




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM
March 31, 2009

To: Phil Andrews, President
Montgomery County Council
And the People of Montgomery County

From: Isiah Leggett, County Executive 

Subject: 2008 Annual Report

In this my second annual report, I am pleased to affirm that Montgomery County, though facing among the most difficult fiscal challenges in its history, remains a strong, vibrant and desirable place to live and work. We continue moving towards the goals I have set as County Executive to promote:

- A responsive and accountable County government
- Affordable housing in an inclusive community
- An effective and efficient transportation network
- A strong and vibrant economy
- Children prepared to live and learn
- Healthy and sustainable communities
- Safe streets and secure neighborhoods, and
- Vital living for all of our residents

As public officials, we have an obligation to build upon and learn from the past in order to make progress in the present – while preparing for a better and stronger future for Montgomery County and our children and grandchildren to inherit. I am proud of the steady progress our County is making in support of these goals.

Over the past year, I have worked steadily to protect and advance initiatives designed to produce more affordable housing in the County, to expand transportation options, to care for the most

vulnerable in our midst, to improve our outstanding public education system, and to keep our families and property safe and secure. I have done this while substantially reducing the rate of increase in County spending and shaping a more prudent and sustainable County budget.

There is no doubt that we live in troubled fiscal times. The decline in the housing market over the past year, continued structural budget crises for the State of Maryland, and the national economic downturn mean that we will not have the resources we have had in the past to address our critical needs. Increased taxes on the state and County level, coupled with rising energy prices and joblessness, mean that the budgets of County families are similarly challenged.

These are not easy times in which to lead. We must be creative. We must do more with a lot less. We must deliver effective and transparent government that keeps what's working, fixes what isn't and gives every County resident a seat at the table and a voice in the outcome.

Responsive and Accountable

We cannot be responsive without knowing factually what our people expect of their government. Therefore, we completed the first broad-based survey of residents conducted in 13 years. Although residents who responded to the survey endorsed Montgomery County as a good place to live, they also provided valuable feedback regarding areas needing improvement such as traffic flow, affordable housing, and growth.

Our CountyStat initiative has just marked its first year of operation, tracking 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. CountyStat has added value by enforcing "results-based accountability" and empowering the departments to make "data-driven" decisions. Specific examples of CountyStat's impact include its oversight of overtime pay for public safety agencies and transportation. Fire & Rescue overtime had increased by 47 percent between 2004 and 2007 and other agencies focused on had also seen increases. With the help of CountyStat, we were able to cut overtime hours by 21 percent in the first six months of FY09 and save the County \$7 million in overtime pay – \$3.5 million in savings in Fire & Rescue alone.

Several County departments were reorganized during the year to improve accountability and to provide a sharper focus on customer service, transportation, transit needs and environmental protection. A new Department of Transportation (DOT) and a new Department of General Services (DGS) were created, along with an Office of Emergency Management and Homeland Security. The reorganization will improve the County's responsiveness, efficiency, and effectiveness.

Plans to implement a 311 Call Center began during the year, with full implementation scheduled for the spring of 2010. The 311 system will provide a convenient single point of contact for residents who have non-emergency requests for government services, are seeking information or want to express concerns. The system is expected to vastly improve the timeliness and accountability of the County's responses to residents and will simplify the process for callers who will have to remember only one number (311) when they need assistance.

As part of my on-going commitment to hear from our citizens and increase government transparency, I have:

- Hosted 13 Town Hall meetings throughout the County since taking office, attended by more than 3,000 County residents;
- Reinstated a regular TV Call-In Show on County Cable Montgomery where the County Council President and I take calls and emails from County residents on a wide range of issues;
- Initiated a regularly scheduled Online Chat where County residents can converse directly with me on issues of interest;
- Expanded and improved the County's Web Site, which experienced a 37 percent increase in visits over the past year and was recognized as one of the 10 best government websites in the nation. A new Senior citizen webpage was added and the County website's reach was broadened with a "Montgomery On Demand" feature, that includes links to County information on "YouTube," "Facebook," and "Twitter;" and
- Partnered with the community non-profit "Connected Communities" to send County emergency and non-emergency communications to several hundred community ListServes.

