually recommend at least 15% of a local government's general fund should be held in reserve, for emergencies and to allow for fiscal flexibility. Having 25% in reserve is considered excellent. At the close of 2012, the county had approximately 37% of its general fund in unencumbered



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reserve. We are the only county in Ohio that has passed a two year, balanced budget, and those numbers don't even include other sub-funds we are holding in reserve within the general fund, which bring our total reserve in the general fund to approximately 52%, or over \$183 million in cash.

Our drive for innovation never ends, it's a continual process. There is another level of efficiency we believe that can be attained through implementation of an Enterprise Resource Plan, or ERP. This is a recognized best practice among management experts, frequently done in large private institutions but rarely in the public sector, which entails a redesign of the workflow process, with a special emphasis on integrating technology. We have been working with some of our loaned executives from the private sector on this project since last year, and expect to begin rolling it out as the year progresses. Now, I know what you're thinking- integrating technology while redesigning workflow processes to maximize efficiency- please, tell us more! I'm sorry, but time constraints are forcing me to move on.

Our passion for transparency, and efficiency and accountability is spreading to other parts of local government, and I am very pleased to report that it has been embraced by the leaders of our justice system.

Through the Justice System Reform Task Force, which I chair, for the first time in the history of this county, Common Pleas Court, the County Prosecutor's office, the Police Chiefs Association, the City of Cleveland, Cleveland Municipal Court, the suburban municipal Judges, and the Public Defender's Office have agreed on a set of performance measures and goals to bring greater efficiency, transparency and effectiveness to our administration of justice in this county. This was a debate that had been going on for many years, and it was settled just last Thursday, thanks in large part to the leadership of Administrative Judge Nancy Fuerst, and Prosecutor Tim McGinty, and I would like them to stand and be recognized.

And becoming more efficient doesn't just benefit county operations. Because we have saved over \$5 million dollars in property appraisal costs, we are able to return over \$5 million dollars to local communities- both their school districts and their cities, so in the next few weeks, they will be receiving some much needed help from the county. I've always believed that local government is the branch of government which is closest to the people, and in these difficult times we have a responsibility to stand side-by-side as a partner with our local governments in serving our people.

Reform isn't just about saving money. It's also about employees and vendors living up to the highest standards.

We've instituted mandatory performance reviews and standards for every employee; our Inspector General's office conducts swift and effective internal investigations of any alleged misconduct, our Internal Auditor monitors fiscal compliance, our vendors are required to go through mandatory ethics training, our recently passed legislation debars corrupt contractors from doing business with the county, and this year, for the first time we are implementing a merit raise system for our civil service employees.

In other words, it's not enough to just not do wrong, it's essential to create a culture within county government that demands integrity and rewards merit and excellence. That's why I'm taking steps to incorporate these principles into the form of our government. Our charter review commission is studying possible improvements to the charter which was adopted back in 2009, and I am urging them to include things such as the position of Inspector General in the Charter itself so that we can continue our progress in this area.



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It's also important to have outside involvement in the operation of county government, to insure that it always strives to embody national best practices. Last year I recommended the formation of a Center for Excellence in Local Government, a consortium of academia, the private sector, and local foundations which can be embedded in our operations and provide both guidance and even more transparency. After meeting with these stakeholders, I am confident that this entity can be formalized later this year.

But no matter what safeguards are built into our system, the spirit of reform can't be dependent upon one set of elected officials, or outside institutions, or this or that ordinance. There is no substitute for an informed and engaged citizenry, and your support over the last two years and your attendance here today gives me confidence that you will do just that.

III. Strategies and Special Projects

The county government which we have reformed is now better able to deliver on the strategies which we laid out in the 12 goals of the Western Reserve Plan presented to you last year, as well as the special projects which are just as crucial to our success.

The Western Reserve Plan is long term policy vision for county government, and includes objectives from economic development and inclusion, to human services delivery, to public safety and regionalism. And one year later, progress has been made in each and every category.

We are mandated by our charter to place economic development and job creation at the forefront of our activities. Our \$100 million dollar economic development fund is the only county-based fund of its scale in this state. And it is predicated specifically on job creation- and it is working. The number of loans to local businesses and the amount of private capital leveraged has increased, and the numbers of jobs created has more than doubled.

And it's important to note that these efforts are creating real jobs that are supporting real families, not a philosophy of a corporate giveaway whose benefits never trickle down to the rest of us.

And we believe strongly that this economic progress which we have seen must be felt in every part of the county, and so our Economic Inclusion Task Force has continued to create a framework which will insure economic justice along with economic growth.

Our human services mission continues to be at the heart of what we do. We cannot sit here comfortably today, in these surroundings, and pretend we can't see that there is still too much poverty and suffering in our county.

We continue to care for the most vulnerable in our community, we help feed the hungry, we care for abused children, we stand up for neglected seniors, we advocate for the mentally ill, our Metro Hospital cares for the sick and never turns anyone away; and I'm proud that I live in a county that accepts those responsibilities, as was demonstrated when the voters of this county renewed our health and human services levy by nearly 70% of the vote last year.



