



FREDERICK COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

Jan H. Gardner
County Executive

April 15, 2021

Dear Frederick County Citizens:

I am pleased to present the Fiscal Year 2022 operating and capital budgets for Frederick County.

It is important to consider the proposed budget within the context of the past year. Last year, as we began our journey through the unknowns of a new health pandemic, I presented an “essential” budget which maintained core services that people rely upon, but added no new positions, program expansions, or initiatives. Because the long-term economic and health impacts from the pandemic were uncertain, the “essential” budget was based on lower revenue projections, going back two years to FY19 actuals.

Today, we know more about the impacts to our economy and our budget from the pandemic. While some industries like tourism, hospitality, entertainment and restaurants were hard hit, other sectors of our economy actually thrived, including the life sciences, bio-tech, IT, and technology. Construction and manufacturing continued without pause. And, low interest rates have created a housing construction boom in Frederick County and across the nation.

The County also had the benefit of \$45 million of federal CARES funding to support our public health response, to provide multiple rounds of business grants, and to support and help people who may have lost a job or experienced reduced hours with rental and utility assistance, food, and more.

We now look forward with hope and optimism to rise, recover and renew. My proposed FY22 budget takes action to ensure a healthier, stronger, and even better Frederick County.

Financial Highlights

Prior to the pandemic, our economy was thriving. The fundamentals of that strong, diverse economy continue to be apparent, with revenues growing even during the pandemic, far exceeding the anticipated revenue decline.

As we make smart investments to rise, renew, and recover to secure a bright and thriving future for Frederick County, we continue our long history of fiscal responsibility with the goal to protect county taxpayers.

Protecting taxpayers means:

- No tax increases. For the 7th year in a row, the entirety of my administration, the budget is built on existing property tax and income tax rates.

- Fully funding our long-term obligations. Our pension plans are fully funded. OPEB (other post-employment benefits or retiree health benefits) is 88% funded.
- Protecting our AAA bond rating. Reserve funds remain strong and debt affordability policies continue.

The budget serves as a two-year “catch up” from the impact of the pandemic, reflecting a three-year true-up to actual income tax revenues and accumulated fund balance. The proposed budget also considers appeals and budget needs over a two-year period.

The FY22 budget will support recovery so we can flourish and be healthier, stronger, and better together. The budget invests in what matters most – education, economic prosperity, good health, and equity.

Budget Headlines

Making a Record Investment in Education

The proposed FY22 budget makes the largest single year investment in public education. The budget provides \$20 million dollars in new funding for our K-12 public schools, which is \$21.5 million above maintenance of effort, the minimum funding level required by state law. This investment will ensure student success and support our educators in their efforts to address the educational challenges of the pandemic. We know that education lifts our students and their families, and ensures our long-term economic prosperity. This is the single most important investment to ensure our community’s recovery.



The capital budget provides over \$50 million for school construction and renovation. School construction is the single most significant portion of our capital budget and capital improvement program, accounting for about 40% of the increase in debt service (\$2.2 million) and the infusion of cash to the capital budget (\$1.8 million). Three schools are currently under construction and scheduled to open to students this fall - Rock Creek, Blue Heron Elementary and the Oakdale Middle School addition. Two new replacement schools are about to begin construction - Waverley Elementary School and Brunswick Elementary School. The capital budget also provides for a limited renovation of Thurmont Elementary. Limited renovation projects will bring five or more building systems up to today’s educational standards and provide a better educational environment for staff and students.

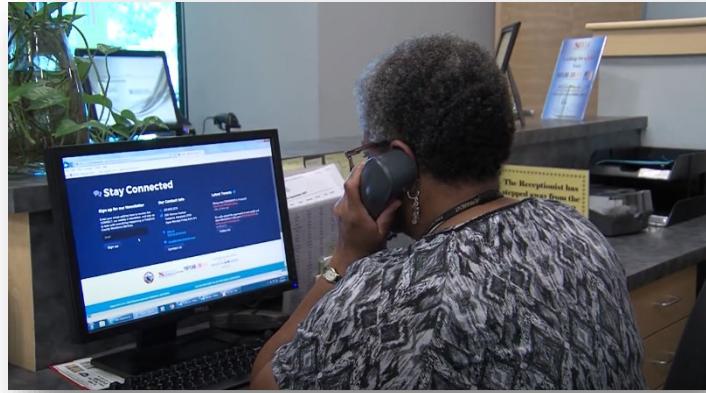
Frederick Community College serves as an economic engine. The college will play a key role in our economic recovery. Many young adults and people of all ages will need to re-tool their skills

and advance their education for new job opportunities in a post-pandemic world. The budget provides \$1.5 million for Frederick Community College, to keep tuition low and college education accessible.

