



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

TO: Nancy Floreen, President, Montgomery County Council
and the People of Montgomery County

FROM: Isiah Leggett, County Executive *Isiah Leggett*

SUBJECT: 2009 Annual Report

In this annual report, the third of my administration, I am pleased to report that we continue to make important strides in accomplishing the mission I outlined at the time of my election.

Despite a difficult recession that resulted in 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.

It all begins with proper fiscal stewardship – especially important during the current national economic downturn.

I believe that our challenge in this crisis is to put our financial house in order, protect essential services, and lay the groundwork for Montgomery County to come out of this downturn a stronger and more efficient County.



Toward that 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, and performance-based management;
- Mitigate the damage to the County from State budget cuts;
- Protect critical County services in education, public safety, and assistance to the most vulnerable in our midst;
- Seek additional revenue when needed (such as the increase in property taxes above the Charter limit in 2008, the Emergency Medical Services transport fee reimbursement, and increased user fees); 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.

Since the first day that I became County Executive – even before the onset of the economic downturn -- I raised concerns regarding the sustainability of past fiscal choices and acted to reverse unsustainable budget trends of past years.

When I first took office, Montgomery County's spending was out of control and unsustainable -- and that was before the economic downturn. It was clear that we had been living beyond our means. Over the last three years, I have been aggressively working to restore fiscal prudence to our County government by dramatically slowing the rate of growth of both the operating and capital budgets. As the economic news has worsened, I have continued to press ahead on long-term cost savings that minimize the future burden on taxpayers while preserving public safety, education and our safety net for the most vulnerable

In my first budget as County Executive in FY08, we faced a \$200 million budget shortfall, so I reduced the tax-supported rate of increase in spending by the County government from 14.1 percent to 6.9 percent. In FY09, the projected shortfall increased to \$401 million, so we imposed a hiring freeze, produced mid-year savings of more than \$30 million, abolished over 225 positions, implemented a retirement incentive program and slowed the rate of growth to 1.6 percent. This year, we faced a daunting gap of \$587 million that my recommended FY10 budget successfully closed.

The current budget protects public safety, education, and the County's safety net for the most vulnerable, while cutting costs by eliminating approximately 400 government positions, providing no cost-of-living pay raises (COLAs) to public employees, realizing cost savings from all County departments, and reducing expenditures in the capital budget.

Over the past three years, my recommended budgets have closed shortfalls of nearly \$1.2 billion – something no County Executive has ever done before.

This year's budget represents a significant decrease in expenditures and the lowest rate of growth in 18 years – an actual decrease in spending from the previous year.

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.

In November, the Council approved my \$30 million savings plan to reduce this year's budget to meet what was then projected to be a \$370 million budget shortfall in the fiscal year that begins July 1, 2010. With the news this month from the State that our tax revenue fell significantly below our already lowered projections, we now face a \$32 million deficit in this current year and a projected \$608 million budget gap for the next fiscal year. In several weeks I will forward to the Council a much larger savings plan to begin to address these shortfalls.

We have done much over the past three years to match our resources with our needs. But much remains to be done and there are no easy choices.

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

A responsive and accountable county government

Making Montgomery County government more accountable and responsive to County residents is a major priority of mine.

The deployment of the County's 311 non-emergency phone and online system will represent a quantum leap in responsiveness to our residents. The system is scheduled to be launched in March 2010, offering residents a single point of contact for telephone and online inquiries and complaints. Once the system is operational, residents will be able to dial 3-1-1 to talk to an information specialist who can provide complete and accurate answers to questions about County government programs and services, and the system will enable residents to track progress on their issues and complaints until a resolution is reached. In the longer term it, along with our new Enterprise Resource Planning (ERP) system, will provide us with a powerful tools that will assist us in making resource allocation decisions.

I have continued to reach out to County residents through a variety of means, including Town Hall meetings (15 held since I was elected – more than all previous County Executives combined, and attended by over 3,000 residents), regular On-Line Chats and TV Call-In shows (the latter co-hosted with the Council President), our award-winning County webpage (with nearly a 40 percent increase in visits), and our "Montgomery On-

Demand” program (which includes outreach via “YouTube,” “Facebook,” and “Twitter”).

We are currently processing returns from our 2009 broad-based survey of residents about Montgomery County government services and programs, with results expected to be released after the New Year. We will be able to compare these results to the 2007 survey, which was conducted in my first year in office -- the first by County government in 13 years.

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. CountyStat has added value by enforcing “results-based accountability” and empowering the departments to make “data-driven” decisions. In its first year of operations, it helped to reduce County overtime costs by \$16 million, including \$3.6 million in Fire & Rescue alone.