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But we have also emerged as a leader in trying to provide those services in an innovative way. We are one of the only counties in the country which has embraced the “Pay for Success” strategy, a concept where we make an early investment in particularly impactful social services and thereby save money in the long-run.

In October of last year, we received a Second Chance Act grant for Cuyahoga County to implement a Pay for Success project for a prisoner re-entry program, and we are now working with the Gund Foundation and others to put that program into action, and we are the first county in the United States to have gone this far in this innovative approach.

We believe in a Pay-for Success approach because it is consistent with what both national research has demonstrated and what our own experience has taught us.

We know, for instance, that when it comes to education, the earlier you can intervene in a child’s life, the more effective your strategy will be. We never give up on any child, but we know that our dollars will be more effective if invested in the early stages of a child’s development. That’s why we increased the number of children we serve in our universal Pre-Kindergarten Program, by investing an additional million dollars into it. As was noted by the president in his State of the Union address, these are proven strategies with documented positive outcomes.

And it’s also why I have proposed that a major component of our college scholarship strategy should focus on children as they begin their educational journey. Our College Savings Account Program will establish for each incoming kindergarten student a savings account, which can be used for either college or technical training. It is based on the premise that every child in this county has an educational future beyond high school. We know that there is a direct link between education and income level. As the chart demonstrates, each step upward on the educational ladder brings with it economic progress.

We also know that new research shows that children with savings accounts are up to seven times more likely to attend college than those without an account, regardless of their income, race, or parents’ educational attainment.

Our program will be open to every child, regardless of income, public or private school- it will be a universal value in this county, and at approximately 15,000 new kindergartners per year, it will be the largest program of its kind in the country.

It is not a guarantee of a college degree or vocational certificate, although it can be used for both. It is just the first step on a very long path. It will require hard work, sacrifice, and savings from the student, their families, and the cooperation of colleges and technical schools. But it can be done, many of our local school superintendents have already expressed their enthusiastic support, and we will be the first county in America to show how it can be done.

One of the most basic functions of a local government is to help keep its citizens safe. Traditionally, the county has played a part in this task through its sheriff’s office. But we have embraced a wider challenge to make this a safer county in a multitude of ways.



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For the first time in our history, the county is proposing a Public Safety Master Plan, which will be released later this week, which I am holding here. Among its elements is a new Emergency Operations Center, the new site for which has tentatively been identified in Broadview Heights. This new facility will allow us to more effectively respond to all types of emergency situations, whether they be natural disasters or otherwise. And it is consistent with our new 911 Strategy, which will also be released shortly, which I am also holding here.

Currently, in this county, if you place a 911 call, there are 48 separate locations which might answer that call. The status quo is just not acceptable in this vital area of public safety. Our plan provides for the planning and financial resources to eventually bring the total number of 911 call centers down to 4 in the next ten years, as represented on the map behind me.

And along with helping on the emergency response and communication fronts, at a time when many law enforcement agencies and most counties have had to cut back on sheriff's deputies, we have actually increased the number of deputies we are putting out on the streets, working with local police officers to respond quickly to crime. I initiated this program last year, and I can report to you now that it is working.

Part of my mission as County Executive is to initiate these kinds of new programs, but I also inherited some things which we had to manage more effectively. We inherited a physical plant made up of dozens of outdated and sometimes dilapidated buildings which were inefficient in every sense of the word. Millions of taxpayer dollars a year were being wasted on the increasing maintenance costs for this collection of work sites, and to make matters worse, it was inconvenient for residents and discouraged productivity by our workers.

Partnering with the private sector, we launched a top-to-bottom review of our physical space. I laid out multiple objectives for this process. First, we wanted to reduce our annual operating costs; second, I wanted to improve the customer experience; third, I wanted to improve worker conditions; fourth, I wanted to locate a consolidated facility which would build on the downtown development momentum we have all witnessed.

And working with our colleagues on County Council, we have done all those things.

The new consolidated County Administration building will revitalize the area of 9th and Euclid, restoring the long-dormant Ameritrust complex. It will create a brand new, convenient facility for taxpayers, it will be an example of green construction and will create hundreds of construction jobs. It is the basis for a \$180 million economic development project right in the heart of downtown, and creates more housing at a time when downtown occupancy rates are at a record high.

And it does all of that by saving the taxpayers approximately \$139 million over the next 25 years. In other words, we took a situation which had become a fiasco, resolved it, created a huge economic development project out of it, helped revitalize a crucial part of our downtown, and saved money at the same time- that's exactly the kind of thing people hoped would happen with this new form of county government.

We also inherited a Medical Mart and Convention Center project which seemed to be losing its way when we took office. As you know, there was a great deal of skepticism about whether the project would be constructed on time and on budget, and whether the business plan could be executed, or even whether there was a business plan for the facility. And that skepticism was not unreasonable.



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But today I can report to you that we are in a completely different place with this project than we were just two years ago. The construction of this incredible facility will actually be done ahead of schedule and under budget, two descriptions which unfortunately have been all too rare with public projects.

