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County Executive

To: Nancy Navarro, President
Montgomery County Council

From: Ike Leggett, County Executive

Subject: 2012 Annual Report

Date: May 13, 2013

In this annual report for 2012, I outline the many ways in which we continue to work to deliver efficient and effective government for the residents of Montgomery County.

Since I first assumed office more than six years ago, we have turned Montgomery County's budgetary challenges around. The County has weathered the most difficult economic times since the Great Depression. We have repositioned our County to grow businesses, create jobs, and expand our tax base.

Despite financial hardships for many of our residents and fiscal constraints for County programs and services, we are moving forward in building a better government that is more responsive and accountable; offers affordable housing in an inclusive community; provides an effective and efficient transportation network; maintains a strong and vibrant economy; ensures that children are prepared to live and learn; supports healthy and sustainable communities; ensures safe streets and secure neighborhoods and provides vital living for all residents.

Together, we have made a number of difficult decisions to ensure financial sustainability in the future. Although there are some signs of an economic upturn, hard choices remain. We must continue the work to ensure that our financial house remains in order. Our focus must be on providing basic services and we must make strategic investments to broaden opportunities for County families and County businesses.

I very much appreciate the partnership between myself, the Council, and other County agencies toward this end.

I have worked to:

- Ensure that County government is discharging its primary responsibilities more efficiently, effectively, and with greater accountability through programs such as CountyStat, 311, performance-based management and our pioneering openMontgomery initiative;

- Mitigate the damage to the County from State budget cuts and federal budget decisions;
- Protect critical County services in education, public safety, and assistance to the most vulnerable in our midst;
- Seek additional revenue when needed; and
- Work to make sure that the County emerges from the current downturn in a stronger fiscal condition through prudent stewardship and investment in critical areas to boost our future tax base.

When I was first elected County Executive six years ago, County spending was unsustainable – averaging nearly 10 percent annual increases over each of the previous four years under the prior County Executive, totaling a 42 percent increase over that period. The combination of a growing County workforce, expanding services, unaffordable labor contracts, and sharply receding local revenues created a long-term structural deficit in the County budget.

In the past six years, we have closed \$2.7 billion in budget shortfalls. This hasn't been easy. It has meant sacrifices, both from residents who have had to make do with reduced services and pay increased taxes -- and from employees.

For my first five years in office, the total increase in County government tax-supported spending was – in real terms – zero. There was no increase at all, despite an 8 percent growth in population and a 12 percent increase in inflation during that period. The FY12 Operating Budget was the first budget in County history ever to be less than the previous year's spending.

By reducing unsustainable increases in County spending, while investing in making government more effective and creating opportunities for the growth of good jobs in the future, we have maintained our coveted Triple-A bond rating. This rating saves County taxpayers millions of dollars in borrowing costs every year.

We have significantly increased our reserves and allocated for the first time significant resources in advance to meet weather-related emergencies. I have moved aggressively, yet prudently, to set aside millions of dollars to meet previously unfunded health care obligations for retired County employees and their families. At my initiative, and with the support of the Council, we have changed the way we deal with service-connected disabilities – protecting the system from abuse while making sure it is there for those who really need it.

None of this could have been achieved without sacrifices by our County employees, who have received no cost-of-living increases the last four years and, with the abolishment of about 10 percent of County government positions, are, for the most part, being asked to do more with less. They deserve our thanks for their service during this difficult time.

There have been layoffs and furloughs. There has been the elimination of steps and increments for the past three years. County employees have not received negotiated wage increases. I and my department directors – as well as Councilmembers -- have shared these sacrifices – no wage increases or COLAs and, for one year, up to eight days of furloughs.

On taxes, I kept my promise in the FY13 budget not to increase property taxes beyond the Charter limit, which allows the amount the County can take in from one year to the next to be only at the rate of inflation. I did the same in my FY14 proposed budget. In fact, for those two years, the amount of the property tax increase is only 3.7 percent – below the inflation rate of 4.7 percent. By adjusting the tax rate rather than cutting the household

credit, the Council and I have been able to keep the burden more progressive – and prevent double-digit property tax increases for low-income and working Montgomery families.

The FY14 budget continues my efforts to make County government more efficient and effective, and to weather what remains of this economic downturn while laying the groundwork to meet the challenges of the future.

Among the highlights for 2012 are the following:

A responsive and accountable County government

Making Montgomery County government more accountable and responsive to County residents continues to be a major priority.

The deployment of **the County's nationally-recognized 311 one-stop, non-emergency phone and online system** has represented a significant leap in responsiveness to our residents. Since it started, 311 has fielded over a million and a half calls. In 2012, we expanded MC311's hours by two hours to 7 PM Monday through Friday in order to better serve working families and commuters.

The MC311 web portal (www.MC311.com) is available 24/7 to enter service requests and averages 25,000 views per month. The system offers residents a single point of contact for telephone and online inquiries and complaints, and is an important tool to assist the County in making resource allocation decisions and tracking department responsiveness.

I have continued to reach out to County residents through a variety of means, including **Town Hall meetings** (20 held since I was elected – more than all previous County Executives combined, and attended by over 3,000 residents), monthly **On-Line Chats**, our award-winning County webpage and our "Montgomery On Demand," (which includes outreach via "YouTube," "Facebook" and "Twitter").

Our **CountyStat initiative** continues to track the County's performance in addressing challenges using real-time data and holding departments and agencies accountable for the results in such areas as public safety overtime, youth initiatives, affordable housing, pedestrian safety, emergency preparedness, and more. More than 170 CountyStat sessions have already been held since I initiated the program.

CountyStat has added value by enforcing "results-based accountability" and empowering the departments to make "data-driven" decisions. This has saved the County tens of millions of dollars. In fact, over the past five years, through the efforts of our CountyStat project and department management, the County has reduced projected overtime expenses in Police, Fire & Rescue, Transportation, and Corrections by over \$46 million. Also through CountyStat efforts, the County has saved over \$8 million on printing over the last three years, reducing paper use by 55 million sheets of paper. That's equivalent to sparing 3,000 trees.

Our new **openMontgomery** program is a major advance in the County's open government efforts that will significantly improve government transparency, accessibility and efficiency. It establishes our County as among the leaders in Open Government in the entire nation. Our digital roadmap will guide the County's efforts to deliver better services using modern tools and technologies; a new open data website that will provide constituents with convenient access to a growing variety of information; a new social media platform to

encourage public participation on key County issues; and, new mobile versions of the County's award-winning web portal, MC311 website, and Storm Operations website.

