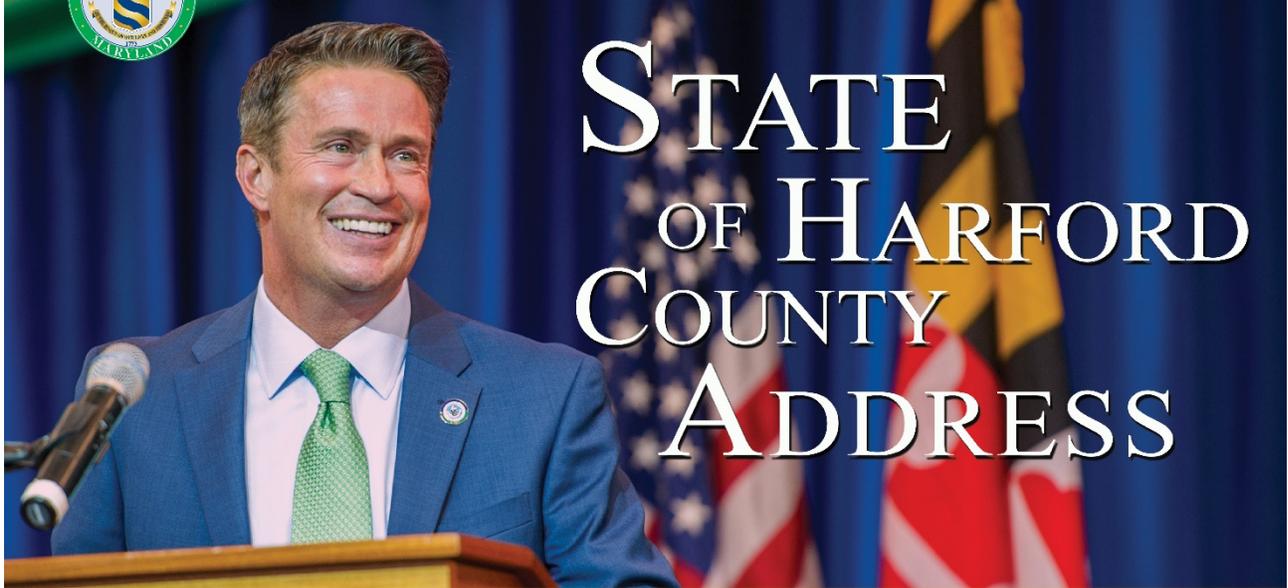




County Executive Barry Glassman



STATE OF HARFORD COUNTY ADDRESS

TUESDAY, FEBRUARY 5, 2019

State of the County Address – February 5, 2019

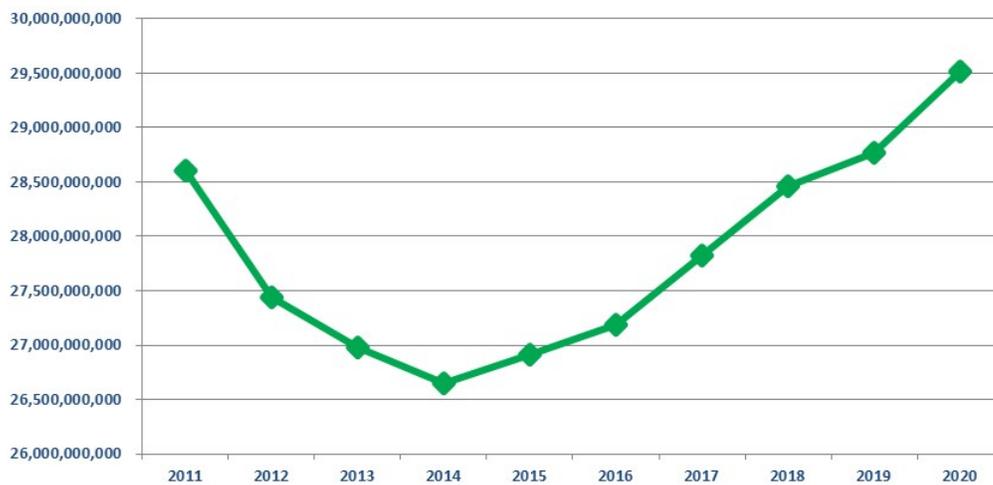
Building on our Success ...

