

County Executive Barry Glassman

STATE
OF HARFORD
COUNTY
ADDRESS

A New Path Forward...



TUESDAY, JANUARY 12, 2016

State of the County Address – January 12, 2016

A New Path Forward ...

Council President Slutzky, honorable council members, Cabinet members, special guests, and my fellow Harford countians, it is an honor to come before you this evening to report on the State of Harford County.

Winter has come slower to Harford County this year, and as I learned from last year's experience, I am grateful for each day that passes without a large snow

event. And for those of you who have missed Rick Ayers' snow calls; I will relay one of my funniest experiences over the last year.

I've found out that being county executive, not an hour goes by without someone giving me a suggestion, complaint, and sometimes a compliment. One day I was checking out at my local supermarket and the checker reminded me that she thought we needed to reduce the number of calls coming from Mr. Ayers, my deputy director of Emergency Operations. But at that very moment an elderly lady behind me tugged on my

shirttail, and as I leaned over she whispered in my ear.

She said, “Please don’t do that. Mr. Ayers is the only man who still calls me.”

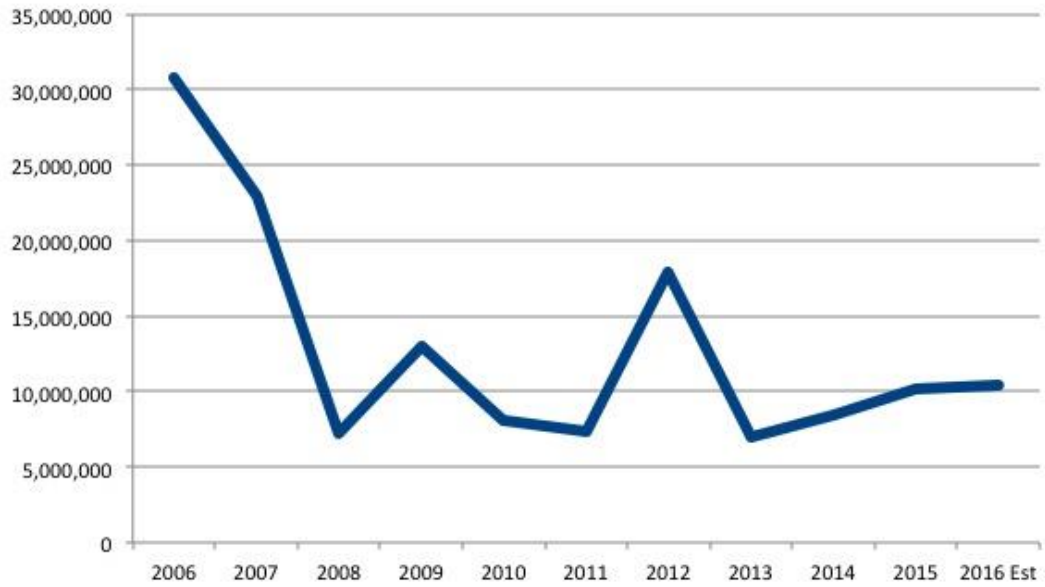
Last year I came to you 64 days into my administration, full of hope and with great expectations despite the challenges ahead of us. Today I can reassure you that I am as optimistic as ever about Harford County’s future and our efforts to make it Maryland’s New Center of Opportunity. I also equated our fiscal position last year to a runner’s stride, and the fact that we could not maintain our prior pace of spending and borrowing, and remain a strong and prosperous

county. Today I can report to you that due to the efforts of the County Council, my Cabinet, and our county employees, we have adjusted our stride and the state of Harford County is strong and we are prepared to finish the race for the next generation.

Let me take a moment to walk you through an update on our fiscal posture as we begin the New Year.