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:

- Increased our Housing Initiative fund from \$18 million to \$58 million over the past three years, enabling us to take on more and more projects, partnering with for-profit and non-profit entities;
- Added and preserved more than 3,400 affordable units over the past three years, with an additional 1,600 units currently under construction;
- Implemented eight of the 17 recommendations from my Affordable Housing Task Force, with another six recommendations in the works;
- Made 44 new loans from the County Closing Cost Assistance Program during the second half of FY09, a 550 percent increase in the number of loans made in the first half of FY09;
- Used the HIF, Housing Code Enforcement, Multifamily Rehabilitation loans and assignment of right-of-first-refusal contracts to nonprofit housing providers to promote extended affordability in housing developments;
- Implemented a concentrated Housing Code Enforcement program to monitor vacant and/or foreclosed homes, including creating an on-line public reporting system. 1,000 homes are currently on the “watch” list;
- Convened the first-ever County Tenants’ Working Group to recommend policy changes to assist renters. Among their work has been a first-ever survey of County renters;
- Expanded the County’s right-of-first-refusal authority to acquire at-risk rental housing developments and purchased 3 buildings, preserving 61 affordable

- housing units and also reached rental agreements to preserve 500 affordable units at three developments;
- Used HIF and Neighborhood Stabilization funding to purchase, rehab, and reoccupy 40 vacant, foreclosed homes in target areas over the past ten months, partnering with Habitat for Humanity, the Housing Opportunities Commission, and others;
 - Inaugurated program to weatherize 600 County homes using Federal Recovery Act funding;
 - Began preparing for construction at five publicly-owned sites to produce 478 mixed income housing units, including 327 affordable units; and
 - Began planning for use of Federal Recovery Act funds to increase code enforcement, infrastructure maintenance, and other activities in target neighborhoods.

In addition, the County Council has approved the first two of five measures in my “Quality of Life” package of Code Enforcement reforms. Already, my initiative limiting heavy commercial and recreational vehicles in residential areas has been approved by the County Council and is now law and making a difference. And on October 6, the County Council approved Bill 23-09 which limits the storage of inoperable, unused and unregistered vehicles in residential neighborhoods to 30 days.

I urge the Council to move as soon as possible on the three remaining pieces of legislation. ZTA 09-03 would further restrict the encroachment and expansion of home occupations into residential neighborhoods, as well as limiting the paving of front yards and limiting heavy commercial vehicles and small tow trucks in residential zones. Bill 24-09 would limit permits on unfinished residential construction to 18 months (currently there is no deadline), and Bill 22-09 would speed up the process for resolving code violations.

An effective and efficient transportation network

Giving County residents more and safer options for moving around the County is vitally important. Despite massive reductions in state transportation funding, the County is working away toward this end.

Major transportation projects completed over the past year include:

- Burning Tree Road Bridge
- Citadel Avenue Extension
- Fairland Road Widened
- Falls Road & South Glen Road Intersection Improvements
- Friendship Heights Pedestrian – Transit Enhancement
- Greencastle Road Improvements
- Linden Lane Storm Drain
- Loebury Drive

- Matthew Henson Trail
- MD108 Sidewalks
- New Hampshire Avenue (MD650) at Oakview Drive
- Nicholson Lane Bridge
- Redland Road Widened
- Shady Grove Road noise walls
- Travilah Road Improvements
- US 29 sidewalks

Our Department of Transportation continues to acquire alternate fueled vehicles for the Ride On system, which carried more than 29 million passengers over the past year. The overall bus fleet of 375 currently consists of 92 Compressed Natural Gas fueled transit buses, 109 Diesel-Electric Hybrid transit buses, and 63 Clean diesel fueled transit buses. Over the past year, Ride On brought in-house the previously contracted-out operations for small buses.

We also implemented:

- New “Round Rockville” service in partnership with the City of Rockville, featuring uniquely painted buses on Ride On Route 45 buses that operate almost exclusively within the city limits;
- New computer aided dispatch/automotive vehicle location system to provide better stability, more security, and enhanced communications for Ride On buses;
- Bus Information Enhancements including “My Montgomery” bus stop information on the County’s website, piloted Ride On information on Google Transit, and enhanced customer information and bus schedule information in 151 shelters, while upgrading hundreds of County bus stops;
- Groundbreaking on the Silver Spring Transit Center, to be completed in March 2011;
- Renovation and upgrades to Brookeville Service Park, providing improved vehicle and highway maintenance for more efficient road maintenance and safer, well maintained vehicles;
- Continued work on locating the North County Maintenance Depot, critical to any expansion of our Ride On bus fleet; and
- Exploration of the implementation of a Bus Rapid Transit system that could operate on 120 lane miles in the County in dedicated bus lanes.

The County has continued to work closely with the State of Maryland, our federal officials and the surrounding communities to get ready for the consolidation of current Walter Reed Hospital activities at the Bethesda Naval Hospital in 2011. The Base Realignment and Closure Commission (BRAC) action means 2,500 additional workers and a doubling of Bethesda Naval visitors to an estimated one million.

We are working on a comprehensive approach to mitigating the additional congestion sure to accompany the move, mapping out intersection improvements, bicycle and pedestrian byways, and improved Metro access. Most of this depends on state and federal

dollars, which we are aggressively pursuing in close collaboration with our federal elected officials and the State of Maryland. Progress has been made but we have a long way to go to be ready.

In another area of intergovernmental cooperation, I have made recommendations to the Governor regarding the Local Preferred Alternative for the Purple Line, Corridor Cities Transitway, and widening of I-270; three projects vital to the County's future mobility and economic development.

Our new Storm Operations Center will help us manage storms more effectively. The state-of-the-art technology will include WeatherBug®, a web-based local weather forecasting system, to better assign staff and equipment to areas most impacted by weather conditions; stream video of traffic conditions from 185 traffic cameras; an 800 megahertz radio system to communicate with highway depots, Ride On, Police, Fire and Rescue, and State officials; and a web-based snow program to track progress on plow routes.