The website includes four distinct portals:

accessMontgomery (<http://montgomerycountymd.gov/access>) provides convenient links to existing digital services related to accountability, accessibility and transparency, such as MC311 as well as CountyStat performance tracking. It also includes direct links to internal audits, spending disclosures, contracts, open solicitations, budgets, and free WiFi locations in the County;

dataMontgomery (<https://data.montgomerycountymd.gov>) provides direct access to disaggregate data sets, which include employee salaries, cable inspections and complaints, residential and commercial building permits, food service inspections, hospitals, schools, fire stations, post offices, real property taxes and MC311 requests. The data is available for viewing, and can be sorted and consumed in various ways, including by individuals and businesses in the development of smart phone and other applications. Resulting applications will provide value to residents and better connect them to County services.

engageMontgomery (<http://engage.montgomerycountymd.gov>) is the new social media platform that serves as an informal online Town Hall Meeting or a place where people can share ideas on ways to improve the community

mobileMontgomery (<http://montgomerycountymd.gov/mobile>) offers a listing of the County's mobile sites such as MC311 and Transportation's Storm Operations with directions on how to bookmark them, as well as apps such as Library BookMyne, Crime Reports and RideOn Real Time that can be used anytime and anywhere.

Our weekly Spanish-language radio show "Montgomery Al Dia" – presented on Radio America -- has been enormously successful in reaching out to County residents with timely information about County programs, services and public policy issues. It is also replayed, with video, on County Cable Montgomery and available on YouTube.

Our Office of Public Information continued during 2012 to promote the County's new bag law to encourage reusable bags and also to implement a public education campaign on the County's Emergency Medical Services Transport Reimbursement Program, emphasizing the importance of calling "911" and that no County resident would pay anything additional or even receive a bill. The Office of Public Information also played the lead role in education and advocacy efforts around Question B on the November ballot, at which time County voters -- by a 58 percent majority -- supported the County Council's repeal of "effects bargaining" for County police officers.

Accountability also includes making sure County residents and businesses have access to reliable supplies of electricity.

Montgomery County intervened with the Maryland Public Service Commission to contest a \$60 million rate increase request from Pepco. Using the 192-page report and recommendations compiled by my **Pepco Work Group**, the County contributed significantly to the PSC's decision to fine Pepco for its lack of reliable service and to deny most of their rate increase, saving County residents and businesses tens of millions of dollars. In

late 2012, Pepco requested yet another rate increase. I have directed the County Attorney, once again, to aggressively oppose this request.

I have worked to implement, maintain, and expand the Rewarding Excellence Program that encourages and promotes new, innovative ideas, concepts and strategies for the cost effective delivery of County services and products. The program rewards bargaining unit employees, general salary schedule employees and first-line supervisors for sustainable implemented recommendations that improve efficiency, increase productivity, reduce costs, streamline operations, and enhance customer satisfaction. When cost savings are realized, employees receive a portion of the cost savings in the form of a bonus.

The Rewarding Excellence program has approved employee proposals with savings totaling \$860,000 to date. The first award went to the “Scrap Metal Optimization” team of the Division of Traffic Engineering and Operations, which demonstrated over \$16,000 in cost savings by separating and selling their scrap metal and aluminum and ceasing to pay a contractor to haul the metals away as trash.

This past November, Montgomery County voters also overwhelmingly approved an amendment to the County Charter to allow for the non-competitive appointment of qualified persons with disabilities to County merit system positions.

Safe streets and secure neighborhoods

Maintaining safe streets and secure neighborhoods is vital to the well-being and quality of life for Montgomery County residents.

As part of my Smart Growth Initiative, the Police Department, the Fire & Rescue Service, and Office of Emergency Preparedness and Homeland Security are now located together at our New Public Safety Headquarters (PSHQ) at 100 Edison Park Drive in Gaithersburg. The new Police crime lab and DNA lab makes that facility arguably the best in the state. By late spring of 2013, the 1st District police station, currently located on Seven Locks Road in Rockville, will have moved into the PSHQ and completed the relocation of a full complement of public safety agencies to one facility.

From 2007, when I first assumed office, through the end of 2012, crime in Montgomery County has fallen by nearly 19 percent. Serious crime is down almost 28 percent.

Still, that is not good enough. That’s why, last year, I began the first phase of a three-year effort to boost the number of police officers by 120. In 2012, I added 43 positions.

Our Health & Human Services Department, the Police, and the Recreation Department, working closely with community groups, continued to pursue my Positive Youth Development initiative which seeks to provide positive opportunities for at-risk youth, as well as intervention to keep kids out of gangs and prevent gang activity.

The program is showing good results.

Gang-related crime is down nearly 50 percent since I took office, plummeting from 507 incidents in 2007 to 250 in 2012. We have not had a gang-related homicide in more than two years.

Another area where we've seen significant progress is in thefts from vehicles. Those numbers dropped from over 10,000 in 2008 to a little over 5,000 in 2012. That's about a 50 percent reduction from 2008 to 2012.

The number of fatal automobile collisions in the County declined for the third year in a row, from 41 in 2010 to 32 in 2011 to 25 in 2012 – nearly a 40 percent decrease over three years.

Construction is underway on a much needed, new state-of-the-art Animal Services and Adoption Center on Muncaster Mill Road in Gaithersburg, as well as a new 3rd District police station on Milestone Drive in Silver Spring. Both of these new facilities should be operational by the fall of 2013.

Our five-year investment in pedestrian safety, based on the comprehensive blueprint for action I advanced in 2007, is paying off. This initiative provides additional focus, research and resources to reduce pedestrian collisions and improve walkability in the County. Engineering, enforcement and education activities—the so called “3Es” of pedestrian safety—are undertaken by various divisions within the Department of Transportation and the Police Department, with support by the Office of Public Information.

We have:

- Reduced pedestrian fatalities from a high of 19 fatalities in 2008 to 11 in 2011 and six in 2012.
- Reduced the most severe collisions that incapacitate or kill pedestrians by 21 percent since 2009.
- Reduced collisions 35 percent in areas where traffic calming measures have been installed.
- Reduced collisions by 45 percent in High Incidence Areas -- locations with the highest concentrations of collisions, and
- Reduced collisions by 72 percent within a quarter mile of schools targeted for engineering, education and enforcement activities under the Safe Routes to Schools program.