The challenges of a weakened economy, declining home sales, and less assistance from the state made me take a hard look at how to preserve essential services while cutting costs and establishing the foundation for a sustainable County budget – a necessity I identified from my first day in office, even before the downturn. Over my first two years, I have reduced County government agency spending from a 14 percent increase in the year before I took office, to 6.9 percent and, then, last year, to 1.6 percent. I have initiated a hiring freeze and eliminated 225 positions. My current six-year capital budget increased by only one percent, compared to an average of 25 percent for each of the previous two cycles. A mid-year savings plan last year yielded \$32 million in savings and I reduced agency requests by \$150 million overall.

Still – even with all these and other painful measures – we had to increase property taxes by about \$169 annually for the median County house assessed at \$400,000 in order to close a \$400 million gap.

I have always believed that County government must keep faith with those who pay the bills – our residents. We have an obligation to be honest with them about our challenges and be diligent about reducing spending where possible without critically affecting needed County services. Only then should there be talk about tax increases. That is the approach I took. I worked to structure the increase to be as progressive as possible.

This year, due to the difficult economic conditions and the state's continuing budget woes, we faced at least a \$587 million shortfall for the fiscal year that begins July 1. We reduced that shortfall prior to my recommended budget presentation by continuing the hiring freeze, decreasing spending in the current fiscal year by \$32.5 million, reducing supplemental appropriations by \$21.1 million, and decreasing agency spending due to decreased fuel costs.

I am currently concluding negotiations with County government unions on reductions in negotiated increases that will provide savings in the neighborhood of \$28 million.

I will not increase taxes beyond the Charter limit this year. That is why the recommended operating budget I sent to the County Council on March 16 includes significant cuts to County services.

Our challenge is to weather these difficult economic circumstances, preserving the basic progress and investments we have made and exercising fiscal prudence so that we will be positioned to emerge from these difficult times with our critical services and priorities basically intact.

Even with all these challenges, we maintained our coveted Triple-A bond rating with the three bond rating agencies – Moody's Investor Service, Inc.; Standard and Poor's Corporation; and Fitch Investors Service, Inc., which will keep Montgomery County on a stable course into the future. We also continued our multi-year effort to fund County retirees' health benefits.

Affordable Housing

Expanding the supply of affordable housing is a major priority of mine. Achieving this goal is critical to the economic well-being of this county, as well as a vital social service goal. In my first budget, I increased the resources available to our Housing Initiative Fund – to preserve and promote affordable housing – to \$34 million, over a \$10 million increase. In this year's budget, we boosted that figure to \$54 million utilizing our new bond-financed Acquisition and Development program.

Over the past year, we added 1,571 affordable housing units, with many more in the works. We are devoting \$4.5 million to the Housing First program to target special needs housing. An additional \$10 million will continue our commitment to housing for the homeless through the Montgomery County Coalition for the Homeless, including the renovation and expansion of support services at the Gude Drive Men's Emergency Shelter. We are participating in the state House Keys for Employees program, an initiative that will increase the resources available for closing cost assistance for first-time County employee homebuyers.

I proposed – and the Council approved – legislation to expand the County's "Right of First Refusal" to preserve affordable housing by purchasing rental units constructed since 1981. We have already used this authority to purchase 49 two-and-three-bedroom condominiums in King Farm and another eight units on Aspen Court in Takoma Park. Even when we choose not to purchase units, this leverage allows us to negotiate with purchasers to preserve some affordability.

We have moved to advance affordable housing projects on County-owned sites such as:

- Fifteen affordable and workforce housing attached units on Edson Lane in North Bethesda;
- Up to 117 attached and mixed-income units on 32 acres in Olney;
- Eighty units of new senior housing adjacent to the County Government Center in Rockville;
- Planned multi-family housing adjacent to what will be the new Silver Spring Library on Bonifant Street;
- Eight acres set aside next to the new 3rd District Police Station site in White Oak; and, last but certainly not least;
- Thousands of additional units, many of them affordable, that will be built on the current site of the County Service Park next to the Shady Grove Metro station as part of my Smart Growth Initiative.