Thank you. It is good to be with the Harford County Council this evening, thank you for being a great partner. I am pleased to report the State of Harford County is strong and our amazing turnaround story continues and bodes well for our next term. You know there's an old saying, "You can't build on a weak foundation, but if you have a strong foundation like we have, then you can build anything on it." The best proof of this was last month when our Triple-A bond rating was reaffirmed by all three rating agencies: Moody's, Fitch and S&P. Our economy is growing and we have made key investments in education and public safety in the form of salary increases for our teachers, deputies, correctional officers and our own county employees, and with the construction of the new

middle-high school in Havre de Grace, while at the same time restoring our fund balance.



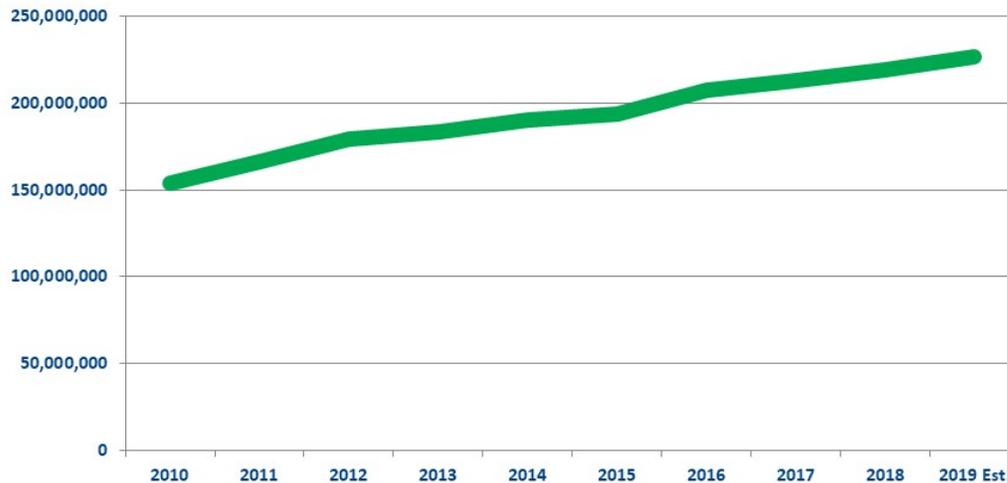
Total Assessable Base



Our assessable base and home values have fully recovered from the depths of the great recession. Our base is up nearly 11% over its low point in 2014. This time, as opposed to the boom and bust cycle of the past, I believe our real estate market is on a more stable and sustainable path, with moderate increases averaging 2%. This is actually better for the budgets of the County and our homeowners.



Income Tax



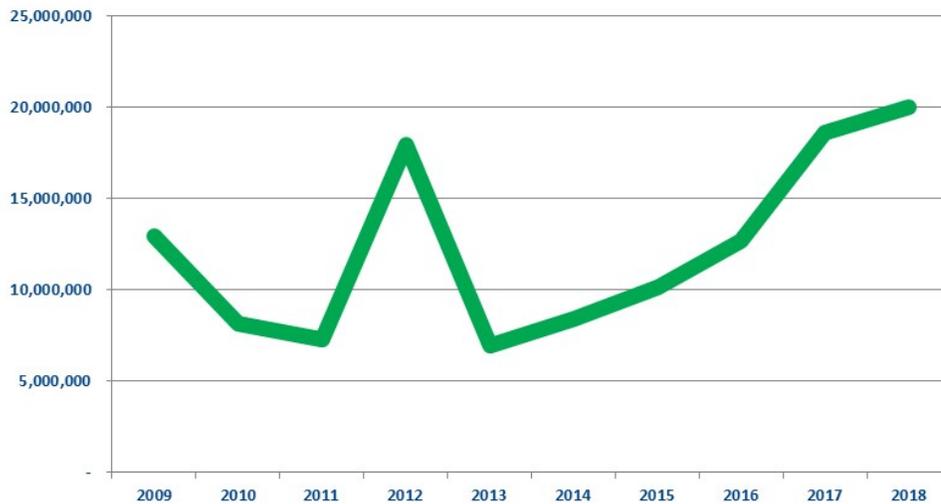
Our income tax revenue also continues to grow at a moderate to strong level, indicative of a local economy that has low unemployment and rising wages.

Our revenues a few years ago were significantly behind our expenditures. We were simply spending more than we were taking in. That wasn't sustainable and we have reversed it; and we did it all without raising tax rates.

