

Hamilton County Commissioner David Pepper **2008 Annual Report**

2008 was a year of progress on many fronts in Hamilton County, yet also a challenging year as the realities of the tough national economy hit home locally—directly impacting our County in numerous ways. By the end of 2008, despite some difficult budget decisions, we continued to invest in the type of growth activities that will help us generate a local recovery. And on many other important fronts, we made substantial progress. The following is a detailed overview of that work:

2008: Economic Issues

BANKS BREAKS GROUND, WORKING TOWARD 2010 PHASE I COMPLETION

At long last, the **Banks project**—which will revolutionize Cincinnati and Hamilton County's riverfront—officially broke ground April 2nd. The first phase, which includes apartments and retail, is scheduled to be **completed in 2010**. By the time the entire project is complete, it will include 1,800 condos and apartments, 300,000 square feet of retail and restaurants, a million square feet of offices, and possibly two hotels with as many as 500 rooms. At year's end, despite the topsy-turvy economy, we were on time and under budget.

COUNTY PLANS TO INVEST MILLIONS IN COMMUNITIES, FIGHT FORECLOSURES

Late in 2008, we worked with local communities to craft a plan on how to most effectively invest **\$8 million in funding** from the Federal Government to help **fight foreclosures** and their after-effects. Our comprehensive plan will **eliminate and demolish blighted properties**, redevelop and upgrade old, foreclosed housing stock, as well as create new greenspace, new commercial development, and **new jobs**. In 2009, **fifteen targeted communities** throughout the County will be the prime beneficiaries of this much needed investment, but the program also allows other communities to participate for priority blighted properties.

HAMILTON COUNTY SETS NEW TOURISM RECORD

Despite the struggling economy, Hamilton County's tourism sector continued to thrive in 2008, **setting new records**. Much of this success came due to **wise investments** the County and City have together made in a) upgrading our Convention Center infrastructure, and surrounding venues, and b) aggressively marketing these and other assets to the Midwest and beyond.

One of the best measures of tourism growth are revenues from the County's hotel-bed tax. In 2008, revenues from this tax set a **new one-quarter record**—at \$3.448 million in the third quarter of this year. This was an 8% increase over the third quarter of 2007, an 8% increase over the second quarter of 2008, and a 40% increase over the same time

period just five years ago. Once fourth quarter numbers are in, 2008 should be our best year ever by a good margin.

COUNTY LEADS STATE IN FINDING JOBS AND JOB TRAINING FOR RESIDENTS

In this tough economic time, nothing matters more than linking residents to good jobs. And in the end, a good workforce development system is not just good for employees, but it's critical in attracting and sustaining good employers. One of my most important assignments as Commissioner is therefore my work on the Workforce Investment Board, which guides the workforce development/training work of our region.

During 2008, we met, and in some cases, dramatically **exceeded all of our performance goals**. Comparatively, **no other county in Ohio** came close to posting our numbers. Among the highlights, we registered 25,671 new citizens (366% of goal), found full time employment for 3,539 employees (153% of goal) and placed employees in high demand industries such as health care and construction (1,247 employees, 328% of goal).

COUNTY FIGHT AGAINST FORECLOSURES SAVES 800+ HOMES, FAMILIES

In 2008, a small investment turned into very positive results on the housing and foreclosure front. Over the last two years, the County and City have used federal grants to fund housing counseling/foreclosure prevention efforts across our community. These counselors help troubled homeowners get through the hurdles of the foreclosure process, and seek to refinance or negotiate terms with the lending institution whenever possible.

By the end of 2008, **this two-year program had saved more than 800 homes from foreclosure**. With each foreclosure leading to a lost property value of \$50,000-\$60,000 to the surrounding community, the net savings in property value from these averted foreclosures is in the **tens of millions of dollars**.

"MAKE WORK PAY" EFFORT BRING MILLIONS INTO LOCAL ECONOMY

In 2008, the County became a full partner in the Make Work Pay partnership (which I was proud to start while at City Hall), expanding local access to the Earned Income Tax Credit (EITC). The EITC is a bipartisan program that assists working families struggling to make ends meet, and often is the difference between poverty and getting by.

Regionally, the program assisted more than 9,000 citizens in filing tax returns and filing for the EITC, including 4,848 Hamilton County residents. In Hamilton County, the program **generated \$7,699,096** in dollars and economic stimulus rebates. Across our region, the program returned \$9,724,584 in refunds to taxpayers. In addition to helping working families, these are **dollars that are put back in the local economy**.

PORT AUTHORITY REFORMED TO BE MORE PROACTIVE, EFFECTIVE

In 2008, the County and City worked together to **reform and improve** the Port of Greater Cincinnati Development Authority. The changes expanded the Port's powers to include the ability to issue bonds for development funding anywhere in the County, the ability to take over abandoned and vacant properties and "land bank" them for redevelopment, and the potential to operate river and rail cargo terminals as a means to generate its own operating revenue.

