



**FREDERICK COUNTY GOVERNMENT**  
**OFFICE OF THE COUNTY EXECUTIVE**

Jan H. Gardner  
County Executive

December 2017

Dear Council President Otis and Frederick County Council Members,

I am pleased to present the annual report for 2017 along with the Comprehensive Annual Financial Report (CAFR). These documents will be formally presented to the County Council on December 19, 2017.

Frederick County has been energized by innovation throughout 2017. It has been a year of big ideas, with cutting-edge initiatives and accomplishments for which our citizens can be proud. For instance:

- **ROOT** – Our new downtown innovation and technology center, ROOT, opened its doors. ROOT creates an ecosystem to foster business creation and expansion. The collaboration includes the Office of Economic Development, the Chamber of Commerce, higher education institutions, and federal, state and municipal economic development partners all under one roof. A tech-focused business incubator, the second under the umbrella of the Frederick Innovative and Technology Center Inc., is under construction inside ROOT and will open in 2018.
- **LYNX** – Frederick High School’s cutting-edge new program, Linking Youth to New Experiences, launched this fall as the state’s pilot program for individualized education plans. LYNX offers students flexible ways to meet graduation requirements, including through work, mentorships, and other experiences.
- **AAA bond rating** – Frederick County had its AAA bond rating reaffirmed by all three bond rating agencies in 2017. Fewer than 1% of all counties across the nation (out of over 3,000 counties) earn the coveted triple-triple rating. Because of our strong fiscal health, the County saves millions of dollars on our debt service payment.



Frederick County was on the move in 2017 with outstanding public schools, a safe community, and a high quality of life that is the envy of mid-size counties across the nation. We have done of all this with the same tax rates that have been in place since 2014.

At the heart of all we do are the citizens we serve. Nothing is more important than making sure the public has the opportunity to participate in and shape the future of Frederick County. This year for the first time, we used online surveys to gauge the public’s priorities as we prepared the Fiscal Year 2018 budget. We routinely engage the community by broadcasting weekly press briefings; communicating through social media; holding town hall meetings and “Talks of the Town”; and by encouraging citizens to participate on numerous boards, commissions, and steering committees.

Trust in government is absolutely fundamental to good government. We have worked together since day one to strengthen our laws to ensure our elected officials display the highest standard of behavior. Frederick County now has the strongest ethics laws in the State of Maryland.



In 2017, we formalized an independent, non-political process for appointing members to our Ethics Commission. Frederick County is the only county in Maryland that uses an independent appointment process. We are currently working with our delegation to Annapolis to pass additional legislation that will strengthen our ethics laws even further.

### **Strong Finances**

Frederick County's economy is on the move, and our finances are strong. We are projected to see the fastest overall rate of long-term business growth of any county in the State, according to a 2017 report by the Department of Labor, Licensing and Regulation. Frederick County's financial outlook is strong and our long-term conservative approach to budgeting and managing county government meets the highest financial standards, according to an audit of the Consolidated Annual Financial Report, which is required by the County's charter.

Financial highlights show:

- Frederick County is in good, solid financial shape. The county's overall financial position improved in FY17.
- Both property and income tax rates remained constant for Fiscal Years 2016, 2017 and 2018.
  - Local property tax revenue exceeded budget by \$2.9 million.
  - Recordation tax revenues exceeded budget by \$5.2 million.
- The overall general fund budget grew by 3.9%, which was similar to other Maryland jurisdictions and the state as a whole.
- Funding for Frederick County Public Schools exceeded Maintenance of Effort by \$10 million, and the share of the budget for education increased to 52%.
- Local unemployment has dropped to 3.1% in September.
- In FY17, revenues were greater than budgetary estimates by \$13.1 million, and expenditures were \$11.3 million less than anticipated.

## Education

Frederick County is on the cutting edge in education. Working together with our Board of Education, and with the support of the County Council, we have worked collaboratively to build new schools and add innovative programs for our students. Frederick County Public Schools highlights from 2017 include:



- The new Frederick High School opened for students in September 2017, blending the tradition and history of the former high school with the technology and innovation of the future.
- Two new elementary schools – Butterfly Ridge in the City of Frederick and Sugarloaf Elementary in Urbana – began construction in 2017.
- Frederick County students outscored their counterparts on standardized PARCC tests, scoring in the top quartile

in almost all areas. Urbana High School’s math score was the best of any high school in the state.

- Centerville Elementary School was recognized as a National Blue Ribbon School for its overall high quality of education. Myersville Elementary School was recognized as a 2017 Maryland Green School for its “green” initiatives.



- We made progress on our teacher pay scale this year. Frederick County moved up to 18<sup>th</sup> from 24<sup>th</sup> in our state ranking for starting salaries. We want to encourage the best and brightest teachers to ensure long-term educational success for our students.

