

**MERCER COUNTY EXECUTIVE BRIAN M. HUGHES**  
**State of the County Address 2010**  
**Jan. 21, 2010**

“These are the times that try men’s souls.”

In 1776, two days before the Battle of Trenton, Thomas Paine wrote these words to encourage American patriots faced with an uncertain future and what must have seemed to be insurmountable obstacles. Today we are gathered together within a few miles of the place where that historic event took place. Like those early Americans we are faced with uncertain futures and daunting challenges. But we can see our way out of the crisis. Just as then, we have the ability to overcome these challenges through our concerted efforts, our best strategies and – to use Paine’s words – our “perseverance and fortitude.” As Paine so astutely understood, we are challenged not foremost with military or economic crises, but with crises of the spirit.

If we are to succeed as Government leaders or as private citizens we must believe in the promise of the American way for which so many sacrificed so much. After years of prosperity in which expectations of government service grew and government responded in kind, we now see our citizens in distress and must redesign ourselves to meet today’s needs.

The inevitable response to these times is to search our souls for the aspects of government that, no matter how desirable, are not critical to the core functions of County Government.

2010 is a much anticipated year. In fact, I can’t recall so many friends, colleagues and neighbors being so enthusiastic as they bid farewell to 2009 and the rest of the first decade of the new millennium. From the tragic events of Sept. 11, to the war in the Middle East to our nation’s economic meltdown, this has been a decade filled with unprecedented events and challenges. As a result, we’ve been forced to examine the way we conduct our lives, our businesses, our families and our governments.

And so, as we turned the calendar page we asked, what does 2010 have in store? No one is sure if the economic freefall has stopped, and a glance at our accounts further reduces our faith in the fiscal prognosticators that tell us the recession is over. I cannot predict when the recession will ebb and when we’ll experience a true rebound, but I’m optimistic that the decade before us is filled with promise.

For the past several years, this great County of ours, like every government, business and family, has been in the throes of the storm and has struggled to stay afloat. I believe that a good leader does not defer responsibility, but instead makes decisions that sometimes are painful or difficult. Mercer County has been able to weather this storm a bit better than most because we have been willing to make difficult choices and to ask what our core mission is, what services we must provide, and which services are desirable but not necessary.

Recognizing that changing times require us to change policies, we must look at our entire operation to determine: “What services must we perform by mandate? What services are essential if not legally required? What services can be sacrificed to the economic realities of the 21st Century? What services can be delegated to the private sector?” These are hard decisions, but these decisions have ensured that the County continues to provide the most vital services and makes the most essential investments for the people of the Mercer County... These decisions have also ensured that our county government doesn't live beyond its means.

County Government has no frivolous functions. Everything we do serves some need and every need has a constituency.

But we are required by the State Constitution to provide very few functions, among them collecting taxes through the treasurer's office, handling legal matters through the County counsel's office, maintaining our roads and infrastructure, operating our County library system, supporting our courts and prisons, and offering social services.

One of the services we are not required to operate is a Geriatric Center. Upon evaluation we have realized that, given the availability of Medicaid and the options now available to elder citizens in need, it no longer is necessary for County government to operate hospitals and geriatric centers. When the county acquired Donnelly Homes in 1985 there were no other “last-resort” care facilities for our most needy elderly. Today there are at least 18 such facilities, all of which accept Medicaid patients. Operating at a loss of \$7.4 million per year, and growing, I believe the taxpayers and the Geriatric Center residents can be better served by the private sector. That's why I am moving forward with this important step to cut costs while continuing to ensure that the needs of our elderly citizens are met.

Our new governor took office this week and has warned already cashed-strapped municipalities and counties that state aid would be reduced in the coming fiscal year and that state spending would be drastically cut. The reality is, this is the new reality, and we all will need to ask, what a “core” service is, what a mandate is and what a luxury is. This reality is not driven by preferences, but by economics.

Many of you are familiar with the movie, 'It's a Wonderful Life'. In these challenging times, we have much to learn from the way in which the Bailey Building and Loan was operated -- not with complex financial instruments like credit default swaps and derivatives, but with basic principles of integrity, stewardship and service that have withstood the test of time. The Building and Loan wasn't fancy and it didn't engage in sophisticated financial engineering, but it was able to provide basic services and even survive a crisis.