The Initiative outlined an approach to pedestrian and traffic safety that focused on education, enforcement and engineering. It significantly enhanced the County's investments first, in educating motorists and pedestrians; second, in keeping enforcement efforts visible and intensive; and third, applying the most innovative road engineering designs. Most activities were focused on 10 “hotspots” where data showed pedestrian collisions were highest.

Toward that end, the Department of Transportation constructed 26,694 linear feet of new sidewalk; reconstructed 28,246 linear feet of non-compliant sidewalks and ramps to meet ADA specifications; and installed 11,356 linear feet of new sidewalk connections to bus stops along with 16,254 square feet of concrete bus stop pads.

Our Fire & Rescue Service deploys more than 2,000 career and volunteer personnel at 36 fire stations throughout the County. The Service processes an average of 110,000 emergency calls annually, more than 75 percent of them EMS-related.

Under my administration, Fire & Rescue has made substantial improvements in protecting the lives and property of County residents, notwithstanding resource limitations – and the numbers show it.

According to an analysis this year by CountyStat, the percentage of residential fires confined to room of origin went up from 63 percent to 82 percent over the last four years. Response time in critical fire calls within six minutes improved in urban areas of the County from 25 percent to 56 percent, in suburban areas up from 11 percent to 33 percent, and in rural areas up from zero percent to 10 percent.

Overall, response times to fires decreased by more than two minutes. For the most serious fires, response times dropped from 7.2 minutes to less than three minutes.

Response time to Advanced Life Support calls within eight minutes improved in urban areas from 38 percent to 62 percent, in suburban areas from 31 percent to 51 percent, and in rural areas from 11 percent to 26 percent.

Montgomery went from 13 civilian fire deaths in 2007 to only one in 2012. That represents a 92 percent reduction. Fire injuries are also down significantly.

The causes for progress include investment in four-person staffing, opening more fire stations upcounty, improved phone-to-dispatch procedures, and continuing public education.

MCFRS placed a new 3,500-gallon tanker in service at Germantown-Kingsview Station 22 and placed the reserve tanker at Germantown-Milestone Station 34. The department now has seven frontline tankers and one reserve tanker to improve its rural water supply capabilities. The Travilah Fire Station, under construction since late FY12, will open in FY14. "Station 32," located at Darnestown Road and Shady Grove Road, will allow for the strategic deployment of fire-rescue resources in a high-density, growing area where response times have been consistently higher than response time goals established by the County.

MCFRS has been awarded a Staffing for Adequate Fire and Emergency Response (SAFER) Grant by the U.S. Department of Homeland Security. The grant will allow for the hiring of 23 career firefighters who will be deployed in accordance with MCFRS staffing priorities, including the restoration of services (i.e., an aerial unit in Battalion 1) and staffing of an EMS unit in the N. Potomac/Darnestown area. The number of volunteer firefighters who have been trained and certified to provide minimum staffing on suppression apparatus has increased by 32 over FY11. In addition, over 350 County residents received training and became members of the Community Emergency Response Team.

Recently, our Fire & Rescue Service received an updated rating from Insurance Services Office Inc., which serves insurance companies and regulators with information on risks as they relate to structural fires. This upgrade could mean a reduction in commercial fire insurance rates of up to 3.5 percent for businesses and one percent for residential fire insurance.

Again, this is proof that our investment in our Fire & Rescue Service is paying off big-time.

Thanks to our Emergency Medical Services Transport reimbursement program, approved by the County Council last year and supported by career firefighters and volunteers alike, the County will have up to \$18 million more annually dedicated to meeting critical Fire & Rescue Service needs. That translates to more staffing, more ambulances – and even better response times – at no additional cost to County residents.

Our Department of Correction and Rehabilitation continues to be a national leader, one of fewer than 130 agencies out of 3,320 to hold a 100 percent compliance with American Correctional Association standards. As a result of meeting the highest level of correctional standards, litigation is virtually nonexistent in our adult

correctional system. Our model Pre-Release and Reentry program not only continues to win national attention, it also saves County taxpayers millions of dollars a year.

Montgomery County's Office of Consumer Protection (OCP) has entered its fourth decade as a law enforcement agency dedicated to ensuring integrity in our marketplace.

OCP coordinated the efforts of Montgomery County's Special Counsel to intervene in several cases before the Maryland Public Service Commission regarding PEPCO's performance and resolved hundreds of individual complaints.

The Office of Emergency Management and Homeland Security has developed Continuity of Operations Plans for every County department and expanded the Alert Montgomery system which now has over 250,000 devices registered to receive alerts. They also published a series of emergency preparedness materials aimed at homeowners, businesses, seniors, and the like.

On June 29 of last year, Montgomery was raked by a sudden "derecho" storm which left 232,400 PEPCO customers in the County without power and knocked out 500 of the County's 800 traffic signals.

During the week that included the severe storm -- and its aftermath—I worked to accomplish two things: first, to hold PEPCO accountable and push them by all available means to restore power as quickly as possible, and, second, to use all County resources to address the impacts of the storm and protect the most vulnerable.

As I traveled through our neighborhoods, talking with homeowners and seniors in buildings without power, reallocating County resources to get the most impact, and working the phones with residents and with Pepco, I was struck by the strength, the determination, and the generosity of County residents. We all pitched in, under uncomfortable circumstances, to take care of our families and touch base with our neighbors.

Thousands of County employees worked tirelessly from the initial Friday evening storm until final restoration – Police, Fire & Rescue, road crews, nurses, library and recreation employees, 911 and 311 call takers, and more.

On a typical Friday evening from 9 p.m. to 6 a.m. the County might receive about 800 calls to our 911 number. During this time period beginning Friday the 29th, the County 911 Center received over 3,200 calls. Our 311 Call Center handled over 12,000 calls during the period, serving County residents while relieving pressure on our 911 operators so they could handle emergencies. Immediately after the storm, police began staffing critical intersections without working signals. By Monday morning, July 2, Police were staffing the busiest intersections in the County. The Governor assisted by assigning Maryland State troopers and Transportation support to help control traffic at many intersections throughout the County.

The day following the late-night storm, the County opened and staffed three cooling shelters that operated 24/7 with support from the Red Cross to provide residents with food, water and medical support. These shelters provided over a thousand meals to hundreds of residents in need. County staff transported the elderly to the shelter when they needed assistance. Police and Fire & Rescue personnel knocked on the doors of many of our most vulnerable to check on their status.