Another key investment was in rebuilding our reserves. Aside from the bond rating analysts and a few people in my Treasury and Budget offices, no one will commend you for restoring fund balance.



General Fund – Unassigned Fund Balance

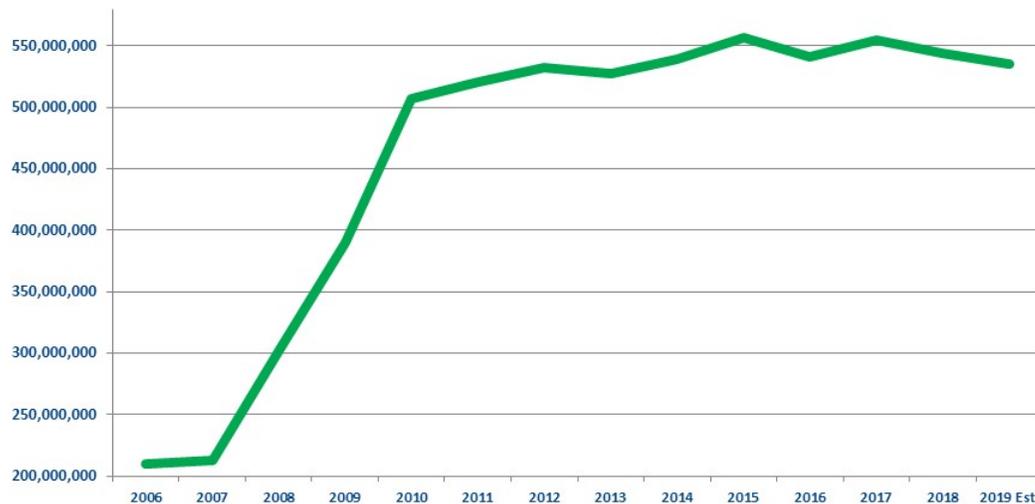


However, our reserves were nearly depleted just four years ago, and today our reserves are more than double where they were when I came into office.

A few months ago, these reserves helped us quickly respond to bridge and road damage without worrying about how we were going to pay for it.



Total Government Debt – Taxpayer Supported



Lastly, on the financial front, I am a follower of some old farmers’ advice, “When you find yourself in a hole, the first thing you have to do is stop digging.”

The County’s debt nearly tripled in the ten years between 2006 and 2015. I have changed that trajectory, and only twice in the past 20 years has the County paid off more on old debt than we have taken on. Both of these times were under my administration. It does require fiscal discipline and someone has to say “no” to projects that are nice to have, but not essential.

So you can see why I’m so optimistic headed into the next four years for our families.

Let me update you on some local economic developments.

Eastgate is still building out a 36 million dollar capital investment and bringing another 500 new jobs with a million square feet under construction ... Abingdon Woods is expected to bring another 375 acres along I95 to strengthen our distribution base.

APG - Our great Federal partner is still seeing growth with the Army Futures Command, tech-based mission growth, and we saw contractor numbers grow last year. Last year we saw nearly 70 million dollars in contracts awarded to three of our local companies.

AMMP - Advanced Manufacturing, Materials and Processes, backed by 38 million in Congressional funding, is aligned with the National Center for Manufacturing Sciences. AMMP really offers a great opportunity for us to commercialize APG technology, along with Def Tech Maryland. The Governor has funded an additional million dollars to assist with the buildout at the Heat Center.

James Run and Bel Air Overlook are moving and will add to residential and small commercial development.

My administration and every Harford County citizen enjoys a quality of life that is often taken for granted. The foundations of all strong communities are laid through the hard work and tireless efforts of our public servants. To that end, I am extremely pleased to announce that beginning tomorrow we will be kicking off our Hometown Heroes campaign. Hometown Heroes is a new down payment assistance program, which will offer up to \$5,000 toward closing costs for first