Unassigned Fund Balance – Available Surplus



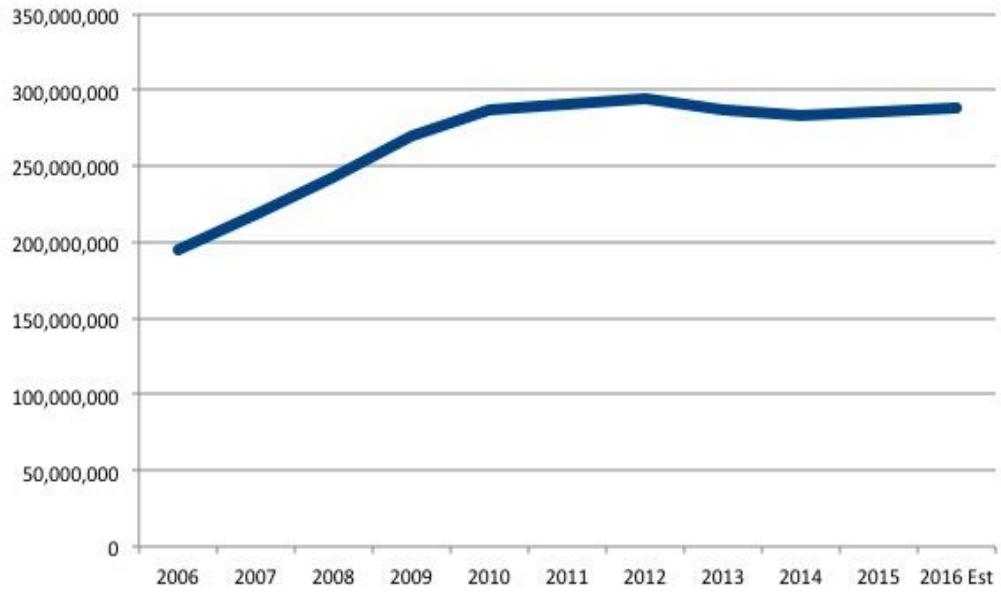
The Fund Balance is our cushion for emergencies. When I came into office our Fund Balance was under \$8.5 million, which is a small amount on a half billion dollar budget. We also recognized immediately that the income tax revenue estimates needed to be revised down from an overly optimistic FY15 budget. However, largely due to holding the line on spending, we ended the year improving our position.

The Fund Balance at the end of FY15 was more than \$10 million and the expectation is that the FY16 Fund Balance will improve upon that. Our Fund Balance is still lower than what the rating agencies would like to see, but we are moving in the right direction. We were able to achieve a Triple-A bond

rating from all three rating agencies last year, and I just returned from our meetings in New York and I am confident that we will retain our Triple-A bond rating, making Harford County one of only three counties in Maryland to have achieved this highest possible rating.



Property Tax Revenue - General & Highways



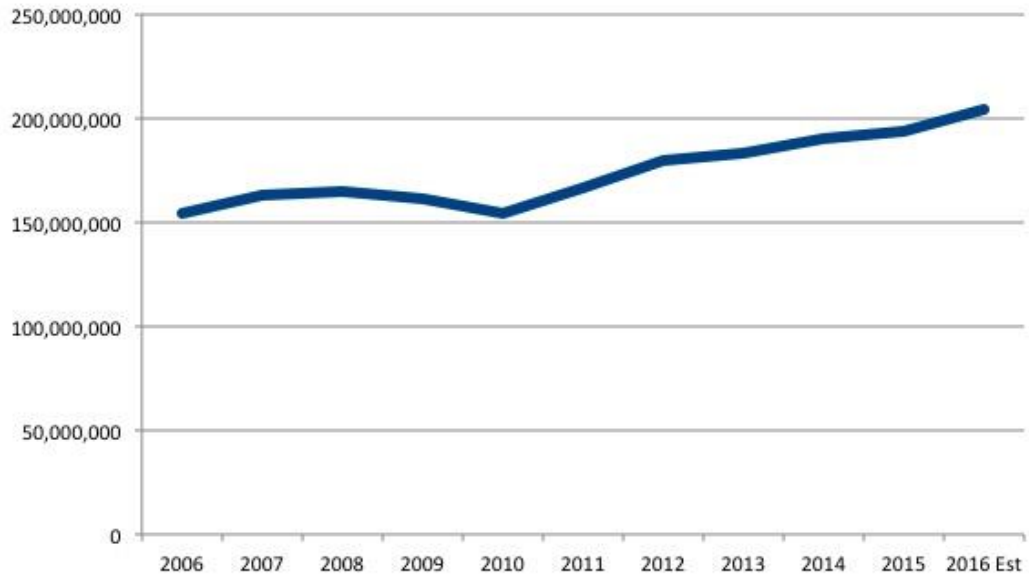
Property taxes are our largest revenue source. After four years of falling assessments, we have experienced modest increases in assessments for the past three years. The most recent assessments are from the northern end of the county as well as areas around Havre De Grace and Joppatowne, and the increase was 3.2 %.

The last time this area was reassessed three years ago there was a drop of 6 1/2 %, and three years before that, a drop of more than 14%. Like the rest of the state and nation, we are coming out of the hole but we have not regained all that was lost and the recovery in property values and subsequent property tax revenue will take a long time. The bottom line is

that we expect our largest revenue stream to show limited growth in the future.