Battery Park in Bethesda was the first neighborhood rehabilitated under the New Road Maintenance Program to upgrade and preserve the County's transportation infrastructure. MCDOT resurfaced roadways and patched up deteriorated sidewalks, curbs, and gutters. Battery Park was just the first of MCDOT's priorities for maintenance and rehabilitation and the first phase of similar work, in Glen Echo, is now being completed.

Montgomery County's traffic management system works invisibly every day to help our commuters get where they need to go. Our real-time management system enables us to centrally change traffic signal timing and traffic signal coordination at all 835 signaled intersections to reduce congestion and respond to emergencies. That ability has made us a leader in the region. But, when something goes awry with technology, as it did in November, we have a problem.

Just as we worked hard to get the system back up and running as soon as possible – from the very start at 5 AM on Wednesday morning when we first alerted media traffic reporters to the problem, until it was fixed Thursday evening – we are working to make sure the same thing doesn't happen again.

The central traffic signalization computer dates to 1980. When I took office in 2006, it was 26 years old and counting and no provision had been made for replacement. In part, I guess that was because the system had never had a problem and, perhaps, other County needs seemed more pressing than a piece of technology that seemed to work just fine.

I, however, changed that. I initiated a six-year plan for a \$35 million replacement for upgrading and modernization-- \$12 million of it in State of Maryland dollars. We were in the second year of that six-year process – doing the design and planning – when the system failed on November 4.

Since November 5, our system has, again, worked perfectly. But we can't count on that indefinitely.

I have asked our engineers to take a hard look at accelerating the complex project to get a new system in place sooner rather than later.

I also directed our Department of Transportation to devise a failsafe plan to engineer individual traffic signals in our most important corridors so that, were the system to go out again before we secure a replacement, they would be able to operate on rush-hour and non-rush hour timing – even if the central computer went down. They have completed that work on the most critical 200 intersections in the County.

We owe a lot to Montgomery County's traffic engineers and technicians. They made an incredible effort and worked tirelessly 24/7 to isolate the problem and fix it.

I have fully funded the Pedestrian Safety Initiative recommended by my Pedestrian Safety Task Force. The initiative is rooted in the three "e's" – engineering, education, and enforcement.

Over the past year, we have worked through CountyStat to identify "High Incident Areas" in the County, based on data from collisions. We have completed the HIA survey of residents and businesses in the first area – University Boulevard and Piney Branch Road – and begun implementing County improvements there, working with the State of Maryland on issues that involve them on these State roads. We are just completing our second survey – in downtown Bethesda – and are drawing up lists of improvements to implement.

Our Department of Transportation continues to outfit existing traffic signals with pedestrian countdown displays to improve pedestrian safety, with the total number of County-owned intersections with these devices now at 224. Funding for the construction of new sidewalks was doubled in FY 10, to allow for 10.5 miles per year. MCDOT will install bikeway signage on 21 additional routes during FY10.

Significant pedestrian safety improvements providing enhanced pedestrian facilities and traffic calming measures have been completed on the following roadways:

- Connecticut Avenue south of Bel Pre
- Arcola Avenue
- Flower Avenue between Piney Branch and Franklin
- Aspen Hill Road between Arctic and Connecticut
- Fairland Road between Randolph and Old Columbia Pike;
- Calverton Blvd. east of Cherry Hill
- Sligo Avenue between Fenton and Chicago;
- Lockwood Drive between Stewart Lane and New Hampshire

Plans are now underway for the installation of additional pedestrian safety and traffic calming measures to improve Carroll Avenue, Prince Phillip Drive, Tilden Lane, Dale Drive, and the remainder of Sligo Avenue.

In addition, our “Safe Routes to School” program completed safety evaluations and implemented necessary improvements at an additional 11 middle and elementary schools, for a total of 83 over the past three years. Increased funding in the current fiscal year, utilizing speed camera revenues, should allow us to improve 29 schools per year, meaning that all schools will be improved for children walking and biking to school by 2014. Educational programs and enforcement activities will be implemented in concert with engineering improvements.

Education is another critically important component. Several educational projects have been implemented by the Public Information Office, in coordination with MCDOT, to teach targeted members of our community the importance of safe pedestrian behaviors and cautious driving practices. Reaching out to new immigrant populations has been accomplished with the release of an award-winning ESOL “Walk Safe” video, with thousands of copies distributed through County ESOL classes, community groups, and Montgomery County Public Schools (MCPS). A second video targeted young teen drivers with a newly released “Drive Safe” video program for use in county high schools.

This past month I announced a campaign, in coordination with shopping center owners, to highlight parking lot safety, where 22 percent of pedestrian collisions occurred last year, especially affecting seniors.

A strong and vibrant economy

A strong and vibrant economy is the foundation of a healthy and successful community. The key to our success has been our highly educated workforce attracted by our exceptional quality of life. I am committed to doing what is necessary to build on this strong foundation by reaching out to attract entrepreneurial companies from across America and throughout the world, especially in the life sciences field. To continue to attract and retain quality businesses, Montgomery County’s priorities must be to provide educational excellence, workforce development opportunities, a transportation network that works, and housing options that meet the needs of future employees.