The Port has been working hard with some good success, but these changes finally give it the authority that other ports in Ohio have. In 2009 and beyond, it must play an aggressive role in job creation, development throughout the County, and redevelopment of brownfields so they can make attractive locations for new and expanding businesses.

2008: Government Reform and Savings

SAVING MONEY AND INCREASING QUALITY THROUGH SHARED SERVICES

Consolidating and sharing services among different governments is one of the most effective ways to **cut spending** and **enhance services** offered to county residents. And it's something we are pursuing at the County, with good success in 2008.

Representatives of jurisdictions have been meeting through the County's Shared Services Committee to identify areas where shared/consolidated services make the most sense. As a result of this work, in late 2008, the **County received two grants (the only one in state to do so)** from the state's Regional Collaboration Grant program for its work to consolidate **code enforcement** services and **heavy equipment** operations. We have also supported an effort on the Eastern side of the County to create **joint fire districts**. 2009 will be the year that we start to implement the results of this important process, and expand to other critical areas.

"SPENDING CAP" CONCEPT SAVES MORE THAN \$1 MILLION

As part of an overall strategy to reduce spending for 2008, I pushed for the concept of **spending caps** on everyday County purchases. Whether it's office supplies, software support, subscriptions, or consulting services, the idea is that with disciplined spending caps, we could find ways to live with (and spend) less on all these and other items. As of August, we had already **reduced spending on the identified items by \$1.5 million**. We will expand this approach to more spending categories in 2009.

"GOOGLE" (IE. TRANSPARENCY) FOR COUNTY SPENDING

In 2008, we worked across party lines to support the Government Accountability in Spending Program. (Yes, unfortunately, "GASP".) GASP is designed to create **transparency** and **accountability** in spending while **empowering taxpayers**. The program, which became operational in August, allows citizens to examine the County's spending and purchases at a micro-level, down to individual purchases, via the internet. By using the program, I myself discovered that some spending that was supposed to have been eliminated in 2008 was still taking place—allowing me to quickly put an end to it.

2008: Public Safety and Criminal Justice

PROJECT DISARM: GETTING VIOLENT OFFENDERS OFF THE STREETS

In 2007, in an effort to crack down on violent gun crime and ensure longer prison sentences for repeat, violent offenders, I worked to **expand Project Disarm** across the County, and am pleased that this effort will continue even through the tough 2009

Budget. This program is a partnership among the City, County and United States Attorney's Office to prosecute Federal and State gun crimes in a way that maximizes sentences for the most violent offenders in the community—the felons who are illegally wielding guns on the streets of our communities. While we don't have final numbers yet on 2008, I'm looking forward to seeing the results from its first full year in effect.

RE-ENTRY PILOT PROGRAM: REDUCING RECIDIVISM AND CRIME

At the same time that we expanded Project Disarm, we created a pilot project to **lower recidivism of non-violent offenders** who today go in and out of the Justice Center at great cost. Specifically, we created a *re-entry coordination team*, the goal of which is to assess and design re-entry plans for offenders from the moment they enter the criminal justice system. This team did yeoman's work in 2008 to divert non-violent offenders into the treatment they need, plan reentry of offenders as they leave jail, and ultimately save taxpayer dollars by reducing demand for jailspace.

DRUG COURT EXPANDING, TO SERVE MORE PEOPLE

One our most effective interventions is our **Drug Court** at the Common Pleas Court level. Drug Court allows the County to divert appropriate offenders with a drug addiction into a rigorous treatment program, as opposed to sitting in jail without addressing the addiction. Which is why we were thrilled that Hamilton County's program was **recently awarded a \$900,000, 3-year federal** grant to expand its Drug Court. This grant will **expand the capacity of the Drug Court by 200 additional persons** a year. With so many of the people revolving through the criminal justice system having substance abuse issues, the drug court approach allows the County to address the root of the problem--increasing safety and decreasing costs.

REFORMING THE SYSTEM: THE CRIMINAL JUSTICE COMMISSION (CJC)

Under the Criminal Justice Commission, which we created in 2007, the County continues to implement numerous reforms to improve safety, create a more efficient and cost-effective criminal justice system, and address some of the underlying causes of crime and high recidivism. In its second year, the CJC worked on major issues, including:

- Finding ways to **save money** through improved processes and procedures,
- Reducing **recidivism and criminal behavior**, by addressing drug addiction, mental illness and reentry/employment issues;
- **Preserving precious jailspace** for the violent criminals who need to be locked up.
- Creating **performance measurement and accountability** for taxpayer-funded programs designed to reduce recidivism and criminal behavior
- Pushing for **broad-based reforms**, such as sufficient funding and improved operation of the public defender system.