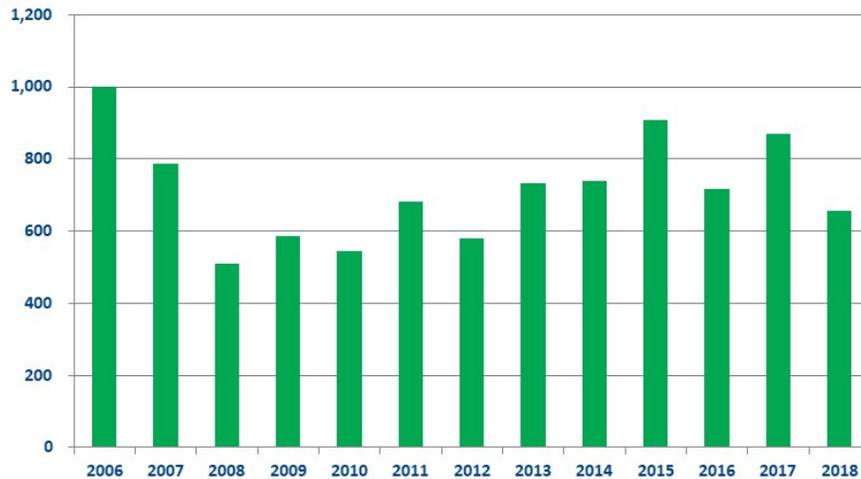
time homebuyers who are our first responders or employed by the Harford County sheriff's office, school system or county government.

And we continue to market our Edgewood BRAC Zone and now Federal Opportunity Zone as we make sure to build for the future in every area of our beautiful county.

Our Planning and Zoning Department, in partnership with the University of Maryland PALS program, completed about ten projects this year to help with planning across a number of county departments, and will continue their work reviewing Harford Next's study area in anticipation of making recommendations for public comment next year. Additionally, I expect the final version of our Green Infrastructure Plan to be out this spring, which will allow us to use advanced methodology for a more refined assessment of our highly valuable environmental areas. For example, we will be designing rain gardens at the courthouse to manage runoff. Harford Next, our master plan, continues to guide us for good sustainable growth that places quality over quantity.



RESIDENTIAL PERMIT ACTIVITY



I do want to show you a slide of our residential permit growth because I know both of us are questioned about too much growth, but as you can see our residential growth has been modest at best since the great recession, and we have room to do a little better.

Last year at this time, we launched the County's first EMS surge ambulance and it has responded to nearly 1,700 calls for service providing the EMS Foundation and volunteers with a safety net. This is in addition to the County funding close to an additional million dollars to keep the EMS Foundation solvent. As the number of second and third due calls continues to increase, we will be staffing our second unit for deployment this spring to support our volunteer system and ensure quality care.

As I mentioned earlier, we have dedicated close to all new, ongoing revenue to public safety and education, and Harford County has always funded our schools above the maintenance of effort, while for the most part 50 cents of every tax dollar has gone to education.



CORRECTED ACTUAL
HCPS Budget vs. HCG General Fund (Including Solid Waste) with Paygo and Debt Service
SINCE 2009

FISCAL	HCPS Local Operating Allocaton	HCPS Debt Service	HCPS Paygo Allocation	HCPS Total	Harford County General Fund (includes Solid Waste Revenue)	HCPS Budget as a % of HC General Fund	Dollar Increase in HC General Fund Budget from Previous Year	Dollar Increase in HCPS Budget from Previous Year	Percentage of HCPS increase to Total HC General Fund Increase	If HCPS had received the proportionate increase of HC's Increased Dollars
2009	210,914,800	16,798,316	8,104,830	235,817,946	487,325,330	48.39%				
2010	210,914,800	16,259,253	586,938	227,760,991	461,423,639	49.36%	(25,901,691)	(8,056,955)	31.1%	(12,785,203)
2011	214,061,789	25,557,328	0	239,619,117	469,918,509	50.99%	8,494,870	11,858,126	139.6%	4,331,673
2012	214,291,627	30,160,642	0	244,452,269	491,484,910	49.74%	21,566,401	4,833,152	22.4%	10,726,587
2013	219,821,368	30,628,653	400,000	250,850,021	502,082,892	49.96%	10,597,982	6,397,752	60.4%	5,294,950
2014	221,300,729	30,355,614	5,573,041	257,229,384	511,723,888	50.27%	9,640,996	6,379,363	66.2%	4,846,261
2015	223,667,302	30,642,263	300,000	254,609,565	502,648,630	50.65%	(9,075,258)	(2,619,819)	28.9%	(4,596,944)
2016	228,208,971	31,709,489	250,000	260,168,460	517,583,954	50.27%	14,935,324	5,558,895	37.2%	7,507,382
2017	233,534,504	31,036,954	1,016,948	265,588,416	524,570,000	50.63%	6,986,046	5,419,956	77.6%	3,537,017
2018	238,715,645	31,826,225	2,558,000	273,099,870	543,100,000	50.29%	18,530,000	7,511,454	40.5%	9,317,880
2019	245,815,645	34,290,463	1,975,000	282,081,108	571,655,000	49.34%	28,555,000	8,981,238	31.5%	14,090,362