Over the past year, Montgomery County worked successfully to attract the Maryland Biotechnology Center and the Maryland Clean Energy Center, making the County the epicenter of the State’s strategic new industry initiatives. Our Biotechnology Task Force, chaired by former MedImmune CEO David Mott, last week released detailed recommendations on next steps in promoting and growing the County’s biotechnology sector, including the establishment of a nation’s first-ever broad biotechnology tax credit. I have also established a Green Economy Task Force to help the County maintain and enhance its leading role in the growth and development of green technology and jobs.

With the Council's support, Montgomery County is moving forward with my Smart Growth Initiative. Our Smart Growth Initiative (SGI) implements important public policies of environmental sustainability, affordable housing, transit oriented development, and creation of opportunities for jobs in the life sciences sector. This is accomplished through fiscally prudent investments in public facilities that serve to maximize the life span of County investments while leveraging County assets.

Over the past year, with Council support, the County has purchased the GE Tech property off Route 28 and, more recently, the Webb Tract in Gaithersburg to implement relocations involved in the SGI. I'm pleased I was able to save County taxpayers \$225,000 by the timely purchase of the entire Webb Tract property.

The SGI will significantly strengthen the County's tax base by creating new, high-quality jobs and fostering growth and expansion of the County's biotechnology sector. The SGI accomplishes this by selling or swapping County-owned land that can more efficiently be used for the expansion of biotechnology efforts or for housing near the Shady Grove Metro. It also achieves the goal by investing capital spending already planned in new County facilities that can serve us for decades to come, rather than putting that same money into obsolete or inadequate facilities. The initiative will enable the County to save money by moving out of more expensive leased space. .

By relocating the current 52-acre Public Service Training Academy -- now ringed by Johns Hopkins, the Universities of Maryland at Shady Grove, Shady Grove Adventist Hospital and the County's Life Sciences Center - space will be created for communities where the scientists and biotech workers of tomorrow can live and work, served by the Corridor Cities Transitway running along I-270 from Shady Grove -- a place where we can, with our higher education partners, develop both our own workforce and new, innovative, attractive employment opportunities for that workforce.

Relocating the 100-acre County Service Park will also implement -- against all odds -- the Shady Grove Sector Plan approved by the Council in 2005, by substituting transit-oriented development for the current light-industrial use and creating over 6,000 housing units, a large chunk of them affordable and workforce housing.

I am proud that the County has worked closely with communities throughout the county to be a good neighbor, minimizing impacts of relocated functions while maximizing advantages in protecting green space, mitigating traffic, and addressing quality-of-life concerns.

The Smart Growth Initiative is building tomorrow's Montgomery today --- good jobs, life-changing technology, transit-oriented housing, and cost-effective County government.

This fall, we celebrated the 10th anniversary of the County's highly successful Business Innovation Network (BIN) incubator system at the Shady Grove Innovation Center (SGIC), the County's first incubator facility previously known as the Maryland

Technology Development Center. Since its opening in 1999, more than 90 companies have graduated from the Network, creating 1,800 jobs and occupying about 625,000 square feet of commercial space in the County. With locations in Shady Grove, downtown Silver Spring, Wheaton, Rockville and Germantown, the network's five facilities occupy more than 150,000 square feet of office and lab space, house more than 150 companies and support nearly 500 county-based jobs.

Through my 11-point program to lend a hand to local businesses during the downturn, we have broadened the reach of our Local Small Business Reserve Program by increasing from 10 percent to 20 percent the required amount of eligible contract dollars spent with local small business. We increased the size and earnings thresholds that define a small business, thereby broadening the number of Montgomery County businesses eligible under the program. We implemented administrative review to ensure more contracting opportunities are directed to local small business. The Council has passed my recommendation to defer permitting and inspection fees for one year for new development; I urge you to act on my proposal to defer impact fees for the same period.

We've also made it easier to do business with the County by shortening solicitation timelines, making procurement code and regulatory changes to streamline contracting, and putting contract information online to provide immediate access – plus waiving fees for non-construction electronic solicitations.

Last year alone, our Montgomery Works One-Stop Career Centers – under the guidance of the Workforce Investment Board – served more than 14,000 job seekers and 300 businesses.

We continue working with the Wheaton Redevelopment Agency and the Planning Board to foster redevelopment and the creation of a vibrant, transit-oriented town center through public-private partnerships. In November, the County signed the land donation agreement with the Lee Development Group that will pave the way for the opening of the Fillmore performing arts and community use space in downtown Silver Spring, which will generate \$1.7 million a year in annual public benefit, right from the start.

Earlier this year, our Department of Economic Development launched the Stimulus Opportunity System (SOS) to help our local federal contractors win more bids by giving them early and concise information on all federal grant and contracting opportunities. This System continues to be an important tool for our local business community.

For the third consecutive year, the County welcomed the AT&T National PGA Tournament to Congressional Country Club in Bethesda. Attendance was up 80 percent over the previous year and the tournament generated \$29 million in economic impact for the County. The tournament will return in 2012. Next year, the County will play host to the PGA Constellation Energy Senior Players Championship at Avenel Farms next October 4-10, and in June of 2011, the U.S. Open Tournament at Congressional.

Among the companies expanding in the County this year was RNL Biostar, a wholly-owned subsidiary of a Korean company which I visited during my economic development trip to Korea and China last fall. As a sign of the commitment to further economic partnership between Montgomery County and Korea's Chungbuk Province, Chungbuk pledged \$2 million in investment support for the incubator facility to be built as part of the County's development of Site II in the eastern part of the County into a major, new science and technology park. We continue to build on the contacts made in Korea and China, with a special focus on biotechnology.