During the year, the Affordable Housing Task Force released its report, which recommended that the County: preserve affordable housing by creating short-term equity and acquisition funds and monitoring condominium conversions; create affordable housing by investigating the possibility of a new housing impact fee for all new non-residential development; add language to future master plans to “increase affordable housing” as an objective; reduce parking requirements for housing developments to promote Smart Growth and encourage mass transit use; and adopt regulatory reforms to cut “red tape” for affordable housing developments and permit accessory apartments without a special exception requirement. We are now pursuing ways to implement these recommendations.

As the number of home foreclosures has risen throughout the County, we have initiated an aggressive program on a number of fronts that is designed to prevent foreclosures in the first place. We have:

- Organized public meetings throughout the County to reach at-risk homeowners with information on what they can do to save their homes;
- Partnered with the State of Maryland to fund and expand individual financial counseling for hundreds of homeowners;
- Matched \$2.5 million in state funding with \$2.5 million from the County’s Housing Initiative Fund to support a portion of any losses incurred by lending institutions in refinancing at-risk homeowners;

- Enlisted the County's churches, synagogues, mosques, and other congregations to spread the word about public meetings, counseling and the toll-free number 1-877-462-7555 to find help;
- Convened meetings with area banks and realtors to put their resources and skills to work in attacking the foreclosure issue; and
- Increased our efforts to identify vacant foreclosed properties and enforce existing housing codes to preserve the quality of life in neighborhoods where foreclosed properties might become an eyesore, inspecting over 400 identified properties and issuing violation notices for overgrown vegetation and/or solid waste; and
- Partnered with Habitat for Humanity and the Housing Opportunities Commission to purchase foreclosed properties to preserve as affordable housing, with partner agencies footing the cost of needed rehabilitation.

Rental housing is an essential component of an affordable housing continuum. With 70,000 rental units serving as homes to more than 100,000 people in the County, rental housing should be promoted and protected as a housing option. I formed a Tenants Advocacy Work Group in 2008 to assess the status and needs of tenants in Montgomery County and to advise me on policies and actions government might take to increase the security and sustainability of rental housing. I look forward to the group's report in the fall of 2009.

Efficient and Effective Transportation

The County's Department of Transportation completed the Montrose Parkway West, the largest road project ever constructed by the County and a key component in efforts to relieve east-west traffic congestion and provide congestion relief in North Bethesda and along the Rockville Pike corridor. About 40 percent of our employers are located in the North Bethesda area. The Parkway is expected to reduce traffic volume on Montrose Road between the Parkway and East Jefferson Street by nearly 50 percent.

Maintaining our local Ride On bus service to provide free transportation to seniors and people with disabilities, and school children is part of my goal to help mitigate traffic congestion. Ridership on Ride On hit an all-time high of 30.3 million passengers in 2008 – a four percent increase over the prior year. Although the frequency of some routes has been reduced due to budget constraints, Montgomery County continues its investment in this critical service and seeks to minimize the possible impacts of needed cost savings.

Improvements to the transit infrastructure continue, including enhancing safety, customer comfort, and ADA (Americans with Disabilities Act) access at some 500 County bus stops. In keeping with the County's commitment to clean air, we purchased 22 new clean-diesel buses, with more on order, and we ordered 35 additional hybrid diesel-electric powered buses, to be delivered this coming summer.

In addition, we completed a comprehensive review of the County's Road Code through a 24-member stakeholder group representing a wide variety of different interests. The recommendations of the group were largely adopted by the County Council, setting a course toward future design that balances mobility, pedestrian safety, the environment, public safety, and the needs of persons with disabilities.

In the future, the County will take a more systematic and comprehensive approach to maintaining the County's transportation infrastructure. For the first time, our Department of Transportation is evaluating all 4,800 lane miles of County roads. Once complete, the ratings for each road will determine the priority for maintenance, rehabilitation, and resurfacing efforts. This will help us work to ensure that County roads are kept in good condition and that those most in need of rehabilitation or repair are fixed. The first project reflecting the results of the survey was an extensive resurfacing project in the Battery Park community of Bethesda, with more to follow.