Our determination to operate in a fiscally prudent manner will allow Mercer County to weather this crisis better than most. “Change” may be the current buzzword, but in Mercer County government, we have for several years adapted to the new climate by performing our jobs with fewer resources. I am proud of the accomplishments we've made and how we continue to provide the level of service that is expected of us by our residents, while doing so with fewer staff members and fewer dollars. Ideally, government should run like a business, but our core mission must include the offer of a hand-up to those in need, especially during

times of economic struggle. By keeping a careful focus on efficiency and effectiveness, we are able to provide even more essential services to our residents.

One of our core missions in County Government is to get people back on their feet after job loss, and our One-Stop Career Center is targeting both occupational training and employer outreach to address that need. As unemployment rates in New Jersey hover at around 10 percent, visits to One-Stop topped 85,000 compared to less than 55,000 in 2008. That's a staggering increase. We heard the new governor suggest on Tuesday that we can expect more job losses to the ranks of state government employees, which will directly impact Mercer County, where a great number of those public sector employees reside.

Our Small Business Development Center has also seen a surge in interest. The SBDC helps make it possible for local entrepreneurs to open their doors more quickly and get the support they need. Last year, 747 people attended classes on business planning, financing and operations, and we assisted many of those people in obtaining funding for their ventures. We've seen a 30 percent increase in the number of counseling requests by members of the business community or those interested in starting a new business, and we are hopeful that is a sign of new ventures in Mercer County.

As expected in a diminished economy, demand is up in all areas of Human Services. Nearly 10,000 citizens visited our county building last year to apply for emergency heating assistance, and a record number has sought assistance through Mercer County Board of Social Services, many of whom are seeking help for the very first time in their lives, Director Frank Cirillo tells me.

Even in these trying economic times, we've seen many, many glimmers of hope.

Along the bustling Route 130 Corridor, we've seen new business openings or expansions, including Hamilton Honda, the Shoppes at Hamilton, AllPoints Communications in Robbinsville; and Chase Bank in East Windsor. Let's give these businesses a round of applause for investing in our county.

As part of the effort to encourage growth along this corridor, the county continued its financial commitment to the Route 130 bus service, which provides access to commuters and shoppers along this bustling route. In 2009, ridership on this route grew to more than 27,000, which is an indication of the importance of public transportation in our region.

The largest project currently under way in our county is Capital Health's construction of its new hospital in Hopewell Township. This project is proceeding on schedule, and we continue to see additional growth along the Route 95 corridor, including a ribbon cutting two weeks ago at the new Element Hotel in Ewing, an all suite, eco-friendly hotel currently pursuing LEED certification, and the first of its kind in New Jersey. Let's give a round of applause for these exciting projects.

Also in 2009 along the Route 1 corridor, Mercer County saw new projects including a three-story office building for Princeton University, and the completion of mixed-use Heritage Village in Lawrence, and several retail facilities along Business 1.

Finally, in the areas of leisure and hospitality, we welcomed some franchises and privately owned restaurants including Popeye's in Ewing, BT Bistro in West Windsor, Elements in Princeton, Yummy Sushi in Robbinsville; Grover's Mill Coffee in West Windsor; and La Caravana Restaurant, Singas Famous Pizza and Muscle Maker Restaurant, all in East Windsor.

I am very pleased that the jobs being created through these projects have helped to keep Mercer County's unemployment rate 2 full points below the state's unemployment rate. This is great news for all of us, and let me thank each of you for your role in keeping Mercer County's economy as strong as it is.

Let me make clear, this does not diminish the fact that Mercer County still has 15,300 residents out of work as of November, 2009. We are committed to doing everything we can to strengthen our regional economy, increase prosperity, and reduce unemployment. We need new ideas and new partnerships to accomplish this goal. Today I announce the formation of a new Business Roundtable to address this challenge. In conjunction with our friends from the local Chambers of Commerce, we would like to hear from business leaders from all sectors – finance, retail, hospitality, health care, life sciences and more, to discuss ways to improve the business climate.