I also contacted all of the owners and property managers of multi-family buildings to urge them to re-check the safety of residents without power, especially seniors.

After that initial Friday night, many County facilities operated with extended hours to also serve the public as cooling centers. On the 4th of July, when recreation centers and libraries are typically closed, I directed that the County keep some of these facilities open as cooling centers. We also opened the County Transfer Station on the 4th so that residents could drop off debris.

The storm produced over 130 road closures and hundreds more downed trees on public property. The County sent out crews to clear trees and specifically allocated 16 teams to work with PEPCO -- allowing our tree removal crews to clear roadways as soon as power lines, often entangled in those trees, were safely de-powered.

In the aftermath, I directed County road crews and outside contractors to systematically pick up tree debris from County right-of-ways along County-maintained roads.

I am proud that Montgomery County government kept working throughout this time. Due to power outages, we had to relocate departments such as Permitting Services. Montgomery County Government had 71 facilities without power on Monday July 2, and even though some services were impacted and some buildings could not open, every department opened in some capacity and most with minimal to no interruption in service to our residents. Even our buses, though sometimes delayed and sometimes detoured by debris, continued to operate.

And, of course, communication was key. As the storm approached, the 250,000 electronic devices that subscribe to the County's "Alert Montgomery" received advance notice of what was coming. "Alert Montgomery" messages continued throughout the week. The County's Office of Public Information handled an estimated 400 media inquiries – pushing out emergency information through two dozen press releases that were used word-for-word by TV and radio outlets. The County website was updated with the latest information. Public Information also used the County's "Paperless Airplane" email list to reach 150,000 County households and constantly pumped out information via Twitter and Facebook.

PEPCO's performance in preparing for the storm, restoring power, and communicating with County residents was abysmal. During the aftermath, I used any and all means to push PEPCO for restoration of power as soon as possible.

This was a continuation of my efforts to hold PEPCO accountable.

An effective and efficient transportation network

Our Department of Transportation continued its valuable work during 2012.

Our Division of Highway Services utilized state of the art software to improve pavement management. This information provides for an analysis of pavement conditions and treatment options, both now and in the future. Under the division's road resurfacing programs, crews and contractors resurfaced or otherwise conducted preventive maintenance on 332 lane miles of roadway, 27 lane miles of curb and gutter repairs, and 34 lane miles of sidewalk repairs.

Under the American Recovery and Reinvestment Act (ARRA) federal stimulus program, the County received more than \$6.7 million to complete seven resurfacing projects on arterial roads. Roadway rehabilitation, patch and resurfacing repairs were completed in three neighborhoods in the Forest Glen area, along with a smaller

neighborhood called Hoyles Addition Subdivision. The work in Forest Glen Estates involved 17 lane miles of restored roads, curbs, gutters, and sidewalks at a total cost of about \$5.5 million. In FY12, the program completed road reconstruction work in the Brookmont neighborhood and began work in Franklin Knolls.

Among the maintenance and repair works of the division was using hot mix asphalt resurfacing 20 lane miles of primary streets at a total cost of \$2.2 million. Crews also micro-sealed 37 lane miles of roads at a total cost of \$2.3 million. The division resurfaced 60 lane miles of rural roads, patched 83 lane miles, rehabilitated 12 lane miles, and slurried 36 lane miles of the residential streets or subdivisions at a total cost of \$7.3 million.

A total of 11 winter storm events occurred during the 2011-2012 season with accumulation of 9.25-inches of freezing rain, ice or snow. Each County truck and all County contractors were equipped with a GPS navigation device that was programmed with all 220 County plow routes. This system is designed to build efficiencies in the program and minimize missed streets. The division responded swiftly to the unanticipated “derecho” windstorm on June 29, 2012. Thousands of trees were blown down and utility lines damaged. Depot crews joined PEPCO tree and overhead line crews to clear approximately 200 roads closed countywide. The Depots and supporting contract crews continued to remove tree debris from within County right-of-way for several weeks after the storm hit, including a county-wide neighborhood sweep in which residents could place their storm-related tree debris on the edge of the road for pick-up by Highway crews. Highway submitted nearly \$8 million in damage claims from this exceptionally devastating early summer storm. If all records are accepted, the County stands to receive a reimbursement of 75 percent of County expenses from the state.

Later in the year, Tropical Storm Irene, remnants of Tropical Storm Lee, and Hurricane Sandy required the full activation of highway crews along with tree-related contractual support.

To provide better information to residents during a snow storm, MCDOT, in partnership with the Department of Technology Services, upgraded its existing website map which provides up-to-date information on snow plowing progress. The map shows the progress of snow plows throughout the County and indicates when emergency, primary and neighborhood streets have been cleared. This website initiative proved so popular that the department now maintains it year round to provide information on response to any type of storm in progress.

Major improvements made to the County’s transportation infrastructure include:

- BRAC - Jones Bridge Bike Path (\$400,000)
- BRAC - West Cedar Lane Bike Path (\$800,000)
- Bridge Paint #6 (\$500,000)
- Cedar Lane Bridge(\$3,100,000)
- Father Hurley Boulevard (\$11,000,000)
- Henderson Avenue Storm Drain (\$900,000)
- Nebel Street Extended (\$300,000)
- Watkins Mill Road (\$3,900,000)
- White Ground Road Bridge (\$900,000)
- Woodfield Road Extended (\$6,000,000)
- TOTAL of all above projects: \$27,800,000

Major Transportation Projects Planned – Construction will be starting or continuing in FY13 and beyond on the following major projects.

- Century Boulevard (\$11,000,000)
- Dale Drive at Colesville Road (\$1,800,00)
- Dale Drive Sidewalk (\$4,100,000)
- East Gude Drive Bridge (\$2,000,000)
- Greentree Road Sidewalk (2,500,000)
- MacArthur Boulevard Bikeway – Segment 2 (\$6,500,000)
- MD355 Crossing (\$68,000,000)
- Montrose Bikepath (\$400,000)
- Shady Grove Metro Access (bicycle) (\$1,800,000)
- Stringtown Road (East of MD-355) (\$7,500,000)
- Whites Ferry Road Bridges (\$2,000,000)
- TOTAL of all major and lesser projects: \$110,200,000

Conversion of the County’s aging automated traffic signal management system was completed, with all of the system’s 800 signals converted by the end of FY12. In a step to enhance signal reliability for short-term power outages, the division began to install Uninterruptible Power Supplies/Battery Back-Up (UPS/BBU) units in selected traffic signals. The battery back-up will allow a signal to operate for eight to 10 hours until power is restored. The total traffic signals outfitted by these at the close of 2012 stood at 154 out of 794. The Division of Highway Services is also evaluating various strategies and technologies as a means to keep signals functioning even longer.