Income Tax Revenue

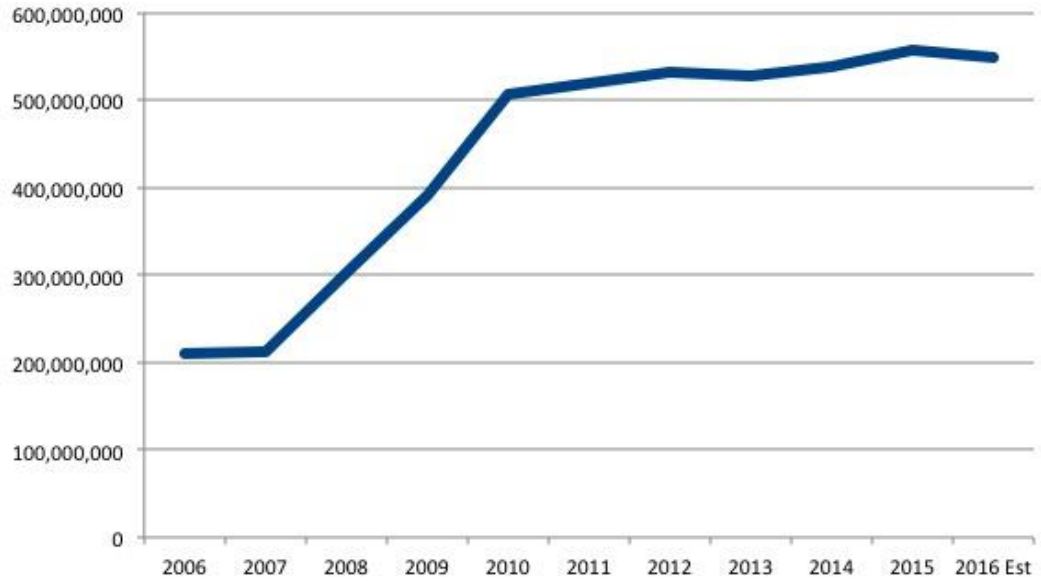


Our second largest revenue source is income taxes, which much more volatile than property tax revenue. Income tax revenue bottomed out in FY10 and we have seen growth every year, but the growth rate has significantly varied from year to year and wages have seen little growth over the past few years. We expect modest growth in income tax revenue but we are reluctant to get too far out in front with our forecast when there is so much uncertainty. In FY15 the county was a million dollars short of its income tax estimate, and while the shortfall was met by the county government holding down spending without asking our outside agencies to take any cuts, the next time there is a shortfall, the cuts will have to be more widespread. This volatility is why we will

build a conservative and common sense budget - to avoid the pitfalls of having to make cuts after the fact.



Total Government Debt – Taxpayer Supported



As I reminded folks last year, the county's taxpayer-supported debt tripled over the past ten years from about \$200 million to about \$600 million. Reducing this debt will take years and even though the increase in our debt load took place under one administration, it will probably take more than one, and probably several administrations, to return us to prior levels. What I am doing is changing the trajectory from that of increases to one of decreases and doing this is more difficult than it sounds. Most of the debt we sold last year, and we will sell this year, is from projects budgeted and approved several years ago.

This is why I stress constantly that the debt practices of the federal and state government, and even past county government, not only burden our current generation but indeed strap our children as well. It limits our ability to meet future needs when our children and grandchildren have to pay back the debt that we take on today.

In FY16 my capital budget included \$33 million in new bonds - the smallest level since 2004. Our six-year capital plan starting in FY16 has an average of \$42 million per year - the smallest level since FY 2000. Projects paid for with bonds today are tomorrow's debt. That means reducing future debt is about making tough choices today. When my

administration says “no” to well-meaning capital projects, I hope folks will understand that this is a course we must take to sustain the fiscal strength of Harford County.

My expectation, however, is that our debt should level off and in future years our debt service trajectory will follow the downward trend of our debt load. As you see, these are still uncertain fiscal times for local government. Like the rest of the state and the nation we are facing financial headwinds, which are why we need this new path forward- a path of fiscal responsibility and balance, efficiency, innovation, opportunity, service, transparency, accountability, and

leadership. These values drive our mission as we remain focused and disciplined in our approach forward for Harford County's future.