To provide students with educational job opportunities and to meet our workforce needs, this fall we co-located Frederick County Workforce Services with Frederick Community College’s Advanced Workforce Training at the Monroe Center. This comprehensive one-stop shop allows citizens to take advantage of cutting-edge training and education to ensure job seekers are connected to the job training our employers have identified. Co-location benefits students, employers and people looking to retrain and retool for new jobs. Frederick County is one of only two counties in the state to have co-located Workforce Services and their community college.

## Public Safety

One of the fundamental responsibilities of local government is to ensure the safety of its citizens.

We live in a safe community, but it doesn't happen by accident. It is the result of the hard work of law enforcement, fire and EMS, 911 call takers and other public safety providers. During 2017, we made numerous improvements to our public safety divisions, including:



- An additional 64 firefighters hit the streets of Frederick County this year, thanks in large part to the \$6.3 million federal SAFER ACT grant. With the new recruits, we have been able to provide tactical staffing at many of our stations, offering more efficient and effective services to our citizens and keeping our employees safe.
- Construction began in June for the new Middletown fire station.
- Frederick County is coordinating a statewide cooperative effort to transition to Next Generation 9-1-1. We are the leading the way with this new technology, which will improve the accuracy of call locations and allow for multimedia, so a caller can send a video of an incident to the 9-1-1 center.
- We remain the only 9-1-1 center in the state to offer text to 9-1-1.



Our volunteer fire and rescue companies this year underwent an intensive accreditation process that can serve as a model for other jurisdictions across the state. Each company demonstrated and documented that they meet all standards, are operating in full compliance with federal, state and local laws, and are operationally viable.

## Jobs

Frederick County is a great place to do business. My administration means business when it comes to job creation and economic development. The opening of ROOT, the business innovation center, capped a year of exciting developments for economic development.

For the first time ever, the number of jobs in Frederick County this year topped 100,000. Our September unemployment rate stood at 3.1%, well below the state and national averages. And our economy continues to grow. The diversity of our job growth over nine business sectors gives our economy strength and resilience.

Notable business news in 2017 included:

- Legislation was passed to allow limited tasting rooms for craft beverage businesses and to streamline the process. This helps a burgeoning industry that is creating manufacturing jobs while supporting the agricultural sector.
- Emmes Corp. brought 100 new jobs when it opened a 26,000-square-foot facility in Frederick County. The research firm assists life science companies with getting products through FDA approval.
- ThermoFisher Scientific moved into a 268,000-square-foot facility that houses its 400 jobs. The company works on cell therapy projects and runs a cryo-center.
- The James M. Stockman Cancer Institute opened its doors, offering industry-leading technology with a state-of-the-art cyber knife oncology facility run by Frederick Memorial Healthcare System and affiliated with the MD Anderson Cancer Network.
- The Bar-T Mountainside in Urbana became the first business to secure a third-party loan through the county's Property Assessed Clean Energy Program (PACE). PACE allows businesses to take out private loans to pay for energy-saving improvements, and then pay back the loans through assessments on their property tax bill. The program is a smart tool to help Frederick County build our sustainable economy while supporting a growing technology industry.
- We signed a unique partnership in 2017 with the U.S. Army Medical Research and Materiel Command at Fort Detrick to leverage technology transfer. The agreement allows private businesses to take research and development conducted for our military and commercialize it so that everyone benefits. We are facilitating tech transfer from ROOT.



Job growth depends on innovation and new ideas. With the help of the University of Baltimore's Jacob France Institute, we are creating a GO Strategy, examining Frederick County's strengths so we can identify opportunities to grow the economy.

## **Residential Growth**

This year, we took steps to identify the impact of residential growth, approved by the prior administration, on our roads and schools. We also drafted legislation to ensure that future residential development is timed so that the supporting public infrastructure is available before or as new houses are built. Proposed legislation to strengthen the County's Forest Resource Ordinance; update school mitigation fees to reflect the actual cost of school construction, and to require Development Rights and Responsibilities Agreements to include enhanced public benefits have been presented to the County Council.

As we grow, it is important that agriculture remains a viable industry. Frederick County farmers provide food and fiber to our region and our nation.

- As of Dec. 1, 2017, our Agricultural Land Preservation Programs have permanently preserved more than 57,000 acres of farmland in Frederick County, placing us among the top 10 counties in the nation.
- This fall, the county was awarded a \$2 million Rural Legacy grant to preserve even more acres in the coming months. Our grant was among the largest in the State.



We are planning for our future with Livable Frederick, an innovative vision-based approach to long-term comprehensive planning. The plan considers possible scenarios and how our choices might impact our county over the next 20 to 30 years. It recommends actions to move our shared community vision to reality. The Livable Frederick plan will soon be presented to the Planning Commission.

## People

Frederick County enjoys an exceptional quality of life. Our community is special because of the people who live and work here. In 2017, we continued to focus on serving our citizens through programs that support the needs of the community at large, as well as the needs of seniors and others who may need assistance.