I would like to thank you, the business community, and so many of our partners – organizations and individuals -- who, over this past year, have enabled us to overcome the challenges of this great recession and who have helped to strengthen Mercer County. In particular I would like to recognize the following outstanding leaders for their efforts:

- Eleanor Horne, who has just retired after a distinguished career at ETS and who has been the champion for so many important causes and organizations in our region.
- Peter Rose from Isles in Trenton for leading a new micro-finance program to foster self-employment for lower income residents as well as people with disabilities and anyone with a dream to start their own business.
- Marge Smith for her leadership of Community Works to build capacity among volunteers, staff and board members of nonprofit organizations throughout the county
- Floyd Morris for his leadership of Children's Futures with its vision of ensuring that every child in Trenton enters pre-school healthy and ready to learn.
- Nancy Kieling, the executive director of the Princeton Area Community Foundation, for her efforts to create the Better Together grant program that builds social capital in Mercer County.

- Al Maghazeh, the CEO of Capital Health, and Barry S. Rabner, the CEO of Princeton HealthCare System, for their investments in their respective new hospital facilities, creating hundreds of construction jobs in our region. Anthony “Skip” Cimino, president and CEO of RWJ Hamilton, who recently cut the ribbon on a new family medical practice building on the hospital grounds; and St. Francis Medical Center President Jerry Jablonowski, for his ongoing commitment to lure some of the most talented and advanced medical professionals to our area.
- The presidents of the five institutions of higher education – Dr. Patricia Donohue, Mercer County Community College; Dr. Shirley Tilghman, Princeton University; Dr. R. Barbara Gitenstein, The College of New Jersey; Dr. Mordechai Rozanski, Rider University; and Dr. George Pruitt, Thomas Edison State College -- who together not only provide outstanding opportunities for learning and research but are also responsible for \$1.2 billion of economic activity in Mercer County.

A round of applause to all of you on that list and to the many, many other leaders who have helped bolster our economy and our County through your efforts. Again, we thank you.

President Obama’s \$787 billion stimulus package has begun to pay off in Mercer County. Our Department of Transportation obtained more than \$5 million in federal funding that is to be used for milling, resurfacing, traffic signal upgrades and more. Our Department of Economic Development and Sustainability has received \$4 million for weatherization projects and \$2 million for summer job programs for our most at risk young people; and Human Services received \$106,000 for meals for the needy. I am certain that over the next few years this infusion of funds will benefit all our residents in one way or another.

In the area of Shared Services, we continue to demonstrate new ways to generate significant cost savings and promote regional efficiency. All of our municipalities have benefited from our aggressive efforts to combine resources. Our leadership is invaluable and extensive in this area, and much of what we do is behind the scenes and under the radar. Our municipalities benefit from an extensive list that includes assistance with road and bridge repairs; open space acquisitions; recreational opportunities through the Mercer at Play grant; 911 dispatch; emergency management coverage and training; police academy and other law enforcement efforts; county clerk electronic records recording; MCIA waste management and special recycle days; our Special Services School District; libraries; Weights and Measures and much more.

I am a proponent of Regionalized Government Services, but ONLY when you and other taxpayers are the beneficiaries. The county cannot absorb costly services, programs and mandates without our municipalities offering guaranteed relief to their residents. I will recommend legislation to establish this important principle. These savings belong to you, the taxpayer, and I am committed to making sure these savings don’t disappear.

Despite our history of strong fiscal management, as we enter the 2010 budget cycle we are faced with significant financial struggles and are stretched to the limit. After building up the rainy day fund over several years, from a low of \$11 million when I took office in 2004 to

more than \$30 million two years ago, we have found it necessary to draw down the fund to reduce the impact of the recession on our budget. We expect this trend to continue during our coming budget cycle. Costs continue to increase while our tax base has declined and we continue to grapple with double-digit growth in the pension and state health benefits costs, contractually obligated raises for some employees, and a highly restrictive CAP.

Make no mistake – these are truly difficult times. I ask for your continued support as we search for ways to provide necessary services within our budgetary constraints. You have my word – we will continue our fiscally conservative approach to providing essential county services.

Clearly, we face many uncertainties as we enter this new decade. As we look ahead, we see many challenges and obstacles. Let me assure you – we can and we will get through this crisis, but we will need to work together and make some tough decisions.

A writer once said, "In the confrontation between the stream and the rock, the stream always wins -- not through strength but by perseverance."

Today, I ask for your help as we chart the course out of the crisis and toward renewed growth and prosperity for Mercer County. Together, with perseverance and fortitude, we will achieve our goals.

Thank you, God bless you, and may God Bless the people of Mercer County.