The budget provides \$475,000 for Frederick County Public Libraries to support the purchase of new materials, provide staffing for our popular Bookmobiles, and allow the Brunswick and Walkersville branches to open on Sunday. Our libraries are incredibly popular, and we want to continue the digital services added during the pandemic and support the lifelong learning of our residents.

Jump Starting Our Economy

Frederick County's Office of Economic Development has provided, and will continue to provide, grants to support our small businesses and our economic recovery. Grants have been awarded to main street businesses, restaurants, childcare providers, micro-businesses, hospitality/event venues, and agriculture operations. And, more grants are on their way.



While unemployment rates have fallen to 5.2% in Frederick County, helping people find jobs and re-train for new jobs is essential to help our economy rise, recover, and renew. The initiatives included in the budget will help jump-start our economy.

For the first time, the county budget invests \$1 million to advance solutions for Rural Broadband, based on a countywide study completed in 2020. We know bringing connectivity and broadband service to underserved areas of the county supports our economic recovery and allows work and education to happen anywhere, anytime. This investment will be used to match state and federal grant dollars to complete \$20.5 million in needed projects to expand broadband to the unserved rural crescent of Frederick County.

Agriculture remains an important and valued industry in Frederick County. The capital budget includes funding for a feasibility study to develop an agriculture innovation center where farmers can process value added products, take advantage of cold storage, process meats, and more. The budget also continues agriculture innovation grants to support the diversification of agriculture operations.

The budget adds two staff to workforce services to help people find jobs and support business growth, as well as support our youth programs to provide career pathways and employment counseling. We recently applied for a grant for a Mobile Workforce Vehicle to bring computers and internet service, as well as professional staff advice and support, to rural and vulnerable communities bringing needed services to people where they are located.



Restoring Health

We know that good health is essential for a high quality of life. In Frederick County, the Health Department has noted disparities in every health metric that is tracked. We have witnessed a disproportionate number of Black Marylanders die from COVID-19 in the past year, and in Frederick County, we have seen a higher percent of COVID-19 cases among our Hispanic population. During the pandemic, the Health Department opened a temporary location on the Golden Mile to provide access to COVID-19 testing, as well as outreach and education/information to vulnerable and hard-to-reach communities.

The proposed budget supports a permanent satellite Health Department location on the Golden Mile to provide access to existing services, including Medicaid enrollment, Women Infants and Children (WIC), Infants and Toddlers, and information sessions and outreach on Maternal Health and Wellness and Adult Chronic Disease Prevention. This location will be staffed by an Equity Officer and two community health outreach workers, who will continue the effort to strategically address health disparities and do so through community empowerment.

The budget also supports the continuation of mobile crisis services and the expansion of those services to 24/7. By bringing the right services to a crisis, we deliver the best outcomes for people. In the first week alone, the mobile crisis unit responded with law enforcement to at least three calls, making a difference to the outcomes.

Advancing Equity

In the past year, we have shined a light on equity and the need for fairness and inclusion both within county government and in our community. With the support of the County Council, we have welcomed our first Chief Equity and Inclusion Officer, who has been hard at work with a community and stakeholder-based Equity and Inclusion Leadership Team to recommend next steps and action items.

Our Human Resources team is focused on community outreach and efforts to improve our hiring so our county workforce looks more like our community. The budget includes funding for



a study to review our hiring practices and our workplace culture, as well as funding for training elected officials and our management team on implicit bias.

The proposed budget provides \$83,000 for AARCH, the African American Resources Cultural and Heritage Society, to support the operation of their new Heritage Center, which will house exhibits and artifacts to tell the story of life for African Americans in Frederick County over the course of history. It is fundamentally important that we understand our history and how we got to where we are today, to inform our actions and make progress to ensure equity and fairness for all.

The budget adds an economic development specialist to focus on the Empower Program and Minority Business Leadership Development. This focus will encourage economic empowerment and access to business and leadership development, procurement opportunities, and capital to start a business. The county will invest in a Disparity Study to make sure procurement opportunities are available to our minority and local businesses, and to create a Minority Business Capital Grant Fund from the \$50 million federal Relief Act funds.