As you've seen, through a relentless focus on fiscal responsibility, we have been spending within our means, kept borrowing costs low, and adopted a FY16 budget with no tax increases. In fact we were the first Maryland county to repeal the Rain Tax, redirecting existing funding to meet storm water remediation requirements. At the same time, my administration kept its word by reinvesting our savings into a merit increase for our county employees. With the help of our new Division of Efficiency and Innovation, we are

approaching a half million dollars in savings per year by reducing leased space and maximizing county-owned facilities. We continue to explore outsourcing opportunities where it makes fiscal sense, and the service is equal or better than we currently provide. We have already approved successful models for solid waste management, Juvenile Drug Court services, workers' compensation, security, animal control, and the county website update, which is clearly one of the best in the region.



Using technology we are empowering our citizens, and especially the next generation, by making county government more like your smartphone - smaller, faster, and with better customer service. I have funded our move off the county's mainframe and pushed our broadband HMAN project to complete its first phase of connecting all county facilities. Our electronic innovation has been recognized statewide, from our first-ever virtual town hall to our "smart government" applications: Snow Plow Tracker - for those of you who love snow; Track it! - online maps and information about proposed development projects; Explore it!- online story maps of the county ag conservation programs, and the latest app - You CLICK We FIX – where citizens can photo-

report a problem from their smartphone and we report back when it is fixed. Go to our website and give them all a try....

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By positioning the Office of Economic Development in a state-of-the-art office on Maryland Route 40, we have strengthened our ability to enhance business activity with Aberdeen Proving Ground. And we look forward to a continued partnership with the post as we celebrate its 100 year anniversary. General Crawford and I enjoy a close relationship as he keeps me updated on weighty topics such as missions and potential personnel impacts at APG, and the not so weighty ones like a runaway blimp.

For 2015, I'm pleased to report that we had 26 new/expanding businesses encompassing 1.7 million square

feet, with \$33.3 million in capital investments and a conservative figure of 370 jobs.

Our Economic Development folks will continue to recruit tech transfer opportunities from the post to outside the gate for small businesses. We will also continue to develop larger commercial opportunities.

If you are growing or starting a business in Harford County, my administration is here to help you.

Also to assist citizens and small businesses, our streamlined Permit Center is up and running for zoning, permits, licenses and inspections, all in one convenient location on the first floor at 220 South Main Street in Bel Air. (Welcome, Victoria

Meyer, Maryland Building Permits, Inc.) Our Energov online processing system - which will allow for a citizens' access portal - is getting up to speed. And we have reorganized the first floor. And yes, we still have to take some money which can now be paid conveniently across the hall.

We have made great strides in turning around the customer service culture in the county. In fact I will require every employee who has access to a computer to take and pass an online customer service training in 2016.

Education goes hand in hand with opportunity. I provided record funding to the Board of Education, and last year over half of our new county revenue went to provide an overdue

increase in teacher salaries. I asked the Board, as I have asked my departments, to continually look at efficiencies and reductions as we move forward. I encourage the Board of Education to resist the temptation to add positions during a period of flat or declining enrollment.

We are also working on a potential partnership with the Board of Education on a consolidated facility for the management of buses and other fleet service vehicles.

On the education capital side, I will work closely with the governor and legislative leaders to facilitate flexible financing and construction standards to assist counties with the ever-increasing cost of new school construction and renovations.

My hope is that the proposed Havre de Grace Middle/High project will be a pilot and model for this effort.

I am also planning two larger policy initiatives this year. I hope to have a draft of the HarfordNext Master Plan before you by the first week of February. It will be the most progressive revision to date for Harford County planning: a modern flexible approach written in plain English, in a concise document that can be read in one sitting. Our goal is to be forward thinking while being mindful of our heritage. In fact our historic preservation program has been updated, and we have preserved the Mt. Soma barn which dates back to the early 1700's, something that no other county administration has done before. Special thanks to C. John

Sullivan Sr. and Rick Herbig, a former county attorney, for assisting me in saving the Gorsuch-Joesting House, also from the 1700's, which will be reconstructed as a North Harford visitors center for all to enjoy

On the public safety front, our other policy work will be an analysis of our Emergency Medical Services delivery and organization. We will continue to study internally with our partners in the Foundation and Association, but I am also in the process of exploring partnerships that we can forge with external public policy institutes to assist us by providing expertise and making recommendations.

This year I was honored to be inducted into the Maryland State Firemen's Association Hall of Fame, another one of those life occurrences that notify you of how old you're

getting. But in the true volunteer spirit, one of the other older inductees told me to be thankful: I got it while I could still get up the steps on my own. With this in mind, I will remember our history but we must plan for the future. Thank you to those volunteers who still answer the calls today and risk their lives without payment, receiving only a thank you.