In November, Microsoft announced that it would relocate or create 500 new jobs to Montgomery County, to be located in 134,000 square feet in Chevy Chase.

Montgomery County was also selected as the location of a new global center for the Americas by the International Baccalaureate Organization. The center will create more than 100 jobs in the County and will manage operations and assessment for 1,494 schools in 28 countries and territories in the Americas.

And Aeras Global TB Vaccine Foundation, a nonprofit research organization, opened its BSL-2 vaccine manufacturing plant in Rockville to help stop the global tuberculosis epidemic. The new facility will enable Aeras to provide affordable, future TB vaccines to those in countries that need it most. The project has already provided employment to over 130 people involved in the design and construction of the new manufacturing facility.

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 as we reduced the overall County operating budget by two percent – the lowest rate of spending change in 18 years – I increased funding for the Montgomery County Public Schools budget by \$38.5 million – a two percent increase – and fully funded all educational programs and nearly 99 percent of the Montgomery County Public Schools request. Ninety-five percent of the total tax-supported County spending increase I requested goes to MCPS to support a student body of over 140,000. Per pupil spending increases to a record \$15,149.

I was only able to do this with the extraordinary cooperation of Superintendent Dr. Jerry Weast, the Board of Education, and the MCPS employee organizations, all of whom contributed significantly in helping to close the shortfall we all face.

I also increased funding for Montgomery College by about three percent.

Do both MCPS and Montgomery College need more resources to meet the challenges of today and tomorrow? The answer is yes – and yet the constraints placed on County

government by the economic downturn are real and show no sign of changing significantly in the coming year. Notwithstanding this reality, I will continue to prioritize our educational system to the greatest degree practicable.

Our exceptional library system is a critical part of our learning system – both for kids and adults. As the economic downturn has driven more people from all walks of life to our libraries, I have sought to hold the line on operating hours and days open.

All told, the total number of programs for pre-school, school-aged, and young adults was 5,790, with more than 136,000 participants in FY09.

We are also holding the line on long-promised improvements, including

- Planning for the new Silver Spring Library, with groundbreaking set for July 2010 and site completion in Spring 2011. Occupancy is scheduled for Spring 2013.
- Olney Library renovation and addition, opening scheduled for August 2012.
- A renovated and expanded Gaithersburg Library, completion March 2012.

Early literacy and pre-school initiatives are critically important parts of our work. To that end, we have partnered with Family Services' "Healthy Families" program to implement the "Mother Goose" early literacy outreach for Latino families, intended to foster language learning and school readiness. We also conducted 38 Childcare Provider Workshops presenting activities intended to support development of reading readiness skills and provided 1,362 pre-school programs geared towards developing literacy skills in the preschool population attended by nearly 47,000 participants.

Our English Conversation Clubs are award-winning. We added a new language, French, to our World Language Collection. Other languages are Spanish, Vietnamese, Chinese, Korean, and Russian.

Our "Virtual Services Branch" enhances resident access to library services anytime, anywhere. Our "Virtual Library" services include Kidsite, Teensite, Seniorsite, and resources for English Conversation Clubs and access to information and full text of articles through dozens of databases. Improvements or additions to Children's Rooms are in place in Rockville, Germantown, Bethesda, and Chevy Chase libraries. Our popular Children's Summer Reading Program registered 25,000 participants this past summer and the library system continues to build on its efforts to become a County-wide destination for teens, with new dedicate teen spaces in Bethesda, Chevy Chase, and Quince Orchard. We completed a mini-renovation of the Chevy Chase Library.

We also continued to improve the library website, which received three million plus visits last year.

Healthy and sustainable communities

I believe that protecting the most vulnerable in our midst during this economic downturn is a practical and moral necessity. It is a bitter irony that the demand for our help is at its greatest at a time in which our available resources are stretched to the breaking point.

And, of course, the County has also worked hard to address the emergence of the H1N1 flu pandemic, with the County response to this crisis led by our County Health Officer Dr. Ulder Tillman and our Health & Human Services Department. Though hampered by the national shortage of H1N1 vaccine due to manufacturing delays, they have worked in close collaboration with the Montgomery County Public Schools, other County departments and agencies, and the State of Maryland to educate County residents on ways to limit their vulnerability to both H1N1 and seasonal flu and have organized clinics to push out as quickly as possible the supplies of vaccine as they are received.

Through our “Montgomery Cares” program, the County provided primary care, medications, specialty care, limited dental care, and mental health services during FY09 to over 21,000 uninsured adults, 18 or older, who have income under 250 percent of the federal poverty level. The capacity to serve more patients in more safety net clinic sites increased steadily in the last three years. Two new participating clinics were added in FY09, bringing the total to 12 clinics, with several having multiple sites.

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 3,600 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. This contractual program is administered by the Primary Care Coalition, which subcontracts with non-profit providers and private pediatricians. The County’s School-Based Health Centers also participate in Care for Kids.

We also continue to serve 2,100 County women each year 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 22 percent increase in investigations from FY08 to 706 in FY09. 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 or older.