In an effort to help make Montgomery County more pedestrian and bicycle friendly, five miles of sidewalk were installed throughout the County over the past year. Ground was broken for the last missing segment of the sidewalk along the east side of U.S. Route 29 between University Boulevard and Oak Leaf Drive. The project, to be completed this spring, will ease the way for pedestrians along the busy six-lane Colesville Road. White Oak residents on foot and on bicycle will be safely connected with shopping, schools, transit, employers and other community amenities.

Finally, the County improved its ability to respond to storms by developing an improved Storm Operations Center and using WeatherBug, a local web-based weather forecasting system. Another innovation introduced was an internal web-based snow program to monitor snow plow related progress.

Strong Economy

Montgomery County has not been immune from the economic uncertainty that has swept the nation, although our diversified economy with strong roots in federal government employment and our strength in biotechnology have helped to cushion the impact significantly. Our unemployment rate remains among the lowest in the nation.

Retaining and expanding business investment and growth in Montgomery County, always important, is even more critical in these uncertain economic times.

To that end, the Department of Economic Development (DED) has reached out to hundreds of firms, large and small, to thank them for doing business in the County and to solicit their input on how the County can assist them in building success. In addition to personal visits, I have initiated regular forums with CEOs of major employers in the County and initiated or continued programs to expand outreach and assistance to small and minority businesses. These include a micro-loan lending program, mentorship program and targeted forums on issues including procurement, workforce training and job fairs.

During 2008, DED provided economic assistance to 28 businesses totaling over \$1.1 million through five programs under the County's Economic Development Fund, resulting in the retention, creation or projected creation of more than 600 jobs in the County.

In December, I announced an 11-point plan to lend a helping hand to County businesses impacted by the economic downturn and preserve jobs. The proposal would delay the effective dates of new regulations and legislation with a substantial impact on business, increase County purchasing of Montgomery County goods and services, allow deferral for up to eighteen months of County permitting fees and impact taxes, extend expiration periods for permit applications for new construction and inactive building permits, and extend the validity period for existing Adequate Public Facility reviews by two years.

I established a Green Economy Task Force to promote Montgomery County as a leader in the conception, production, and marketing of the green technologies of the future. I believe that green technologies will provide many jobs in the future as our nation commits itself to energy independence and a sustained environment. I want our County's businesses to be on the cutting edge of these new opportunities. We are also pleased that the state will be locating the Maryland Clean Energy Center in Montgomery County. This Center has the potential to do for the clean energy industry what we have done for the biosciences industry, making Montgomery County and Maryland among the foremost centers for green technology in the nation.

During the year, the County's Business Innovation Network – a network of incubator facilities to help local entrepreneurs and emerging businesses develop and grow – expanded to five, with the addition of the Germantown Innovation Center, which is strategically located on the Germantown Campus of Montgomery College. The County's Business Innovation Network now provides over 150,000 square feet of office and lab space that can accommodate over 120 companies and, to date, has graduated over 85 companies. Another incubator facility is planned for the County's 115-acre "Site Two" development along Route 29 in Silver Spring.

I have also established a Biosciences Task Force, chaired by industry leader David Mott. This Task Force will help implement an expanded approach to retaining and growing biotechnology sector in the County. Because it is important that public officials understand the importance of the biotechnology industry, the Department of Economic Development hosted a "Biotech 101" seminar for elected officials and community leaders to give them a better understanding of this vital, knowledge-based industry sector.

Our Smart Growth Initiative is moving forward, with purchase agreements signed for several properties. This project is designed to meet the needs of the present and the future by bolstering future development in biotechnology to create the jobs – and the resulting tax revenue – of tomorrow. It will consolidate County departments with overdue capital investments in facilities that will last for decades and promote more efficient operations, move County agencies out of leased space, and implement the Shady Grove Sector Plan for thousands of new transit-oriented housing units. It leverages planned projects and land values at an opportune moment and will be implemented in a revenue neutral way.

The Department of Economic Development gained a new Division of Business Empowerment to help small, minority and female-owned businesses grow and prosper. Business Empowerment Forums, Business Roundtables and other events have paved the way for these businesses to achieve success.