In FY10, the division conducted a pilot project to evaluate a parking payment method that allows customers to use their cell phone to pay for parking at metered spaces. After successful testing, the program was activated in all four of the parking lot districts. Approximately 11,560 parking meters now allow customers to pay-by-cell. More than 80,000 transactions are now occurring each month via this payment method.

The new Ride On Route 94 service known as the Germantown MARC Shuttle was initiated. The shuttle provides a link between the Kingsview Park and Ride Lot and the MARC station for commuters. Ride On continues to pursue new technologies available on new vehicle purchases to reduce emissions, including clean diesel fueled buses. The bus fleet is becoming more environmentally friendly with nearly two-thirds of the total fleet now hybrid, compressed natural gas, or clean diesel.

Ride On implemented an automated transit information system, called Ride On Real Time, to provide automated real-time bus information on the web, on PDAs and cell phones, and at transit stations. This new system allows passengers to obtain real-time information on bus arrivals using the Internet, texting, or applications for Android or iPhones. The new tool helps passengers determine when the next arriving bus will be at their stop.

Our work continues to accommodate the move of Walter Reed Medical Center to the National Naval Medical Center. A separated crossing under MD 355/Wisconsin Avenue-Rockville Pike will include high speed elevators connecting the Navy Medical Center directly to the Metrorail station. It will facilitate safer and easier travel to the Medical Center for patients, service members, civilian employees and adjacent residents. The Division of Transportation Engineering is currently carrying out the preliminary design of the project, working in cooperation with the Maryland State Highway Administration, the Washington Metropolitan Area Transit

authority, the National Institutes of Health, the Federal Highway Administration's Delmar Division, and the Department of the Navy's Naval District Washington.

The cost of the project is projected to be \$68.2 million, of which \$28.2 million is funded by Defense Access Road Program, and \$40 millions from the Department of Defense funds.

In FY 11, I formed a Transit Task Force to study the feasibility of developing a Rapid Transit System (RTS) to serve the County Following the groundbreaking MCDOT study on the feasibility of RTS. In May 2012 the task force released its report for a Countywide RTS. Both the MCDOT Study and the Task Force Report recommend a network of rapid transit system corridors throughout the County. The Planning Board initiated a Countywide Corridors Functional Master Plan process in the fall of 2011 to examine the RTS corridors and to draft a Functional Master Plan to include the RTS system. The Staff Draft Plan is expected in the spring, 2013.

The Transportation Planning Board approved Montgomery County for a two-year, \$1.3 million Job Access Reverse Commute grant from the US Federal Transit Administration in June 2011. The funds will support a pilot test of bikesharing in the Rockville/Shady Grove area. The program is designed to provide linkages to transit, jobs, and job training for low income residents and employees, and to provide connections to suburban employment sites. In FY12 the division worked toward execution of a contract with Alta Bicycle Share, the Capital BikeShare vendor. Transit staff also coordinated with other jurisdictions involved with Capital BikeShare to address issues regarding operations and policies leading to implementation of the program. Earlier in FY12, MCDOT was informed that it will receive \$1 million in capital funding from the State Department of Transportation to establish the Lower Montgomery County BikeShare Network. Additional private sector matching funds of \$252,000 will fund equipment for that network.

A strong and vibrant economy

Montgomery County jobs increased by 44,000 – or eight percent – between 2001 and 2010, 60 percent higher than the national job growth average over that same period.

Montgomery County continues to have one of the lowest unemployment rates in the nation. The County remains one of the most important centers of biotechnology and life sciences in the world – with MedImmune, Human Genome Sciences and with an expanded Johns Hopkins University.

The County is laying the groundwork to move forward once the economic downturn passes by making visionary investments in the Greater Seneca Science Corridor, in transforming the White Flint and Shady Grove areas with transit-oriented development, and in a future East County Life Sciences Center. All told, these developments could mean 100,000 new jobs in the future for our County.

Just take a look at how our balanced approach to addressing these difficulties has helped bring us out of the worst of this economic crisis.

Despite the lingering recession, over the last three years we have seen a 3.4 percent increase in jobs in the County. Our unemployment rate has dropped 15 percent over the last two years.

The construction of new residential units in Montgomery County increased by more than 150 percent over the last three years. Non-residential construction starts – and their value – have doubled between 2009 and 2012. Median home prices are up about five percent in the last year.

And the value of taxable property – the County’s tax base – increased by almost 30 percent in the last five years.

The Montgomery County Department of Economic Development (DED) was busy throughout 2012 working to support many business openings, initiatives and successes.

Highlights of this activity include:

- **Clean Currents** – an independent, green energy wind power company, graduated from the County’s Rockville Innovation Center and moved to expanded headquarters in Silver Spring;
 - **Digital Management, Inc.** – this Inc. 500 IT solutions and business strategy consulting firm celebrated the opening of its new world headquarters in Bethesda. It has 800 global employees with had more than \$100 million in revenue in 2012;
 - **Digital Receiver Technology, Inc.** – a wholly-owned subsidiary of The Boeing Company since 2008, celebrated the opening of its new 162,000-square-foot world headquarters in Germantown, housing nearly 400 employees;
 - **Federal Capital Partners** – relocated its headquarters to Chevy Chase, bringing nearly 30 new jobs to the County;
- * **InvestMaryland** – Bethesda-based Brainscope received a \$250,000 investment, the first from the state’s \$84 million venture capital initiative;
- * **Montgomery County Biotech Investment Tax Credit Program** – the first ten local companies received nearly \$6 million from 59 investors, who received \$500,000 in County tax credits for investment in Montgomery-based companies.
- **National Cybersecurity Center of Excellence** – U.S. Senator Barbara Mikulski secured \$10 million in federal appropriations as part of the National Institute of Standards and Technology’s FY12 budget to create this new Center in Gaithersburg to encourage cybersecurity-related technology transfers;
 - **National Recognition** – the national spotlight shined brightly on Montgomery County in 2012, as 11 local companies made Inc.’s Top 500 Fastest Growing Companies list, over 30 made Inc.’s Top 5000 Fastest Growing Companies list, and Money Magazine named Bethesda the nation’s top earning town and Gaithersburg and Germantown ranked in the Top 25 on its Top 100 Best Places to Live list, just to name a few;
 - **New Farmer Pilot Project** – launched last summer, this unique program trains and mentors new farmers by allowing them to lease individual, long-term farm sites to support agricultural

entrepreneurship in Montgomery County;