The County provided supported employment, vocational training, day programs, individual and family support services, and residential placements services through our Developmental Disability Supplement to 2,631 individuals in FY09. Ninety-five percent of customers were able to remain at the same or higher level of independence, and 93 percent reported satisfaction with services.

To address homelessness, our Housing First Initiative reduces dependence on temporary shelter with strong focus on rapid rehousing into permanent supportive housing. Through collaboration between HHS and DHCA, we have been able to increase the number of permanent supportive housing units to place homeless individuals and families in permanent housing and provide deep subsidies and case management. We have also expanded homeless prevention efforts to help households prevent eviction and avoid homelessness.

This year we established Visitation House for children whose families are involved in the Child Welfare system to provide a natural and safe environment for families to come together to visit and continue connections. We provided funding for two community-based Pre-K classrooms to serve low-income children and their families with free pre-K service.

And we created two Neighborhood Safety Net service centers in two zip codes in Gaithersburg and Wheaton most impacted by economic downturn to facilitate access to HHS services and prevent further deterioration of individual or family circumstances.

We worked actively in the Silver Spring/Langley Park area through the Public Inebriate Initiative Team to ensure a safer and more attractive business environment as well as reaching individuals on the streets who are sometimes experiencing life threatening emergencies. Over the past two years, teams conducted more than 5,338 outreach interventions and successfully engaged 241 individuals in seeking treatment for their alcohol problems.

The ongoing work of our African American, Latino, and Asian Health Initiatives in providing health education and health services continues. We established a program through the Latino Health Initiative in collaboration with Montgomery College and area hospitals to provide training and guidance to foreign educated nurses to assist them in obtaining credentials and licensing to become employed as nurses in the County.

The County convened a second Asian Pacific American conference in 2009 that gathered nationwide experts, providers and consumers to share knowledge, best practices and research.

Our Latino Health Initiative's System Navigator and Interpretation Program provided thousands of residents with health and human services referrals to programs and services provided in the county.

The African American Health Initiative continues its work to lower the high infant mortality rate among the County's African American residents. The rolling average annual infant mortality for African Americans (13.25 per 1000 live births) between 2006 and 2008 was more than three times higher than that of Whites (4 per 1000 live births). Factors contributing to high African-American infant mortality include low birth weight, premature births, and lack of early prenatal care.

We opened up the Suburban Maryland Welcome Back Center in Montgomery County to serve health professionals from all over the world currently residing in our geographic area in preparing for and obtaining required licenses to join the healthcare workforce.

To increase accountability, the County developed a Strategic Plan for improving contract monitoring and invoice payments and conducted training for program monitors and vendors.

We completed the third year of the Hospital Diversion Project which focused on serving uninsured consumers in psychiatric crisis in local hospital emergency departments. Since its inception, the program has screened 2,100 uninsured individuals in local ERs and diverted one-quarter of them to community-based treatment.

The expansion of Drug Court, targeting non-violent offenders to receive intensive outpatient substance use and mental health treatment, has paid off in a reduction of recidivism rates for offenders from an average of 60 percent to less than 10 percent for offenders enrolled in the program.

HHS continues to provide brief psychiatric services and care coordination for approximately 1,500 clients that need immediate psychiatric medications and are discharged from psychiatric hospitals or jails. The department also carried out more than 7,500 substance abuse assessments, and over 7,000 referrals for outpatient mental health treatment services.

The implementation of the Lethality Assessment Protocol (LAP) in FY09 -- currently in use by all of the police departments, the Office of the Sheriff, and HHS -- was responsible for a 21 percent increase in domestic violence victim service requests. The opening of the County Family Justice Center provides one-stop services for victims of domestic violence.

HHS, 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 suppression of gang activity.

Montgomery County has long been a leader in protecting our environment and making sure that our practices are sustainable in the short, medium and long-term. We continue to be on that cutting edge.

Montgomery County was selected as the new home for the Maryland Clean Energy Center. The MCEC will promote the expansion of the clean energy industry in Maryland by providing peer-networking, outreach and technical support to firms, academia, government entities and researchers.

The County's Climate Protection Plan developed by our Sustainability Working Group is a strategic blueprint to help reduce the County's carbon footprint and limit our long-term risk due to climate change. The Plan's goals include a leveling of GHG emissions by 2010, and a 10 percent reduction every five years through 2050, ultimately resulting in an 80 percent reduction of GHG emissions by 2050.

The Plan's 58 recommendations take into account the three sectors which are responsible for the largest amount of carbon emissions: transportation, residential buildings, and commercial buildings. Implementation of the Plan, began immediately with renewable energy and energy efficiency investments, , transportation investments, and actions related to land use planning, forestry and agriculture, and education and outreach.

Montgomery County reached its objective of preserving 70,000 acres of agricultural land under easement this year, one year earlier than the initial 2010 goal. Among all counties in the nation, Montgomery County has the largest percentage of its farmland protected under easement (94%).

Construction is completed on two gas-to-energy facilities, at Oaks Landfill and Gude Landfill. Expected revenues should help the projects to break even within 7 to 10 years. Collectively, these two facilities produce enough energy to power 2,000 homes year-round. Using electricity from these sites as opposed to coal-burning power plants will reduce carbon emissions by 18,228 tons.

Earlier this year, I announced that four county incubator facilities would convert their power source to wind energy to promote clean energy markets and reduce the County's carbon footprint. The three-year deal is also expected to save \$67,000 a year.