NATIONAL RECOGNITION FOR A MODEL PREVENTION PROGRAM

While on City Council, I was part of the planning committee for a program to tackle the problem of prostitution. The committee created the *Off the Streets* program, an

intervention program for women involved in prostitution, providing intensive services for women who want assistance, instead of having them repeatedly jailed and released.

This great program was **recently recognized as one the top three programs** in the country by the Mutual of America Foundation. Out of hundreds of applications, the Foundation said the Off the Streets program was the **“best collaboration they have ever seen.”** This success resulted from a true partnership between judges, social service agencies, the Sheriff’s Department, other law enforcement officials, and specifically Cincinnati Union Bethel, who manages the program. Congratulations!

2008: Quality of Life

“GREENING” THE COUNTY THROUGH OUR COUNTY CLIMATE INITIATIVE

In October, I was thrilled to kick off our **County Climate Initiative**—an exciting and historic effort to put Hamilton County on the cutting edge of the “green” movement. Through a series of County-led meetings and workshops, leaders from dozens of communities are discussing how we can work cooperatively to tackle major “green” issues. Ultimately, the County will use these workshops to create a **user-friendly green toolkit**, giving each community numerous practical options for how to address the energy/green issues most important to them. The goal of this Climate Communities Initiative is to **improve the environment** and public health, **reduce taxpayer costs** through more efficient uses of energy and creative alternatives, and **create jobs** through the new “green economy.” In 2009, I look forward to seeing great results from this work.

RECYCLING NUMBERS SKYROCKET IN FIRST HALF OF 2008

During the first half of 2008, **countywide recycling was up 10%** from 2007, the equivalent of 114 school buses in materials! Individually, Mt. Healthy’s recycling effort was up 77%. Additionally, the County launched an exciting **pilot program in Montgomery**. Citizens there are given large, recycle-easy Tote carts that track, electronically, each household’s recycling amount. Those citizens who meet certain recycling benchmarks receive incentives and coupons that are redeemable at local stores and businesses. It’s a win for quality of life, not to mention for citizens and businesses. And something we will look to expand to other communities.

BECOMING A BICYCLE FRIENDLY COMMUNITY

Whether it's for recreation, or commuting to work, or doing other everyday things, it's clear that more **bicycling is one solution to many of our challenges: energy, environmental, economic, quality of life**. That is why in 2008, Councilman Jeff Berding and I brought together numerous stakeholders for a new initiative to make our communities better places for bicycling. The bottom line goal is to do all we can, through steps large and small, to make the region more bicycle friendly, and to put together an overall roadmap of how to get there. Our work is under way, and in 2009, we will apply to be rated as a Bicycle Friendly Community. This will put us on the map

nationally (most large cities are already rated) as a community that cycles, but also give us a baseline from which to constantly improve.

CLEANING UP THE COUNTY, ONE BLOCK AT A TIME

Thanks to a collaborative effort among Keep Cincinnati Beautiful, the City of Cincinnati, 3CDC and Sheriff Simon Leis, we were excited to launch a new Countywide Clean up program in the summer of 2008. The program sends work details of inmates to different **communities every day** to clean up **priority streets** and **business districts**. And we know that cleaner communities mean safer communities. **Sixteen** neighborhoods throughout the County benefit from this service at least once every two weeks, and I have already heard from many about what a difference it is making. In the first 3 months of the program, **more than 100,000 pounds of trash** was taken from community streets!

2008: Children and Families

ENCOURAGING FOSTER CARE AND ADOPTION: EVERYDAY HEROES

In January 2008, Hamilton County kicked off an ambitious campaign, partnering with businesses, nonprofits and the media to **increase the number of foster parents** in the County system. The horrific Marcus Feisel case had taken a toll on the general image of foster parenting, and as a result, Hamilton County **lost over 100 foster care parents** from the system. This drop forces the County to house kids far away from Cincinnati. And with 850 children in foster care at any given time, it's a trend we had to reverse.

So, working with the United Way, Children's Hospital and many other partners and donors, we launched the **Everyday Heroes Campaign**, marketing the personal rewards and improving the image of being a foster parent through billboards, advertisements, and educational outreach. So far, hundreds of citizens have responded with phone calls, 83 new households/families have completed the certification process, and 45 more are in some stage of certification. And, we hope, many more will sign up in 2009.

2007/2008 IS BANNER YEAR FOR SUCCESSFUL ADOPTIONS

What a difference good leadership can make. In past years, outside observers and monitors had severely criticized the Hamilton County Jobs and Family Services for a poor record in promoting successful adoptions. But under new leadership we put into place, 2007 and 2008 were **record setting years** at the department for adoptions. Through a series of reforms and initiatives, the County turned its system around, and is now on record setting pace for placing children in supportive stable homes.