We are also working to enhance international outreach efforts in order to promote foreign direct investment in our economy and help Montgomery County businesses to sell in foreign markets. County-sponsored economic development and trade missions to Israel, India, Korea, and China have established new ties and built on existing relationships. DED sponsored the Korean Osong BioForum and the Chinese Business Women's Conference, both held in the County during 2008.

The international business development missions to Israel and India have begun reaping benefits. Two small Israeli companies and five new Indian companies have put down roots in Montgomery County. In addition, new contacts were made and will help open the door for potential future foreign direct investment in the County with a number of cutting-edge firms in the biotech, information technology and homeland security industries.

During my fall economic development missions to Korea and China, I was joined by nearly 20 Montgomery County business owners and executives with the purpose of bringing more business back to Montgomery County companies and strengthening partnership with Korean and Chinese biotech and advanced technology sectors. Results included a pledge by Korea's Chungbuk province to invest \$2 million in the new East County incubator and a memorandum of understanding with China's high-tech Pudong New Area to foster biotechnology growth and cooperation.

For the second consecutive year, the County successfully hosted the AT&T National Golf Tournament, hosted by Tiger Woods, at Congressional Country Club. The event attracted over 107,000 spectators in six days and generated an estimated \$16.8 million in direct and indirect economic impact.

Thanks to the support of the state, the County Council, and the community, a new Fillmore music, entertainment and community use venue is in the works for downtown Silver Spring, providing a wide variety of live music performances in a convenient location for County residents. For a \$4 million County investment, we get a \$13.5 million property, don't have to maintain it for the whole lease, don't pay operating subsidies to the outfit renting it, redevelop an eyesore at the gateway to Silver Spring, clear \$1.6 million in public benefit a year *from the start* over and above construction costs, and attract new consumers to the heart of downtown Silver Spring.

Through the Department of Economic Development's Agricultural Services Division, the County recently achieved its farmland preservation goal set 20 years ago to protect 70,000 acres of farmland; we now have the highest percentage of any other County in the nation of protected farmland.

The demand for services provided by our MontgomeryWorks job assistance and training programs has grown as our economic uncertainties have multiplied. Our Wheaton and

Gaithersburg centers served a record 12,000 individuals last year – 35 percent more than the previous year.

During 2008 the County welcomed several new companies to our corporate community, including **OpGen**, which moved from Wisconsin to our incubator network and quickly graduated into 15,000 square feet of commercial office space last fall in Gaithersburg; **Hewlett Packard**, which also last year consolidated several regional facilities to North Bethesda resulting in over 1,000 new and retained jobs; **Europ Assistance**, which last year moved their US headquarters from within the region to Bethesda; **Matix Knowledge Group International**, a UK-based international consulting company that opened its first U.S. presence last October at the County's Rockville Innovation Center; **JOINN Laboratories**, a new company from China that set-up its North American headquarters at the County's Germantown Innovation Center; and **Microsoft**, which will soon move into over 130,000 square feet in Chevy Chase.

Children Prepared to Live and Learn

Montgomery County has a world-class school system that we intend to keep that way. We have made considerable investments in public education so that children are prepared to learn from a very young age and are successful in achieving their goals.

Efforts designed to prepare children for school, and those designed to help them succeed, are available to the County's more than 137,000 public school students. During the year, these included after-school activities, library programs, health care programs, sports programs, summer recreation, and expanded jobs programs and youth violence prevention programs. In addition, investments in the Positive Youth Development Initiative improved services to vulnerable children, and more funding for Montgomery College supported growing enrollment there – a testament to our educational system's success.

Despite our tight fiscal times, I proposed funding nearly 98 percent of the Montgomery County Public Schools operating budget request. My last two capital budgets have squeezed other priorities to provide funding for nearly all of the Board of Education's capital budget requests.

Though it's not just for children, our public library system is a critical element in fostering lifelong learning—and the love of learning. Montgomery County Public Libraries repeatedly has been ranked among the Top Ten systems in the country. We've found that during the economic downturn our libraries are being widely used by customers searching for jobs who are finding the free resources invaluable. Thanks to a wide array of technological services available at our branches, customers can access information in a variety of forms from their homes and offices, as well as at the library. So, despite financial pressures, I have continued to hold the line on library hours and even increased them a little on Sundays.