We have increased the use of hybrid vehicles in administrative and public safety fleet. The County's Fleet Management Services placed second in the national 2009 Government Green Fleet Awards.

In the densely-developed down county neighborhoods trash and recyclables-collection trucks are being replaced with Compressed Natural Gas-powered vehicles beginning in April 2010. This reduces carbon emissions and improves local air quality.

We completed a retrofitting project that installed cutting-edge technology that reduced emissions of smog-producing NOx from the Resource Recovery Facility in half. These

emission reductions were equivalent to removing 70,000 cars from the road. This achievement was made possible through use of a patent-pending NOx reduction technology, its first application at any publicly-owned waste-to-energy facility in the nation.

Thousands of tons of CO2 emissions were avoided because of the Clean Energy Rewards Program. The program, unique in the nation, provides a monetary incentive to county residents and businesses to purchase clean energy by offering an offset of the cost of clean energy. Each megawatt hour of clean electricity purchased results in 1,293 lbs. of carbon dioxide emissions avoided. We also offered local tax credits for energy conservation and renewable energy system installation.

We have boosted the county's purchase of clean, renewable energy to 30 percent of annual electricity consumption. This clean energy purchase was achieved in FY10 through a strong partnership with other agencies and municipalities.

We have significantly expanded the list of materials that can be recycled, making our program the broadest in the region. The County now accepts durable/reusable plastic containers, tubs, lids, pails, buckets, and flower pots across all population sectors. Currently, over 150 tons a month of computers, televisions and other consumer electronics are also safely recycled through the County program.

We have continued to make significant progress toward the goal of recycling 50 percent of the county's waste. The overall FY09 recycling rate in the county held steady at 44.2% despite the downturn in the economy.

Design of all new County facilities now follows the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system. Installation of motion-sensitive lighting in Executive and Council Office Buildings reduces energy consumption. Creation of the Office of Sustainability in General Services helps to coordinate environmental and conservation efforts across County offices and operations. We just launched the county's Green Business Certification Program, recognizing businesses that are voluntarily taking steps to adopt more environmentally-friendly business practices. The Program was developed in collaboration with the Montgomery County Chamber of Commerce and Montgomery College.

Working closely with Prince George's County Executive Jack Johnson, I broke an impasse in choosing a new General Manager for the Washington Suburban Sanitary Commission, resulting in the appointment of Jerry Johnson to the position. I will continue to work with our WSSC commissioners, with the Council, and with Prince George's County to bolster WSSC's monitoring and replacement of aging and subpar piping.

Safe streets and secure neighborhoods

Protecting the lives and property of Montgomery County residents is one of my top priorities. That's why the only two departments of County government to see actual increases in spending in this current year over last are the Police and Fire & Rescue.

Despite these small increases, however, County Police have had to do more with less. Their success in this is reflected in just released crime statistics for the first six months of 2009, which show crime down five percent over the same six-month period of 2008, with serious crime down 7.4 percent. Notably, murders are down 50 percent and auto theft down 38 percent. While crime statistics fluctuate from one period to the next, I do not believe this good news is an accident.

The addition of the National Investigation Ballistics Information Network to our Firearms Examiners' Office has reduced our backlog of ballistics cases from over 700 to under 100 in just one year.

The Department is one of the lead agencies on the County Executive's Positive Youth Development Initiative. This is a multi agency effort that focuses on a strategy of prevention, intervention, and suppression to address risky behavior such as gang involvement and juvenile delinquency. The targeted effort has led to a 9 percent decrease in juvenile crime in target areas.

The Police play an important role in promoting traffic safety – and a dedicated Traffic Operations Division has helped this past year. The Police also administer the County's "Safe Speed" program with 60 fixed sites and 59 mobile sites for automated speed enforcement. A recent report by the County's Office of Legislative Oversight showed an overall reduction in collisions in areas with cameras of 28 percent, a 39 percent reduction in crashes involving injury, and a reduction in speeds in those areas of nearly 20 percent. Data shows an 80 percent reduction in speeding citations at enforcement camera sites in the first 12 months after installation.

Design work is underway for a much-needed, new state-of-the-art County Animal Shelter, a project that is a public-private partnership with the U.S. Humane Society. We are looking to open the doors in November 2012.

I was proud to open Germantown-Kingsview Fire Station 22 in March of this year, the first new fire station opened in the County in 25 years. It will soon have company. Both Takoma Park Fire Station 2 and Germantown-Milestone Fire Station 34 should be completed by next spring, as should the Burtonsville Fire Station addition.

Even as Fire & Rescue proceeds to implement four-person staffing, the service is seeking economies in line with the County's current fiscal difficulties. It opened the first Central Maintenance Facility in Rockville, consolidating four of five maintenance shops in this new facility. MFRS also implemented MCFRS-wide automated apparatus maintenance systems to improve efficiency and consistency, including an internet-based defect reporting system, maintenance scheduling and parts inventory system, and an asset management system.

The service reduced annual overtime expenditures by approximately 16 percent through structural scheduling changes that reduced the need for overtime and implemented

enhanced measures to track sick leave and compensatory leave. To save money, MCFRS is transitioning ten uniformed call-taker positions at the Emergency Communications Center to civilian call-takers, allowing the return of ten uniformed positions to the field and replacing five uniformed fire code inspector positions with civilian inspectors, again allowing the return of uniformed positions to the field.