Change since 2009	1%		
Total dollar increase since 2009		46,263,162	42,269,965
Average over 10 years	50.1%	4,626,316	4,226,997



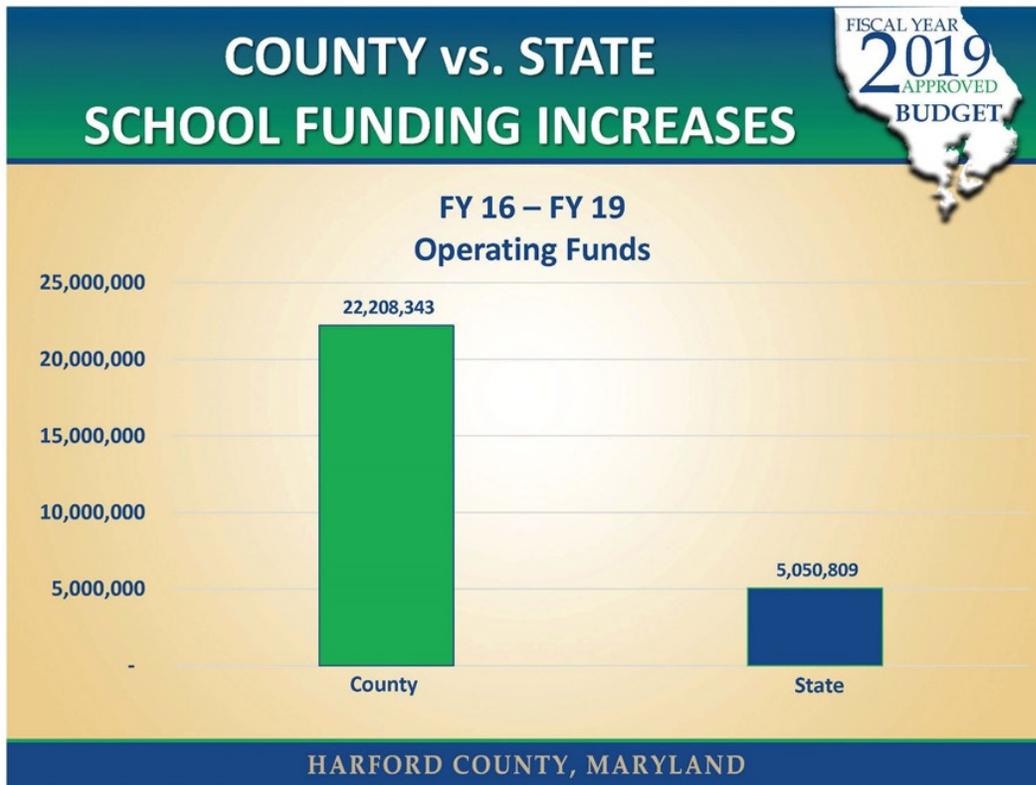
I know there are a lot of charts out there but we are number 13 out of 24 Maryland jurisdictions on local funding dollars to public education.