- **Pike & Rose** – ground was broken for Maryland’s first “Fast Track” approved project, featuring 24 acres of retail, housing and office transit-oriented development in White Flint;
- **Rockville Women’s Business Center** – established with support from Montgomery County, celebrated its two-year anniversary and has served over 1,000 women-owned businesses in that time;
- **Duball Project** -- two high-rise towers in Rockville Town Square with 485 residences, a 140-room Cambria Suites hotel, 40,000 square feet of retail, and 1,000 parking spaces, supported by the County and the City of Rockville.
- **Social & Scientific Systems, Inc.** – signed a lease to maintain its headquarters and 300 full-time employees in Silver Spring through at least 2023.
- **Sodexo** – renewed the lease on its North American headquarters in Gaithersburg, keeping 567 current, full-time, quality jobs in Montgomery County for at least another decade, with plans to add 50 new jobs over the next three years;
- **Targeted Business Support Programs** – DED continued, launched or supported numerous programs to help the growth and success of local businesses including: the Tech Transfer Speakers Series; Health IT Breakfast Forums; Global Trade Forums; Federal Markets & Property Summit; Bagels & Business procurement breakfasts; Meet the Lenders financing seminars; Business Mentorship Program; Women’s Power Conference; Innovation to Commercialization Federal Lab Tech Transfer Conference and more.

This is just a sampling of the many initiatives, programs and successes we have been fortunate to witness across the County during 2012. They demonstrate the resilient, robust nature of our local business community.

Other County programs and initiatives, like our Small Business Revolving Loan Fund, Local Small Business Reserve Program, and Economic Development Fund and related strategic tax and incentive programs, also demonstrate Montgomery County’s commitment to stimulating continued job and economic growth in 2013 and beyond.

Healthy and sustainable communities

Protecting the most vulnerable in our midst during this economic downturn is a practical and moral necessity. Despite tough fiscal times, Montgomery County has maintained, stretched, and restructured our safety net to meet increased need, with much of the burden borne by our Department of Health & Human Services.

Through our “Montgomery Cares” program, the County provided primary care, medications, specialty care, limited dental care, and mental health services to more than 27,814 different uninsured adults, 18 and older, who have income under 250 percent of the federal poverty level. Our Maternity Partnership Program provides prenatal and postpartum services for uninsured, low-income women to ensure healthy birth outcomes. Clinical services are provided through Holy Cross, Washington Adventist, and Shady Grove Adventist Hospitals. The program includes prenatal care, nurse case management, prenatal classes, and dental services for pregnant women, and delivery payment to participating physicians. More than 94 percent of newborns born to mothers

enrolled in this program have a healthy birth weight, a level similar to that for non-high risk deliveries in the County and state.

Our “Care for Kids” program last year linked children to primary health care services, prescriptions and limited specialty care. Children up to age 19 who are uninsured and whose families have incomes below 250 percent of the federal poverty level are eligible. The County dental program provided dental care and the County also served over 2,000 women in the Women’s Cancer Control Program, which provides mammograms, breast exams, pelvic exams and pap smears through contracts with medical providers. Women with abnormal results are case managed for further diagnosis and linked with the state’s program for treatment if necessary.

Our Adult Protective Services, providing help to seniors and vulnerable adults, saw a five percent increase in investigations. Of the cases investigated: 63 percent involved self-neglect, 16 percent neglect by caregivers/others, 10 percent financial exploitation, and 10 percent physical abuse. Of the cases investigated, 69 percent involved persons age 65 and older. The County also provided supported employment, vocational training, day programs, individual and family support services, and residential placement services through our Developmental Disability Supplement.

Child Welfare Services focused on maintaining children with their own families or with relatives when they had to be removed from their home for safety reasons. In FY12, 2,945 new investigations opened, a 14 percent increase over the previous year.

The Street Outreach Network continues its prevention work serving 236 high risk and gang involved youth. In addition, 227 young people participated in positive youth development groups that focus on Latinos, African-Americans, and multi-ethnic groups. Through collaborations with local non-profits, a total of 217 high risk and gang-involved youth were served at both the Crossroads Youth Opportunity Center and Up County Opportunity Center.

In response to the growing need for training for child care providers, the Children’s Resource Center staff provided assistance to 922 programs in FY12 and responded to 1,823 phone calls related to quality improvement for child care providers. The center supported 84 child care providers pursuing an AA in Early Childhood Education at Montgomery College with scholarship, mentoring and career counseling. We supported 60 child care providers with scholarships, coaching and resources and offered 141 classes to the child care community, resulting in 2,554 training slots filled.

The number of children served in the Infants and Toddlers Program increased by 11.5 percent in FY12. The number of children served through ChildLink in FY12 was 2,845, resulting in 3,010 referrals for services. The Early Childhood Mental Health Project served 55 child care programs, providing on-site Mental Health Consultations and completing 417 phone consultations.

Income Supports saw another year of increases in overall applications (3 percent increase from FY11) and caseloads (7 percent increase from FY11). A wait list was in effect for the state Child Care Subsidy program for the entire fiscal year with over 2,000 children waiting for services. The County’s Working Parents Assistance Program began the fiscal year with a wait list. It was lifted the last quarter but families continue to struggle with the additional out of pocket costs.

In our Aging & Disability Services, Money Follows the Person (MFP) and the Older Adult Waiver attempted to “re-balance” the funding of services to disabled adults away from institutional settings and towards community-based care. Aging and Disability served over 550 individuals through this program—a 22 percent increase over

the previous year. The County supported the successful passage of House Bill 1257, concerning the protection of elder adults from financial abuse. Referrals of suspected financial exploitation from banking institutions have increased by 33 percent since the passage of this legislation.