Healthy and Sustainable Communities

The Montgomery Cares, our innovated health care partnership for uninsured people, continues to grow and we added three additional clinic sites last year. In 2008, clinics provided care to

19,941 adults, an increase of 23 percent over 2007. We continue to maintain strong collaborative relationships with the five hospitals in the county and work closely with the Primary Care Coalition and the network of private, non-profit clinics that comprise Montgomery Cares. The African American Health Program, Latino Health Initiative and the Asian American Health Initiative provided critical services to improve access to health care and help reduce disparities in the minority populations in the County.

Montgomery County's nationally recognized recycling program became the broadest in the metropolitan region this year when regular collections of recyclables from single family homes expanded to include a wider range of plastic materials. The addition of all empty plastic bottles, containers and lids, jars, pails/buckets and food grade plastic tubs is proving to be good news for both the environment and County residents. Last year, County residents recycled over 550,000 tons of materials. That's a 44 percent rate – en route to our goal of recycling 50 percent of the County's waste stream.

The closing of Walter Reed Hospital and the consolidation of functions at Bethesda Naval Hospital in Montgomery County will bring thousands of new jobs and residents to the area. This development prompted me to establish a Base Realignment and Closure (BRAC) Implementation Committee to address the challenges that more workers, visitors and traffic will bring to Bethesda. It is critical that we find ways to accommodate this growth in a responsible and sustainable manner and for that we need resources from the state and federal governments. We have made some progress, but much remains to be done – and time is short, since the consolidation is projected to occur by 2011.

Efforts to sustain the environment included plans to reduce nitrogen oxide emissions by 46 percent in the next two years by using state-of-the-art technologies at the Resource Recovery Facility in Dickerson. In addition, a pilot biodiesel fuel project was launched to study the effects of using alternative fuels in the County vehicle fleet. The enhanced inspection and maintenance of stormwater facilities and improved water quality monitoring through stream gauges is also contributing to a healthier environment for residents. We've doubled participation in our Clean Energy Rewards program – and our expanded Household Hazardous Waste program served 40,000 residents last year.

I appointed the Montgomery County Sustainability Working Group (SWG) and charged it with developing a comprehensive, coordinated and cost effective strategy to meet the County's climate protection goals of reducing greenhouse gas emissions by 80 percent by 2050. The SWG is comprised of 26 members representing a broad range of public and private sector interests, including a diverse group of business, government and environmental activists. It is co-chaired by Bob Hoyt, director, Montgomery County Department of Environmental Protection and Jane Nishida, who formerly served as the Secretary of the Maryland Department of Environment and is currently the Senior Environmental Institutions Specialist at the World Bank. Their report, with 58 action items, was received in January 2009.

Our Office of Consumer Protection continued its award-winning work, investigating and resolving thousands of complaints each year while also working to help implement new Council

mandates on property tax disclosure to homeowners, green energy, and written contracts for domestic workers.

In September 2007, I received the report of my Code Enforcement Work Group, a group comprised largely of Executive Branch staff whose responsibilities include enforcing various chapters of the County Code. I wanted a comprehensive review of code enforcement activities because of concerns raised by a number of individuals and civic groups. Additionally, I believe that these issues dramatically impact the quality of life in the County and the residential character of neighborhoods. Among the concerns raised were that portions of the Code were outdated, that Code enforcement is uneven, that too much time passes between the issuance of a citation and correction of a Code violation, and that there is poor coordination among the various departments responsible for issuing citations.

The Work Group's issues included:

- Unkempt properties;
- Residential code violations enforced by multiple County agencies;
- Overcrowded homes;
- Vehicles parked on front lawns;
- Unsafe passage on residential streets resulting from large parked commercial and recreational vehicles;
- Inoperable or unregistered vehicles;
- Coordination of solid waste enforcement;
- Definition and enforcement of home occupations;
- Repeat violation offenders;
- Houses occupied, or accessory structures used without an approved final inspection;
and
- Failure to complete construction of residential building projects subject to building permits.