- The operating model we put in place last year for Citizens Care and Rehabilitation Center and Montevue Assisted Living is working. We are keeping our promise to our community's seniors by using the profit from Citizens to subsidize the care of indigent elderly residents at Montevue, at no cost to taxpayers.
- We launched the National Association of Counties' Live Healthy Programs in Frederick County, which provides our citizens with a no-cost discount program on prescription medications and low-cost discount plans for health and dental services and devices.
- Our Health Department trained and equipped more than 1,000 people in fiscal year 2017 in the use of Narcan, a drug to reverse opioid overdoses. Additional peer recovery support specialists were trained, and a billboard was installed to raise awareness about the number of people in the county who have overdosed from heroin and opioids.



- Construction began in March on the new Walkersville branch of Frederick County Public Libraries, and design work began on a Myersville branch library.
- Nearly 2 million people visited our parks during the first 10 months of the year.
- Eighteen human service nonprofit organizations were awarded Community Partnership Grants in 2017. These grants

fund services such as shelter for domestic violence victims, auto repairs so low-income residents can continue to work, and medical services and meals for low-income seniors, among other support for people in our community.

### Awards earned in 2017

- The Fiscal Year 2018 budget earned the Government Finance Officers Association's Distinguished Budget Presentation Award for meeting the highest nationally recognized principles of governmental budgeting.
- The Frederick County Health Department's Kids Like Us art-based program earned a National Exemplary Award for Innovative Substance Abuse Prevention Programs, Practices and Policies from the National Prevention Network.
- Frederick County's overall performance and use of effective safety procedures led to \$1 million in savings from its insurance underwriter, along with earning a prestigious Lighthouse Beam Safety Award for our Department of Risk Management.
- The Boyers Mill Road Bridge was ranked No. 3 nationally in the Top 10 Bridges edition of *Roads & Bridges* magazine. The project also earned an Excellence in Concrete award from the American Concrete Institute.
- Frederick County Public Schools' InvenTeam from the Career and Technology Center earned one of only 15 Lemelson-MIT InvenTeam grants in the country. The award allows the teens to invent technological solutions to real-world problems that improve the well-being of the world.
- The Transportation Association of Maryland awarded TransIT's Sandy Ruark with the statewide Unsung Hero Award for 2017.
- The Division of Fire and Rescue Services and the Department of Risk Management received the Chesapeake Employers Insurance Safety Award for volunteer fire and rescue workplace safety. Frederick was the only fire-rescue service in the state to earn this award, which resulted in lower insurance costs for our volunteer companies.



## Other notable accomplishments

- Re-energized sustainability efforts by returning the Office of Sustainability and Environmental Resources to its original mission of reducing energy costs and protecting resources.



- Celebrated 60 years of Frederick Community College providing outstanding education to students in our county.
- Implemented new financial system computer modules for procurement and contracting, accounts payable, cash management, grants and projects accounting, and general ledger reporting.
- Earned accreditation for our Emergency Medical Training Program through the Committee on Accreditation of Educational Programs for Emergency Medical Services Professionals.
- Partnered with the YMCA to fund an enhanced aquatic center at the YMCA's South County facility that will create opportunities for public and school use of the swimming pool.
- Installed free wi-fi on all TransIT connector buses in March. The equipment was 80% funded by federal grants and 10% by state grants.
- Mr. Richard W. Kanode agreed to donate 180 acres of farmland in Thurmont to be used as an agricultural and equestrian park. Mr. Kanode also created a part endowment fund of \$1 million to operate and maintain the property, which will become the Richard W. Kanode Farm Park.
- Added more than 1,000 homes to the residential recycling service list, bringing the total number of households eligible to participate in single-stream recycling to more than 77,800.
- Restored over 2,000 linear feet of stream to improve water quality.
- Trained more than 780 individuals on the neurobiological effects of adverse childhood experiences.
- Designed a map-based application for severe weather events to keep citizens better informed and to encourage online reporting of concerns.
- Developed an internal leadership program to help prepare mid-level and senior managers for the next management level.
- Saw a record-breaking 11,677 people of all ages participate in Frederick County Public Libraries the Summer Challenge. Participants read for more than 1.67 million minutes, the equivalent of three years.
- Streamlined the process for applicants to get plumbing and electrical permits so that most are processed in less than 15 minutes.



- Increased animal adoptions by 21%, with nearly 40,000 visitors to the Division of Animal Control over the past 12 months.

The third year of charter government has been a year energized by innovation. The focus remains on four priorities – jobs, seniors, education and community needs – with an emphasis on people, prosperity, and good government. A video of the State of the County address in October, which outlined the year's activities and accomplishments, can be viewed at [www.tinyurl.com/StateofCounty2017](http://www.tinyurl.com/StateofCounty2017).

I am grateful for the many blessings we enjoy in Frederick County, including citizens' generosity to each other, their hard work to ensure a strong economy, and for the sense of belonging that comes from a community that works together and cares.

Sincerely,



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Jan H. Gardner  
Frederick County Executive