MCFRS this year also resumed its successful “Safety in Our Neighborhood” program, performing 24,000 door-to-door safety visits, replacing and enabling nearly 1,700 non-working smoke alarms. The service also reduced emergency call processing time by the Fire & Rescue Communications Section at the Emergency Communications Center through implementation of operational changes. Also, the number of trained Fire and EMS volunteer emergency response personnel increased over the past year from 709 to 843 – nearly 20 percent more. Increasing the number of trained volunteer Fire and EMS emergency responders increases the number of trained personnel on responding apparatus and leads to greater functionality of units responding to emergencies.

Our Department of Correction and Rehabilitation continues to be a national leader, one of less 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 but, through its efforts, saves County taxpayers millions of dollars a year.

All Montgomery County correctional facilities have achieved full compliance with mandatory correctional standards through the State of Maryland – Correctional Standards Commission.

Even given growing numbers of arrests and jail bookings by the Police, secure bed space remains available in the adult correctional system as a direct result of proactive inmate population management. DOCR has developed the capacity to evaluate all new admissions in order to identify gang membership and involvement and has worked in full collaboration with the Gang Unit of the Montgomery County Police Department. Our facilities and programs continue to garner national and international recognition and attention.

The County has developed a new Emergency Operations Plan and more than doubled the number of residents on the Alert Montgomery system to over 75,000.

Vital living for all of our residents

People come to Montgomery County because of its renowned quality of life. Our residents value our urban centers, our agricultural communities, and our suburban neighborhoods. A clean environment along with diverse opportunities for recreation and the arts are essential elements of our quality of life.

Despite a 23 percent reduction in career positions and a 12 percent reduction in budget, the County Recreation Department is reengineering to try to do more with less. It has increased its program capacity by four percent by partnering with community-based organizations and seeking outside funding sources. It operates 18 Community/Neighborhood Recreation Centers and Countywide programs through its Gilchrist Center for Cultural Diversity as well as four Senior Centers and a host of Neighborhood Senior Programs in other facilities. It hosted the Maryland Senior Olympics, which drew 4,000 competitors from across the state. The Wisconsin Place Community Recreation Center opened in September, 2009 and the Mid-County Community Recreation Center will open in 2010.

Also in the planning and design stage are big changes to Neighborhood Recreation Center projects, with Plum Gar additions and renovations currently scheduled for opening in November 2012, Scotland complete reconstruction currently opening November 2012, Good Hope renovations and additions scheduled to be completed in October 2013, and Ross Boddy renovations and gymnasium slated for opening in October 2013.

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 2000.

Last year, I convened a “Senior Summit” with 300 senior stakeholders to identify key elements of senior vital living and prioritize recommendations and action steps. I subsequently established a 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 resources available.

The County has expanded health prevention based programs, especially those targeted at senior populations.

Our Respite Care program fulfilled 1,535 requests for service in FY09 – a six percent increase over the previous year.

The number of individuals served by our Senior Nutrition Program increased by 3.7 percent, and home delivered meals increased by 3.9 percent. In FY09, more than 55 percent of all individuals served in the congregate meal program were from immigrant communities.

Through the “Silver Sneaker” program, weight and exercise rooms are now free for County residents at County Recreation Centers from 9 am to 2pm, Monday to Friday. The new initiative has seen an increase of over 300 percent in use of the facilities. The

Recreation Department found a way to continue and expand the SOAR and MiniTrips programs for seniors by making them more financially self sustaining.

This year we started construction on the Silver Spring Civic Building and Veteran's Plaza, a unique public facility in Silver Spring that will satisfy a variety of community uses. And I am pleased that the Council supported my initiative to keep Sligo Creek Golf Course in Silver Spring open while the community and other interested parties work on a long-term solution for the facility.

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. I am determined to create a welcoming, nurturing, and empowering County government that allows all of our new residents the chance to realize their full potential.

I created our Office of Community Partnerships and tasked it with making sure that Montgomery County is a model multicultural community. The office staffs my six ethnic advisory groups serving our African American, Asian, Caribbean, Continental African, Latin American, and Middle Eastern neighbors. We are working hard every day to increase language access to County government for people whose first language is not English. We are working hard every day to increase the cultural competence of our County government.

I am proud to have co-chaired with former County Councilmember Tom Perez the Governor's Council for New Americans to help integrate immigrants into our way of life as constructively and quickly as possible. In addition, I am working closely with our ethnic advisory groups and the County's Committee on Ethnic Affairs to increase public awareness of our diverse cultures and communities through heritage and other educational events.

Our Second Annual World of Montgomery Festival, to take just one example, drew 4,000 people on October 11, filling the streets of Wheaton around our Gilchrist Center for Cultural Diversity. Our 2010 Census Kickoff on October 21 in the Rockville Town Square painted a perfect portrait of multicultural Montgomery. Our Census Complete Count Committee, chaired by former U.S. Representatives Connie Morella and Michael Barnes, is providing leadership to our important effort to make sure that "Everyone Counts in Montgomery" on April 1, 2010 so that Montgomery County has the representation we deserve in Annapolis and Washington and the financial resources we need to serve our residents.

I look forward to working closely with the County Council in the coming year – to survive and meet the significant challenges before us and to move the ball forward on building an even better Montgomery County for our children and their children.