My Senior Subcabinet on Vital Aging continues to lead the public/private efforts to address the needs of the growing older adult population. This year I endorsed -- and the County Council passed -- "The Senior Agenda," developed by the Commission on Aging, as a blueprint for making Montgomery County "A Community for A Lifetime."

During FY12, the Community Support Network (CSN) for Individuals with Developmental Disabilities expanded services to an additional 528 individuals, many of whom had been on the waiting list for several years. CSN staff serve 3,266 clients from three locations.

In Behavioral Health & Crisis Services, our Crisis Center completed four 40-hour training modules of Crisis Intervention Training for Montgomery County Police, the Sheriff's office and Corrections personnel to help prepare law enforcement to successfully intervene with severely mentally ill consumers. Our Core Services Agency is providing the Veteran's Administration (VA) with office space inside the Crisis Center at 1301 Piccard Drive in Rockville. The VA reports they see on average 10-20 veterans per week, many of whom they would not otherwise have seen.

Homelessness in Montgomery County decreased 13.3 percent in 2012 from the previous year. The number of unsheltered homeless adults decreased by 42 percent. One important factor is our award-winning "Housing First" initiative, which aims to rapidly re-house individuals and families, and address service needs once in permanent housing. Two hundred forty-nine families and 480 individuals were placed in permanent housing in 2012. In 2012, there was an increase of 115 permanent supportive housing beds from 1,592 in 2011 to 1,707 in 2012.

Montgomery County, in partnership with the City of Gaithersburg, held the first "Homeless Resource Day" as a way to reach out to residents experiencing homelessness and connect them with needed community resources and supports. More than 300 people attended this successful event and were able to receive health screenings, registration for mainstream benefits, legal assistance, employment, haircuts and more.

Our Public Health Services established a partnership between the HIV Program and the Montgomery Cares Program to provide comprehensive care to HIV-infected persons. The County's Dennis Avenue Clinic provides specialty HIV care and the Montgomery Cares safety net clinics provide needed primary care.

Our County received the "Best in Category" award from the National Association of Counties for the "Safe Transitions" program, in which Montgomery Cares nurses work with hospitals to assure the homeless have a coordinated and safe hospital discharge program.

The County administered 11,395 doses of flu vaccine during the 2011-2012 influenza season, using an online appointment system for the flu clinics. The County provided 3,319 breast cancer screening and diagnostic procedures for low income, uninsured County residents through the Women's Cancer Control Program. We provided case management for over 14,000 pregnant teens, women and infants, and children with identified chronic health conditions including asthma, diabetes and anaphylaxis. The County screened 278 residents for colorectal cancer through the Montgomery County Cancer Crusade program.

School Health Services, working with the Montgomery County Public Schools (MCPS) and the Department of General Services, received a \$493,000 grant to plan and construct an additional School Based Health Center at Highland Elementary School that will also serve students at Arcola Elementary School as part of a multi-year plan. Highland's new School Based Health Center opened in August 2012, bringing to eight the number of School Based Health and Wellness Centers.

Health & Human Services' Community Service Office expanded access to the Community Action Agency's Volunteer Income Tax Assistance partnership to 1,868 low-income households, returning over \$4 million in refunds and credits last year.

In total, the three minority health programs reached 20,000 County residents on topics ranging from cancer screenings, diabetes, asthma, heart health and tobacco control to HIV/AIDS.

The African American Health Program's (AAHP) "Testing by the Hundreds" HIV campaign exceeded its goal of educating and testing 1,000 African Americans and people of African descent in Montgomery County to mark National HIV Testing Day. The Asian American Health Initiative successfully implemented a series of training workshops aimed to build the capacity and sustainability of community organizations. The Latino Health Initiative, African American Health Program, and the Asian Health Initiative worked collaboratively to conduct presentations at the 139th annual American Public Health Association meeting's session, "Diverse Communities Working to Achieve Better Health."

Among other highlights:

- Provided hepatitis B education, screening, vaccination and treatment referrals in a culturally and linguistically competent manner to 540 community members. Successfully offered technical assistance to various partners within the Chinese, Vietnamese and Korean community to provide these hepatitis B prevention services.
- The Latino Health Initiative's *Ama Tu Vida* festival provided over 2,500 free medical screenings and follow-up assistance.
- Provided education through the Latino Health Initiative Asthma program to 36 parents/caregivers who reported a 96 percent increase in their their ability to manage their children's asthma and a decrease in emergency room visits of almost 60 percent, a decrease in hospitalizations by 100 percent and a reduction in school days missed by 43 percent.
- Continued to achieve outstanding results at the Suburban Maryland Welcome Back Center including eight foreign-trained nurses who obtained the Maryland registered nurse (RN) license and joined the health workforce in Maryland. Salaries increased an average of 216 percent from the time entering the program until hired as RNs.
- The African American Health Program's HIV prevention services provided comprehensive prevention education to 700 residents in non-health care settings and provided HIV screenings for 1,000 residents.

Further efforts to combat the impact of health disparities in Montgomery County are reflected in the recent Health Enterprise Zone proposal.

Montgomery County is leading the way to improving water quality in our local watersheds and the Chesapeake Bay. We are the only jurisdiction in the State of Maryland with an MS4 Stormwater Permit (a provision of the Clean Water Act) that sets limits on both trash and litter reduction. To achieve the ambitious goals that have been set, we have implemented a Bag Law that is reducing plastic bag litter, installing innovative rainscapes on public property and providing incentives for private properties to do the same, ensuring our stormwater management system is healthy and restoring our streams.

The County's Solid Waste Services programs supported the recycling and reuse of over 700,000 tons of material per year, with none of the municipal solid waste handled by the County going to a landfill. We established a new, higher recycling goal to reduce waste and recycle 70 % of the waste stream by 2020 – this is the highest such goal in the region, and among the highest in the United States. And our Department of Environmental Protection managed over 100,000 cubic yards of tree debris and thousands of extra customers as a result of the derecho that hit June 29.

On January 1, 2012, the County's Bag Law went into effect with the goal of reducing bag litter that is the main component of trash in County streams. The law encourages residents to bring reusable bags when they shop by charging a five-cent fee on each paper or plastic carryout bag provided by most retailers. Retailers retain one-cent of each five-cent charge. All revenues from the Bag Law are dedicated to the Water Quality Protection Charge fund that is used exclusively to improve water quality in the County.

After one year, 1,011 retailers had registered, collecting \$2.3 million for 57.8 million disposable bags. This means County residents are using only 1.1 bags per person per week compared to the national average of 6.25 bags per person per week.