The Work Group's recommendations on limiting parking of large commercial and recreational vehicles in residential neighborhoods have already been incorporated into legislation passed by the County Council. Changes that are administrative or involve work processes are being implemented within the Executive Branch. Other changes requiring a change in law will be forwarded to the Council.

Safe Streets and Secure Neighborhoods

Protecting the lives and property of County residents is one of my highest priorities. Again, the challenge for us has been to do more with relatively less in these tight fiscal times. The men and women of our Police Department, Fire & Rescue Service, Correction & Rehabilitation, and Homeland Security have been equal to the challenge. Whether it's cracking the case of the home break-ins victimizing seniors in Bethesda and Potomac or the heroic rescue operation during the River Road water main break, Montgomery's public safety workers come through for us – day in and day out.

Over the past year, the Police Department has added a second Police Community Action Team to deploy in areas of special emphasis or need. More resources for the Police Crime laboratory has meant an increased use of DNA evidence in cracking cases, as has police participation in the National Ballistics Information Network and the recently-implemented facial identification program. The Police established a Central Gang Unit during 2008 and worked with Montgomery County Public Schools and the State's Attorney on a Cyber Safety Project to educate families about the dangers of on-line predators.

The County's Fire and Rescue Service (FRS) opened a new fire station in Germantown-Kingsview with another new station at Germantown-Milestone under construction. Four-person staffing was expanded by eight additional companies improving county-wide response coverage and firefighter safety. More than forty new apparatus units were put into service, including pumpers, aerial ladder trucks, heavy rescue squads, and EMS (Emergency Medical Services) vehicles. FRS personnel have gone door-to-door during a "Safety in Our Neighborhood" campaign to promote fire safety, prevention and emergency preparedness, with special emphasis on seniors.

There was a significant decline of residential fire fatalities in Montgomery County. Last year in 2008 there were five residential fire fatalities compared with 13 the previous year in 2007. All residential fire fatalities occurred in dwellings without sprinklers.

Our Department of Correction & Rehabilitation has received national accreditation for both County jails from the American Correctional Association and the National Commission on Correctional Health Care – something only four percent of American jails receive. Our Pre-Release Program also received 100 percent accreditation. Our Pre-Trial Services Program supervises 5,000 adults and juveniles each year outside of institutional settings, resulting in significant savings to County taxpayers.

Meeting my pledge to make pedestrian safety a priority, I committed to fund a Pedestrian Safety Initiative report that, for the first time, creates a blueprint for action based on measurable strategies. The plan spells out specific performance goals, timelines and budgets for achieving recommended actions. Ongoing evaluations will ensure the proposed engineering, enforcement, and education solutions are really working.

I kicked off a comprehensive pedestrian safety program during the year, with special emphasis on constructing concrete pedestrian protection curbs and crosswalks on well-traveled roads to slow traffic, while allowing pedestrians to cross safely. In addition, the installation of signage that reminds drivers that pedestrians have the right of way and countdown displays that help pedestrians cross busy intersections more safely are starting to make a difference. The County also produced a pedestrian safety video aimed at new immigrants, with a lesson plan on pedestrian safety for teachers of English for Speakers of Other Languages (ESOL) classes. Over 1,000 copies of the video have been distributed to ESOL teachers, public schools, community groups and all public libraries.

The County has embarked on a new initiative to intensively target the areas with the highest number of pedestrian collisions with engineering, enforcement, and education improvements. Staff has already completed a comprehensive pedestrian safety audit of the first High Incidence Area (HIA) in the area of Piney Branch Road between Flower Avenue and the Prince George's County line and is preparing to address the range of deficiencies noted, in cooperation with the state. The audit of our second HIA, in Bethesda, is now underway.

Our Department of Liquor Control, in addition to contributing over \$22 million to County coffers this year, has increased its enforcement of liquor law violations by 50 percent over the past four years. It has also worked closely with the Police to attack underage drinking and has established the Business Alliance for Latino-Owned Establishments.

Our water and sewer infrastructure requires a higher level of attention and funding, as the major water main breaks last June and December dramatically demonstrated. I have worked with Prince George's County Executive Jack Johnson on both the infrastructure question and on breaking the impasse in the search for a new General Manager for the Washington Suburban Sanitary Commission. On the former, we now have an agreement for a nine percent rate increase which should enable some additional progress on the repair, replacement, and early-warning fiber optic monitoring of pipes – large and small. Much, however, remains to be done.

