



FREDERICK COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Jan H. Gardner
County Executive

December 2018

Dear Council President Keegan-Ayer and Council Members,

I am pleased to present the annual report for 2018 along with the Comprehensive Annual Financial Report (CAFR). These documents will be formally presented to the County Council on December 18, 2018.

Frederick County is focused on making life better for people, and 2018 has been a year of big ideas, with cutting-edge initiatives, new infrastructure and accomplishments, for which our citizens can be proud. For instance:

- **ROOT** – This year, we celebrated the grand opening of ROOT. ROOT is a cutting-edge business and technology innovation center located right in the heart of downtown Frederick. ROOT creates a unique ecosystem that fosters business creation and expansion. Many of our business partners are located under one roof including our economic development partners, higher education, the Chamber of Commerce, and a new technology-focused business incubator. ROOT supports emerging and growing industries, attracts millennials, and creates a collaborative environment for partners to support new ideas, new business and new jobs. ROOT provides space for a pitch room and is facilitating Tech Transfer with Fort Detrick and other community research entities.
- **Senior Services Division** – Because we have a growing population of seniors in Frederick County, we are pro-actively transforming our approach to serve seniors 360 degrees. This year, we stood up a new Senior Services Division to really try to engage our active seniors in our community and make sure that we keep people involved in meaningful volunteer service and even in work. The Senior Services Division will continue to provide traditional senior services to support our seniors aging in place at home.
- **AAA bond rating** – Frederick County's AAA bond rating from all three rating agencies was reaffirmed in 2018. Less than 1% of all counties across the nation have earned a triple-triple rating from all three agencies. This rating saves Frederick County millions of dollars on our debt service payment and allows us to obtain low interest rates to make our money go further to provide needed infrastructure such as schools, roads, libraries, and fire stations.



Frederick County: Rich History, Bright Future

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Frederick County was on the move in 2018 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 all this with the same tax rates that have been in place since 2014.

At the heart of everything 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 second time, we used online surveys to gauge the public's priorities as we prepared the Fiscal Year 2019 budget. We routinely engage the community by broadcasting weekly press briefings; communicating through social media; holding town hall meetings and providing answers via *Ask Jan*; and by encouraging citizens to participate on numerous boards, commissions, and steering committees.

Trust in government is absolutely fundamental to good government. Since day one, we have

worked to strengthen 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.

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 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 FY18.
- Both property and income tax rates remained constant for Fiscal Years 2016, 2017, 2018 and 2019 and reflect a strong economy
 - Local property tax revenue exceeded budget by \$6.2 million.
 - Recordation tax revenues exceeded budget by \$2.1 million.
- The overall FY18 General Fund budget reflected a modest increase of 3.9%. This was in line with surrounding jurisdictions, including the City of Frederick (3.8%).
- Funding for Frederick County Public Schools in FY18 exceeded Maintenance of Effort by \$14 million, and the share of the budget for education remained at approximately 52%.
- In FY18, revenues were greater than budgetary estimates by \$24.8 million, and expenditures were \$ 15.1 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 implement a new salary scale for all employee groups.

Frederick County Public Schools highlights from 2018 include:

- Two new elementary schools – Butterfly Ridge in the City of Frederick and Sugarloaf Elementary in Urbana – opened for students in September 2018. These new schools added much-needed school capacity and will serve our community well for generations.
- Work began on the demolition and rebuilding of a new Urbana Elementary School, expected to open for students in fall of 2020.
- Urbana Elementary School was recognized as a National Blue Ribbon School for its overall high quality of education.
- We made progress on implementing our new teacher pay scale to ensure the best teachers in the classroom and to provide commensurate pay for other Frederick County Public Schools employee groups. Frederick County funded the third year of this transition geared toward long-term educational excellence.
- The LYNX program (Linking Youth to New Experiences) program at Frederick High School began its second year, admitting in 9th and 10th grade students. Frederick County is leading the way with innovation in public education.



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, 9-1-1 call takers and other public safety providers.

During 2018, we made numerous improvements to our public safety divisions:

- The County opened a newly renovated burn building at the Public Safety Training Facility for the Division of Fire and Rescue Services. The project required a two-part solution: build a concrete two-story addition to the Burn Building, lined with special heat-refracting tiles, and replace the sprayed-on fireproofing in the existing tower with the tile system used in the new addition.