Environmental groups engaged in stream clean ups since the Bag Law was enacted are reporting a significant reduction in plastic bag litter in County streams.

Affordable housing in an inclusive community

During the past year, notwithstanding the fiscal challenges, I have maintained a focus on creating and preserving affordable housing in the County.

We have recommended a revised and updated Housing Policy to the County Council that emphasizes our goals to:

1. Preserve existing housing stock
2. Support development of new transit-oriented housing
3. Increase the number of affordable housing units
4. Protect the of County's residential neighborhoods
5. Strive to prevent homelessness and find homes for those in need.

We have increased County investment in affordable housing by providing \$206 million to the Housing Initiative Fund over the past six years, enabling County partnerships with both for-profit and non-profit entities to increase availability of affordable housing and preserve existing housing.

We constructed or preserved nearly 8,000 affordable housing units in the past six years – even as we were sailing upstream against the national recession. And the County preserved affordability for another 6,000 working families with rental assistance.

In addition, the County has been one of the most successful local jurisdictions anywhere in America at heading off foreclosures, conducting nearly 400 workshops and counseling over 13,000 County residents.

In addition, 2012 was the first full year of my Code Enforcement Reform changes that further restrict the encroachment and expansion of home occupations into residential neighborhoods, limit the paving of front yards and limit heavy commercial vehicles and small tow trucks in residential zones.

As part of the County's senior initiative, DHCA has been actively pursuing the development of four multi-family developments designed to serve senior populations. These developments will be centrally located in areas close to transit and commercial activity. Our "Focused Neighborhood Assistance Areas" program, using Community Development Block Grant funds, is addressing the needs of older neighborhoods in the County. One has been completed in Glenmont, another is nearing completion in Germantown (Cinnamon Woods) and a new program is beginning in Montgomery Village (McKendree). The County successfully completed weatherization of over 1,300 housing units occupied by low income residents, thereby reducing their expenses and consumption of energy.

Children prepared to live and learn

As County Executive, as a teacher and as a grandparent, I know that a first-class education system is the foundation upon which everything else depends.

Even given our obvious fiscal constraints, the County increased funding for the Montgomery County Public Schools budget by \$73.2 million – a 3.5 % increase.

We continued our support for the valuable work of Montgomery College, which has seen an 11 % increase in enrollment over the last three years.

Montgomery County Public Libraries (MCPL) celebrated its 61st anniversary of service to the County in what has grown to include 20 full-service branches. Residents took advantage of services in over 23 million ways -- from early literacy storytime programs to checking out books, e-books, and downloadable music files; to group meetings; small tutoring sessions; and using computing and printing devices. The library staff answered more than 1.2 million questions, and the system presented more than 3,500 programs. The system introduced new apps in FY12, and engaged in unique collaborations with other departments and community groups to help seniors prepare their taxes and address bone health issues; to have inmates repair library books; and to implement the MCPL Express@Olney library kiosk. Projects to provide libraries with 21st Century design features, equipment, and programs are under construction at Silver Spring, Gaithersburg, and Olney. A new

combination facility, Wheaton Library and Community Recreation Center - is in design, while a new library in Clarksburg is assigned for planning later in the Capital Improvements Program.

Vital Living for all of our residents

Our Department of Recreation opened the White Oak Community Recreation Center in the summer of 2012. This is now the 19th community recreation center in Montgomery County and features a senior citizen programming component, which makes this a true multi-generational facility. The 34,000-plus square-foot-facility, will offer programming year-round and serve thousands of County residents of all ages and abilities. Montgomery County hosted the United States Diving Team in the summer of 2012 as they trained for the London Summer Olympics. Ultimately, the team secured more medals than they have since 1988. Due to the success of this training program, Montgomery County will now become the official East Coast training location for the US Olympic Dive Team. The County is also home to several Olympians, including Katie Ledecky, who won a gold medal in the Women's 800M freestyle.

This past year, we expanded our "Excel Beyond the Bell" after-school program at five Montgomery County middle schools. This comprehensive after-school initiative is a partnership between the Department of Recreation, MCPS, the Collaboration Council and dozens of after-school program providers. The program has been a total success and has expanded after-school program participation by over 100 percent. The program features an hour and 45 minutes of programming after school, a hot meal and transportation home. Last year, we included a four-week summer component at three of the middle schools and look to expand that effort. "Excel Beyond the Bell" is an important component of my Positive Youth Development initiative.

Montgomery County is getting older – and we owe it to those who have helped build this County to make sure they continue to have opportunities to live here and contribute. By 2020, 152,000 County residents – one in seven-- will be over age 65, a 65 percent increase from the year 2000.

We continue the work of our Senior Sub-Cabinet to implement recommendations in the areas of housing, transportation, support services, employment, civic engagement, public safety, health & wellness and communication & outreach. Interagency efforts resulted in increased participation of seniors in senior center activities, health and wellness programs, safety information programs, and other critical areas – even given the very real constraints on available resources.

Our increasingly diverse population is one of Montgomery County's greatest strengths. The fact that 30 percent of our nearly one million people were born in other countries presents our County with great opportunities and significant challenges. Extraordinary people have come to our County from across the globe.

We are working hard to make Montgomery County America's most welcoming community. A welcoming attitude plus a strong economy, a quality environment, and an outstanding school system have made Montgomery County a magnet for talented people from every corner of the globe. Being one of the nation's premier talent magnets is our competitive edge in the global marketplace. It will ensure a bright and prosperous future in a Montgomery County that gives all our residents the opportunity to thrive. We are building vibrant communities that will allow us to continue to attract talented people from across the country and around the world.

Our Gilchrist Center for Cultural Diversity is a leading driver toward making this County welcoming to New Americans. Over the past year, the Center responded to over 6,700 direct requests – up 15 percent from last year. Enrollment in the center’s “English for Speakers of Other Languages” rose by 34 percent. Nearly 5,000 County residents were assisted in becoming citizens – almost double the number of the year before. Over 1,100 residents received pro bono legal counseling. The center also took the lead in building a Service Providers Network for new immigrants and worked on cultural events such as Taste of Wheaton, the World of Montgomery, the Fiesta de las Madres, and Asian Lunar New Year celebrations.

Notwithstanding our continuing challenges, 2012 was a year in which we made a good County even better. I appreciate the support and cooperation of the County Council toward this end.