Taking Care of People

Frederick County government ensures a high quality of life for our residents each and every day through effective and efficient services. The budget helps deliver the great sense of place and belonging that our residents cherish about Frederick County.



Public Safety

Public safety is the second largest component of the budget and, when combined with education, makes up about 75% of our total budgeted expenditures. The budget reflects our community's value for a safe community and our collective support for the men and women who keep us safe by fully funding the second year of contracts for law enforcement (Sheriff's deputies), corrections, and fire and rescue.

The Department of Fire and Rescue Services budget focuses on stabilizing the budget for the long-term by creating significant ongoing budget line items for PPE, overtime, recruit class training, vehicle maintenance and more. The capital budget includes the opening of the new Northgate Fire Station, followed by the construction of the Green Valley Fire Station, and then a new replacement Carroll Manor Fire Station. The budget also includes funding for Volunteer Fire and Rescue, including the two top priorities, a PPE voucher program and a cadet training program.

Funding for the Sheriff's Office includes a significant capital investment for a new and expanded medical unit at the Adult Detention Center and funding to cover part-time corrections officers to better manage overtime.

The Emergency Management and 9-1-1 Communications funding includes three Emergency Communications Managers, contracted services for the Safe Frederick Strategic Plan and Hazardous Mitigation Plan, and significant capital investments in radios and the transition to Next Generation 9-1-1.

Community Partnership Grants

Frederick County is a caring community. During the pandemic, our non-profit human service partners have played a key role in our mission to take care of people, with the Religious Coalition managing rental and utility assistance, multiple agencies partnering to provide food, and the Mental Health Association stepping up to expand its services to meet community need. The proposed budget includes a small investment to bring the Community Partnership Grant Program to a total of \$1 million. Community Partnership Grants will be announced separately on April 27th. Together, with our human service non-profits, we leverage our resources to do more to help people, so everyone can rise, recover, and renew.

Valuing Our Workers

Delivering effective and efficient services, county workers are the face of county government. During the pandemic, county employees have stepped up to ensure the continuity of essential services, innovate new and creative ways to provide services, and put new meaning into the words “other duties as assigned.” Employees moved into many new and unexpected roles, including supporting the vaccination effort, staffing the call center, delivering groceries to seniors, and providing curbside library pickup, to name a few. As County Executive, I have always valued our employees and am grateful for the willingness of many county workers to take on added work and new responsibilities during the pandemic.

Since I have been County Executive, the county budget funded new and improved pay scales for our teachers and school employees, and then for our public safety employees. This year, the budget includes the first-year implementation of a new pay scale for our county workers. The County completed a comprehensive study of all our positions and pay scales to make sure we are competitive and close to market, so the County can continue to hire and retain a well-qualified workforce into the future.

We have known for some time that the County has not been competitive in several job families, including IT and technology, engineering positions, and jobs that require a Commercial Driver’s License (CDL), to name a few. Jobs that require a CDL cross several divisions and include transit drivers, highway crews in the Division of Public Works, and staff in water and sewer. Unfortunately, we have seen some people leave for higher pay and have experienced challenges



in hiring new employees. The last time a comprehensive pay and benefit study was completed was almost 20 years ago. Similar to other employee groups, the implementation of new pay scales will be a multi-year effort.

A big news headline is that all full-time positions in Frederick County Government will start at \$15.00 per hour or more, based on the proposed budget.

Building a Better Future

The capital budget and capital improvement program invest to build a better future through the construction and renovation of new schools, libraries, fire stations, parks and roads and bridges.

These investments not only meet the needs of a growing community but provide jobs, support our economic recovery, and have a long-term impact on our quality of life and on community pride. People feel a sense of belonging with their community schools, are proud of their libraries, and enjoy nature, sports, and family and community gatherings in our parks.

A list of all the capital projects can be found at www.frederickcountymd.gov/budget.

Rise, Recover and Renew

In summary, the budget invests in the things that matter most, while seizing our opportunities to innovate, advance new ideas, grow stronger and, do so with a focus on fairness and equity. The budget lifts everyone, because we know we are better when we all **rise** together.



The budget invests in people, particularly those who faced the toughest challenges during the dark days of the pandemic and will keep our community safe, healthy and strong as we **recover**.

And, the budget invests for the future in schools, roads, libraries, parks, and public safety to build a stronger, thriving community and provide opportunities to **renew**.

Working together, county government provides effective and efficient services and ensures Frederick County remains a great place to live, work, raise a family, and retire.

Sincerely,

Jan H. Gardner
County Executive