I have talked about finding the right pace in spending and reorganizing government to be more accountable and customer centered. Harford County is also strong because of our remarkable spirit of giving to our neighbors in need.

Last year we rededicated ourselves to lifting up one another. After a 10 year absence, I renewed the county's partnership

with the United Way of Central Maryland, which provides close to \$500,000 to Harford nonprofits. In lieu of an Inaugural Ball, we donated the sponsorships to local groups helping our hungry and homeless. My Office of Procurement, through best practices, saved the county over \$1 million dollars. Yet they and other employees took their lunch hours to create “Project Patches” for our veterans, repurposing 300 uniforms so that no veteran goes without a uniform to his final resting place. Special thanks to Captain Jim McMahan for assisting in the rejuvenation of our Veterans Commission. Consider the inspiring story of eleven-year-old cancer survivor Grace Callwood, who received this year’s Harford’s Most Beautiful Person Award. While in treatment, Grace

founded the WeCancerve movement to help children who are homeless, sick, or in foster care. WeCancerve has donated 140 back- to- school outfits and 65 winter coats to homeless children. Recently she was awarded a \$25,000 Peace First Prize in New York. Grace is the only Maryland recipient and the youngest recipient among this year's winners. Grace is with us this evening. Grace, Harford County is proud of you.

My office of Community Services carries this same spirit as it touches families and strengthens our communities. Last year Harford County boldly stepped forward to acknowledge the

ravages that heroin has lain upon our families. I am so proud that we not only stepped forward, but we also stepped up to the challenge. Through partnerships across multiple agencies, we have held our own against a drug that has never been cheaper, more available, and more addictive. I provided the first-ever county funding for treatment last year of \$100,000, which allowed us to secure over \$560,000 in state grants for awareness and prevention. Working with the sheriff and the Board of Education, we have touched hundreds of students and parents at community information sessions and through public service announcements.

I would like to thank the Gallion, McLaughlin, and Landbeck families for their testimonies. They are the faces of the moms and dads who have suffered the ultimate loss from this epidemic. But they persevered through their own pain to educate and awaken our communities in the hope of saving someone else's son or daughter. They are here this evening.

Thank you for your work to save our brothers and sisters.

We know it is extremely difficult to save those addicted, but through treatment and recovery services it can be done.

Brittney Rappold is here this evening to represent the faces of recovery. Thank you for your courage to step forward and represent those who triumph daily over the challenges of addiction.

In order to maintain our momentum, I will be doubling the county funding for prevention and treatment to \$200,000 in the upcoming budget. At the same time, I call on the federal and state governments to provide increased funding for treatment through expanded mental health coverage and copays that are at parity with medical services for physical impairments.

Martin Luther King Jr., whose birthday is this Monday, said “Life’s most persistent and urgent question is: What are you doing for others?” To begin our 2016 service work, I will be authorizing a Day of Service to provide eight hours of administrative leave for employees to help a local nonprofit

this winter. Just as I invite our employees to a Day of Service, I invite all citizens to participate- whether you can give a few hours, a full day, or more. Please visit our county website for a list of volunteer opportunities.

Let me begin to close with a few thank yous. Thank you to my partners on the County Council for your hard work; you have reviewed 71 executive bills/resolutions as well as 18 Executive Orders which helped clear the way for our new path. Thanks to my Cabinet, staff, and employees whom I have pushed and pushed this first year. And I only shared the cream off the top of what we have accomplished in 12 short months.

One employee even reminded me of my speech last year by telling me to pace myself. But I said at my inauguration that I would not squander this chance to make a difference. So I will continue to run fast while the ground is flat, and fair warning to those who try and keep us standing still or construct roadblocks... I don't mind running uphill either, it's worth the climb toward my vision of Harford County as Maryland's New Center of Opportunity.

Before I finish, let me say a few things about my political future, which I've been praying on daily.

I have been flattered by all the folks from around the state, my fellow sheep farmers, and friends who have called or written to urge me to run for Congress or a U.S. Senate race; But most of you who know me well, know that I have always dreamed of being county executive since my days as a scrawny farm boy in Level.

Some dreams are fleeting; others meant to last awhile...

So I guess what I am trying to say is, I am not quite ready for this dream to be over...

We have accomplished so much this past year. And I enjoy making a difference in people's lives every day.

I came home to do just that.

Thank you and God bless you and Harford County.