- A new class of 28 recruits was added through a supplemental budget amendment and this will bring the total number of firefighter/medics positions that I have added to the division to 103. That's more than a 30% increase in staffing over the first term of my administration. The new recruits have enabled us to provide tactical staffing at many of our stations, offering more efficient and effective services to our citizens and keeping our employees safe.

- 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.

- The primary 9-1-1 call center relocated to the Public Safety Training Facility to allow for future expansion.
- In October, we opened the new Middletown fire station. The money for this project came largely from the former fire tax district, so it was money collected specifically for the Middletown community. The volunteer fire company provided the land for the new station. This is a beautiful, modern fire station that will serve the Middletown Valley well for years to come.
- We upgraded the Emergency Communications Radio Networks in the City of Brunswick and surrounding area to address places in and around Brunswick where emergency responders could not get radio broadcasts or talk to each other during an emergency. The project connected the Brunswick transmitter to the wireless microwave network that serves most of the county.



Frederick County's combination of career and volunteer fire and rescue personnel works so well because the county government supports our 25 independent volunteer companies. Recently, we added a supplementary budget allocation to add a new assistant director position to assist our Volunteer Fire and Rescue Services.

Jobs

Frederick County is a great place to do business. My administration means business when it comes to job creation and economic development. Frederick County is able to make the most of the opportunities that come our way through the GO Strategy or Growth Opportunities Strategy. We identified our opportunities and positioned ourselves to take advantage of industries that we know will do well in Frederick County. We are already seeing great results.

The number of jobs in Frederick County this year topped 102,000. Our September unemployment rate remains lower than the State and National averages, at 3.5%. And our economy continues to thrive. The diversity of our job growth over nine business sectors gives our economy strength and resilience. Business is booming!

Notable business news in 2018 included:

- We celebrated RoosterBio's graduation from our FITCI incubator to its own stand-alone manufacturing facility in February 2018. Founder Jon Rowley launched the regenerative medicine manufacturing operation at FITCI in October of 2013. Today they boast more than 160 customers on three continents. RoosterBio's success is proof that FITCI works.



- Thermo Fisher Scientific completed the company's second expansion in Frederick County in two years. The new facility includes a 77,000-square-foot Cryo Innovation Center, a cyber security operations center, and a new 192,000-square-foot distribution center – complete with a driver-less cart.

- We celebrated the launch of an innovative new manufacturer called TEFELLEN, which is short for Technology for Electrical Energy, a partner company of Phoenix Mecano located in Frederick

County. The company designs and makes a technology called busbars that are new in America and could replace electrical conduit.

- The German oncology company Indivumed marked the grand opening of its US headquarters right here in Frederick County this year.
- Wilcoxon Sensing Technology, a manufacturer of vibration and sensing equipment, relocated their sales and engineering facility and 100 employees from Montgomery County to Frederick County.
- The Frederick County Office of Economic Development (OED) honored ten Municipalities with a 2018 Impact Award. Impact Awards were created to recognize the projects and initiatives that municipal elected officials and municipal staff work on every day to help support OED's overall goals of increasing the number of jobs and businesses in Frederick County.

- The 2018 Deal of the Year Award Recipient from the Office of Economic Development's FRED Awards (Frederick Real Estate Dealmakers



Awards) was Navistar Direct Marketing. Navistar is a digital and conventional printing company with full direct mail production servicing for nonprofit, commercial and political clients. Their state-of-the-art facility added 220 new jobs to Frederick County and is a great example of a project that was fast-tracked by the county's Planning and Permitting Division.

- The Town of New Market was named a Main Street Maryland Community. New Market is the fifth Frederick County municipality to be named, earning Frederick County the distinction of having the most Main Street Maryland communities in Maryland.
- Recently, the County announced that a major new employer will be coming to Urbana. Stay tuned for more details in early 2019.

Residential Growth

This year, we continued to identify the impact of residential growth, approved by the prior administration, on our roads, schools and other infrastructure. The county updated the Impact Fee Study and we proposed legislation to adjust the school construction fee schedule to the current cost of school seats.

Renegotiating the Oakdale-Lake Linganore agreement for an interchange on Interstate 70 at Meadow Road saved county taxpayers \$48 million. The new westbound ramp is under construction.

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 December 1, 2018, our Agricultural Land Preservation Programs have permanently preserved more than 60,000 acres of farmland in Frederick County, placing us among the top 10 counties in the nation.
- This fall, Frederick County was awarded the largest Rural Legacy grant in the State, more than \$3 million, to preserve even more acres in the coming months.