CONNECT TO SUCCESS HELPS HIGH SCHOOL DROP-OUTS GET BACK ON FEET

In June, the Commission unanimously approved an innovative effort to identify and turn around the life of **high school dropouts**. Connect to Success, a newly formed collaboration of more than a dozen local service providers, is now under way, identifying and assisting 15- to 25-year-olds who have no GED or high school diploma. The most important result: these young people will **get the opportunity for the education and/or job skills they need** to be productive and successful members of our community.

Helping get these kids off the street and back in a positive direction is critical. I will report back as this effort enters its first full year of operation in 2009.

2009: County Budget

Finally, at year's end, we had to tackle the 2009 County budget. It was a difficult and challenging process for all. But it also was an important, and necessarily tough, budget, given the times we are in. Ultimately, County leadership came together across party lines and agreed to a fiscally prudent, economically competitive budget—with some very tough and unpleasant short-term pain, but one that positions us to make medium- and long-term gains. **Key points of our budget were:**

No tax increase. We resisted the temptation so many other governments are falling for to ask taxpayers to pay more—saying no to a sales tax increase and a property tax increase. In this economy, when families and businesses are already struggling to make ends meet, and we need to position ourselves to compete economically, raising taxes was the last thing we should do.

Dramatic reduction in spending. As a result of declining revenues, and without new taxes, the 2009 budget was the most fiscally tight budget passed in decades in this county. Usually, government spending increases every year. Instead, we are reducing spending by more than \$30M from the 2008 level, and will fall to a level of spending the County was at in 1999! People want government to live within its means, and that is what we are doing.

Reforms and sacrifice—beginning at the top. We heard calls that sacrifice should start at the top, and that's what exactly we did. In addition to having dramatically reduced a bloated commissioner and administrative budget that we inherited from the prior majority, we instigated 10-day furloughs for top management, our own staffs, and ourselves (although I will work the 10 days of the furlough, I will not be paid for them). Other items—such as no more free parking for elected officials, the Sheriff getting rid of many take home cars, and other reductions in administrative budgets—will all save money. More importantly, they are critical to send the right message.

No phantom dollars. We did not allocate dollars we were not certain we would have. Some of the most costly mistakes made before I arrived at the Commission arose from budgeting with rose-colored glasses: the most glaring example was the 2006 commitment to pay millions to Butler County, with no source of revenue locked in. Instead of relying on phantom revenues or cuts to get through a tough time, we refused to budget on anything but the most fiscally conservative projections, and the most certain savings. It made life more difficult in the short term, but far better in the long-term.

Priorities: Safety and Economic Growth. To the best of our ability, we prioritized two items—public safety, and economic growth.

Public safety. We delayed technology investments and made other cuts totaling close to \$1 million, and reprogrammed those dollars to public safety priorities: such as the Sheriff's department, Prosecutor's Office, and our Hazardous Materials and SWAT training efforts.

We also know that there remains real concern about public safety in this County, and we share those concerns. While the citizens have made it clear (twice) that they don't want to pay more to operate our criminal justice system, we are working hard to find additional cuts, generate new revenues (without raising taxes) and take other steps to assure we have sufficient funding to provide top-notch public safety services in the long run.

Job and economic growth. We are continuing to invest, and are committed to improve, the County's economic development efforts, because long-term, the only way we're going to solve our budget problems is to grow our way out of them. We must compete for every job, every business, every development, and every resident we can--and we must be well-positioned to do that.

Potential savings and revenues. And finally, while we did not "bank" on the savings until they come in, we are exploring a number of other reforms, efficiencies, and revenue options that might help us in the coming years, such as:

- Requiring "**pay to stay**" in our jails, for those who can afford it, to offset the costs of jail stays
- Continuing to **reduce our spending on everyday commodities** such as office supplies, energy, consultants, travel, subscriptions
- Using **internet advertising** for some of our websites—which has generated \$100,000s for other governments
- Continuing to pursue **managed competition** and **shared services** opportunities, that could save millions of dollars in the long-term

2009: Pushing for an Economic Recovery

With the progress we've already begun in so many critical areas, and the tough decisions we've now gotten behind us at the end of 2008, I look forward to a positive, if busy, 2009.

Needless to say, reviving our struggling economy will be our top priority. I will provide far more details on this growth and recovery agenda in the coming weeks.

In the meantime, I want to thank the County leaders and employees at all levels, as well as our many community partners, who helped bring about so much progress and positive change despite the challenging circumstances of 2008.

David Pepper
Hamilton County Commission