And the business end of the project is hitting the performance benchmarks we set for it. Already, there are 70 conventions and meetings scheduled for the Convention center portion of the project, beginning this summer with the Senior Games, one of the largest athletic events in the country, with 15,000 athletes coming here to compete.

And on the Medical Mart side of the ledger, the progress is even more notable. As we have continued to market this facility, a consensus emerged that the name "Medical Mart" did not truly capture the work that was to be done there, and after discussions with our stakeholders, today I am announcing that the Medical Mart portion of the project will be known as the Global Center for Health Innovation. And this name change is being announced as we also announce enormous progress in the tenants which have committed to this facility.

We have already announced commitments from tenants such as GE Healthcare, Philips, the Cleveland Clinic, University Hospitals, Johnson Controls, and today I can announce that HIMSS, The Healthcare Information Management Systems Society, one of the largest health care associations in the country has agreed to be an anchor tenant of our facility, and is committed to leasing an entire square floor of the Global Center for Health Innovation. This means 25,000 square feet now, with a total of 38,000 square feet by 2016. This brings our occupancy to over 50%, with more announcements to come in the coming weeks, and with the prospect of actually having to turn down potential tenants, something that virtually no one believed was possible a few years ago.

IV. Closing

The skepticism that surrounded that project, as I said, was warranted, but skepticism no longer belongs as the dominant theme of our public discourse. We have emerged from circumstances that lesser communities could never have survived, and it's time to be proud of that. The Greater Cleveland area is improving, and we know it, and we have to believe it if we expect to communicate that new confidence to the rest of the world.

My family has lived in the Greater Cleveland area since the 1870s, when my great grandparents arrived here from Ireland. This community has given my family more than we had a right to expect, and we're proud of what's been built here, and so it was hard for me to live through the years when the pessimists and the naysayers, and all those who discounted this community dominated our local discussions and debates. But now that crowd of people is getting quieter and quieter, and smaller and smaller, until they finally have reached irrelevance, so it's not really about them anymore. With the Convention Center as just the latest in a string of successes, we need to keep pushing ourselves- not to match previous generations, but to outdo them.

There was recently public discussion of whether we could host one of the major political conventions in 2016, and I'm supportive of that effort. The last national convention we hosted was in 1936, but much more than that happened here in 1936.



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2016 also happens to be the 80th anniversary of the Great Lakes Exposition of 1936. It was an event that celebrated Cleveland as a capital of the entire great lakes region, and brought millions visitors to downtown.

The organizers of that event knew that the “boundless optimism” described by that essayist in 1913 had been shrouded by the Great Depression, and so they defined their mission as follows:

“Cleveland has for several years been so depressed by adverse circumstances that a forward-looking enterprise is needed to revive the sagging spirit of civic pride that formerly characterized the city.”

The private and the public sectors rallied behind this concept, and in just a few months they created an event and a physical space that captured the attention of the country and the imagination of this community ever since.

With all the accomplishments we have achieved in the last few years, another Great Lakes Exposition in 2016 could be the perfect opportunity to honor our past and celebrate our present, and let America know that our boundless optimism is restored, and we are ready to compete against the world again.

I think a second Great Lakes Exposition could be something that continues to build confidence in our community, but I have other sources for my optimism about our future.

One of the best parts of my job is that I get to meet with the heads of all the great institutions in this region- and they all have ambitious, long-range plans for their organizations.

So while I’ve been busy laying out a long term plan for Cuyahoga County government, they’re working on their own long-range plans. There’s an ambitious plan for improving Playhouse Square, and Cleveland State University, and Case Western, University Circle, and the Rock Hall. We have already seen the results of the long-term plan for the Cleveland Museum of Art, and the Museum of Contemporary Art, and the new Aquarium, and the Cleveland Clinic, and University Hospitals, the Gordon Square Arts District; and there are more plans on the drawing board- from the Cleveland Metropolitan School District, to the Greater Cleveland Partnership, to individual entrepreneurs on West 25th Street, or in Lakewood, or at a business incubator in Shaker Heights.

And what about the plans we don’t ever hear about, like the recent college graduate who has a plan to start their own business, or the high school student who plans to be the first in their family to go to college?

It doesn’t matter if it’s the plans of a Fortune 500 Company, the plans of a community development corporation, the plans of a faith community, or the plans of a single mother training for a new career;

It could be a millionaire philanthropist who is planning to give back to the community he loves, or it could be a child growing up in the toughest of neighborhoods who is planning their escape from poverty.

These plans aren’t in conflict; they don’t require that some of us fail so that some of us can succeed. A unified county doesn’t mean that we don’t have a diversity of aspirations, because these aspirations are consistent with



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each other, and each one helps create this tapestry of a truly great community, and it's the sum total of these plans which are going to build an unbreakable foundation of boundless optimism.

Thank you for listening to my plans for this county, and I invite you to make your plans with us in the coming years.

I'm looking forward to your questions, thank you very much.

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