We are planning for our future with Livable Frederick, a shared vision for Frederick County for 20 years and beyond imagining how people will want to live, work and recreate. Everyone wants to live in a great place with good schools, safe communities,

local jobs, with a sense of community and belonging. Livable Frederick is the master plan for a prosperous future. Livable Frederick puts citizens in charge of shaping that future.

We have heard loud and clear from citizens, businesses, non-profits, farmers, and more that we value our historical landmarks, our cultural amenities, and our small town rural charm. We love our Rich History, and we dream of a Bright Future. Livable Frederick is good planning. Our next step is to adopt Livable Frederick and implement it. We must stay the course and manage our growth better.

People

Frederick County enjoys an exceptional quality of life. Our community is special because of the people who live and work here. In 2018, 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 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 revenue or profit from Citizens to subsidize the care of indigent elderly residents at Montevue, at no cost to taxpayers.
- The County set aside \$710,000 to incentivize the start-up of a detoxification treatment center in Frederick County.
- In 2018, more than 2 million people visited our parks. We broke ground on two new parks, Othello Regional Park near Brunswick and the next phase of Utica District Park, and opened the Point of Rocks Commons Park.
- We awarded grants to 23 human service non-profit organizations in Frederick County. These grants allow us to leverage our efforts, to make a bigger difference with our human services nonprofit partners, and go a long way to make sure that everyone can be successful and share our community's prosperity.
- In June, the County's Department of Housing and Community Development created a resource fair called June Bloom to connect citizens to affordable housing programs and services.
- We opened the new Walkersville branch of Frederick County Public Libraries to a record crowd of nearly 3,000 visitors and broke ground on a new Myersville branch library in FY18. Both library branches incorporate local Frederick County history into the design. Walkersville incorporates its agricultural heritage and Myersville will incorporate a restored historic trolley car.



Awards earned in 2018

- Frederick County Government received national recognition as one of the top Digital Counties in the nation. The county was ranked third among counties with populations between 250,000 and 500,000, despite being one of the smallest counties in this category. The Digital Counties Survey recognizes the technological capabilities and innovation of governments.



- Frederick County Fire and Rescue Services were recognized by the Maryland Institute of Emergency Medical Services Systems as the Outstanding EMS Program in May 2018.

- The National Weather Service officially certified Frederick County as a StormReady county. StormReady is a partnership between the county and the National Weather Service that ensures solid and redundant means of receiving and disseminating weather warnings, observing weather and river levels in the county, and training citizens about weather safety.

- Frederick County Government and Fort Detrick were honored as winners of a 2018 Army Community Partnership Award. Frederick County and Fort Detrick were honored for two initiatives: dispatching Fort Detrick emergency calls from the County's 9-1-1 center, and assisting Fort Detrick with the disposal of general municipal waste.



Other notable accomplishments

- Frederick County has been awarded a grant of over \$1 million from the Maryland Department of Natural Resources to help us meet our mandated pollution reduction goals. The grant is through DNR's Chesapeake and Atlantic Coastal Bay Trust Fund. It was awarded to cost-effective and efficient projects that will reduce non-point source pollution.
- Frederick County's Office of Sustainability and Environmental Resources launched a Septic Pump-Out Rebate Program to encourage property owners to pump their septic every five years. Approximately 130 applications were received and approved from April 5 thru June 30, 2018, and over 150 homes processed since July.
- The Department of Solid Waste Management expanded its recycling collection program to allow multi-family properties and some small businesses to opt into the service.
- The County implemented a new human resources and payroll accounting system for County workers, as part of the Infor implementation.

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- In FY18, Frederick County Public Libraries circulated nearly 3 million items and hosted more than 2 million visitors (1,084,765 library branch visits and 1,002,903 online visits). In addition, more than 12,000 people participated in Frederick County Public Libraries' annual Summer Challenge. Together, they read 3,230,247 minutes!
 - The County expanded social media opportunities to solicit feedback from citizens during Town Halls and budget presentations, as well as the *Ask Jan* video series. In addition, the County began airing a biweekly news program, *County Perspective*, on FCG TV.

The fourth year of charter government was a year of great progress for Frederick County. The focus remains jobs, seniors, education and community needs – with an emphasis on people, prosperity, and good government. A video of the State of the County address, which outlined the year's activities and accomplishments, can be viewed at www.tinyurl.com/StateofCounty2018.

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,

Jan H. Gardner
Frederick County Executive