Vital Living for All

Over 200 County leaders and activists attended last fall's "Senior Summit," where they formulated a list of priorities relating to helping and empowering County seniors and their families. At that summit we unveiled a new County Seniors Website, which pulls together the range of information about programs and services available to and for seniors. Over 3,000 senior athletes turned out as the County hosted the Maryland Senior Olympics for the first time. It was so successful that they will be back again this year.

With a widely diverse population that has varying levels of needs, goals and dreams, those of us in Montgomery County government work hard to ensure that vital living is available to all of our residents. That means increased support for domestic violence shelter services offered by the Betty Ann Krahnke Center; ongoing support for such programs as meal subsidies for seniors; housing for elderly women with mental illness; adult day care and respite care to assist families caring for loved ones with disabilities; and support for the African American health program,

Asian American health initiative and Latino health initiative to address health disparities among residents.

In support of its mission to provide advocacy for women's rights and concerns, the Commission for Women (CFW) presented *Dreams Deferred*, a series of three public forums that discussed strategies to address the challenges confronting single mothers and poverty in Montgomery County. The commission also published a new brochure, *Let's Talk About Violence in Relationships*, offering resources and information on how to prevent and respond to domestic violence and sexual assault, including "acquaintance rape," in six languages – English, Spanish, Chinese, Vietnamese and Korean. The CFW also established a legislative agenda of 10 bills in the Maryland General Assembly and five in Congress. To assist women with work and life transitions, the Counseling and Career Center assisted thousands of women with serious life transitions and crises.

I am a veteran of the war in Vietnam. Anticipating hundreds of new veterans from the Middle East wars, I recommended legislation to the County Council, which it approved, to establish a Veteran's Commission to advise us on the needs of veterans and their families living in our County. With an expanded military medical center in Bethesda, we can anticipate more veterans calling Montgomery County home. This is indeed a privilege and we must assure our readiness for them when they come. We have already established a special hotline operated by the Mental Health Association to assist veterans with mental health-related challenges.

The Caribbean American Heritage Festival, Arab American Heritage Month, the annual Juneteenth Celebration, the first Eritrean Cultural Festival, and the first annual World of Montgomery Festival – to name a few – offered cultural enrichment for the County's diverse population. An annual jazz concert in Silver Spring, Fourth of July fireworks in Wheaton and Germantown, a Thanksgiving Parade and variety of food tasting and other events continued to add to the vibrant life of the community during the year.

Nearly 2,000 Montgomery residents rolled up their sleeves to participate in October's Community Service Day. That was topped, however, by the outpouring of community support for the less fortunate around the January weekend of Dr. Martin Luther King Jr.'s birthday and the inauguration of President Barack Obama. Five thousand residents volunteered on Dr. King's birthday at sites in North Bethesda, Burtonsville, Silver Spring, Rockville, and Germantown. Sparked by the Office of Community Partnerships' "Yes Montgomery Can!" campaign, the County partnered with the non-profit sector and area businesses to raise nearly \$100,000 to help bolster the "safety net" for the less fortunate and matched an anonymous \$100,000 contribution. County residents also donated 10 tons of food for the Manna Food Center as part of the effort.

And, despite the County's fiscal difficulties, we were able to provide the same level of funding for the Arts & Humanities Council, whose efforts continue to enrich and challenge our senses on many different levels.

Fiscal year 2008 was an exciting, productive, and – yes – challenging year for Montgomery County. I am committed to the goals I set forth when I became County Executive, and I want to

thank the County's dedicated public servants for striving to embody, in their work, our core values of:

- Collaboration
- Competence
- Fiscal Prudence
- Inclusiveness
- Innovation
- Integrity
- Knowledge
- Respect to the Individual
- Transparency

I look forward to continuing to work closely with the County Council, our residents, businesses, educational institutions, non-profit community groups, and faith-based organizations as together we continue to build a strong and sturdy path to the future while maintaining the kind of community in which we are proud to live and work.