Exhibit 7.5
Local Funding for Public Schools in Fiscal 2018

County	2017 Total Enrollment	Local Appropriation	Per Pupil	Ranking by Per Pupil Funding	
Allegany	8,191.0	\$30,424,308	\$3,714	1.	Worcester \$13,256
Anne Arundel	80,492.0	678,639,500	8,431	2.	Montgomery 10,599
Baltimore City	76,382.0	278,412,181	3,645	3.	Howard 10,321
Baltimore	109,613.5	790,069,124	7,208	4.	Kent 9,236
Calvert	15,455.0	120,670,112	7,808	5.	Talbot 8,621
Caroline	5,472.0	14,207,361	2,596	6.	Anne Arundel 8,431
Carroll	24,942.0	186,864,400	7,492	7.	Calvert 7,808
Cecil	14,784.0	81,688,528	5,525	8.	Carroll 7,492
Charles	26,085.0	175,509,060	6,728	9.	Garrett 7,483
Dorchester	4,531.0	19,120,529	4,220	10.	Queen Anne's 7,364
Frederick	40,857.0	260,826,623	6,384	11.	Baltimore 7,208
Garrett	3,650.0	27,314,472	7,483	12.	Charles 6,728
Harford	36,885.0	238,715,645	6,472	13.	Harford 6,472
Howard	55,507.0	572,871,655	10,321	14.	Frederick 6,384
Kent	1,866.0	17,233,593	9,236	15.	St. Mary's 5,957
Montgomery	157,131.0	1,665,466,863	10,599	16.	Prince George's 5,812
Prince George's	127,172.0	739,181,200	5,812	17.	Cecil 5,525
Queen Anne's	7,536.0	55,495,261	7,364	18.	Washington 4,426
St. Mary's	17,155.0	102,189,940	5,957	19.	Dorchester 4,220
Somerset	2,709.0	9,741,620	3,596	20.	Allegany 3,714
Talbot	4,408.0	38,002,162	8,621	21.	Baltimore City 3,645
Washington	21,926.0	97,053,410	4,426	22.	Somerset 3,596
Wicomico	14,908.0	43,605,002	2,925	23.	Wicomico 2,925
Worcester	6,327.0	83,870,125	13,256	24.	Caroline 2,596
Total	863,984.5	\$6,327,172,674	\$7,323		

Source: Maryland State Department of Education; Local School Budgets; Department of Legislative Services

This does not include the School Resource Officer program we fund through the Sheriff's Office. And new funding from the county over the past four years has outpaced state increases by 4 to 1.



The school board is finally coming to terms with some of the difficult business decisions just like we made in county government four years ago. Believe me, I know these decisions are tough, but being proactive on health care costs, pension and procurement reform does make a difference. For example, in county government over the past four years we have saved more than \$9 million in procurement alone. That makes money available for other priorities, such as the superintendent's proposed increase of \$10 million from the County next year.

I do want to recognize Karen Myers who was recently awarded Maryland Public Purchasing Association Manager of the Year.

We stand ready to assist and do our part in keeping our education system strong and our teachers supported.

In my role as President of the MD Association of Counties, I've had to pick up the skill of long term forecasting and temper some of the optimism out there with these possible storm warnings, although I don't want to become the Rick Ayres of economic warnings... But we have been on the longest, although modest, number of months of an economic recovery in our history, and Moody's is predicting a slowdown next year. The State has a structural deficit looming next year of 1.5 billion dollars while their Kirwan Commission recommends 4 billion dollars in new education spending over ten years, with some calling on counties to do a 40 or 50 percent match. To put that in perspective, it would force Maryland counties across the state to raise property taxes on average by 25 cents.

Unsustainable health care increases and prescription costs continue at an alarming pace. Since the federal government has failed to do anything to solve this national crisis, I am supporting a statewide effort to at least create a board to review these increases on the prescription side. Let me share this slide as an example.



Harford's 25 Top Drugs (2017) BY GROSS COST

BOB Rank*	Prior Rank	Current Rank	Drug Name	Dispense Type	Therapeutic Class	Generic	Launch Date**	Gross Cost	Total Rx	Utilizers	Gross Cost Per Rx	Gross Cost Per Days' Supply	AWP Inflation
1	1	1	Humira	Specialty	Analgesics - Anti-Inflammatory	NA	NA	\$680,026	72	25	\$9,444.80	\$174.10	8.4%
8	5	2	Copaxone	Specialty	Psychotherapeutic And Neurological Agents - Misc	Q4-2017	\$153,769	22	5	\$6,989.51	\$209.49	7.9%	
30	237	3	Humatrope	Specialty	Endocrine And Metabolic Agents - Misc.	NA	\$142,461	16	5	\$8,903.79	\$168.99	8.0%	
6	4	4	Tecfidera	Specialty	Psychotherapeutic And Neurological Agents - Misc	NA	\$111,800	12	3	\$9,316.65	\$232.92	NA	
4	4	5	Victoza	Brand	Antidiabetics	NA	\$111,001	70	32	\$1,585.73	\$25.22	10.9%	
59	13	6	Sprycel	Specialty	Antineoplastics	NA	\$110,238	9	2	\$12,248.64	\$408.29	6.9%	
27	3	7	Metformin Hcl Er	Generic	Antidiabetics	NA	\$109,516	177	88	\$618.73	\$8.50	1.7%	
5	10	8	Novolog Flexpen	Brand	Antidiabetics	NA	\$105,397	67	31	\$1,573.09	\$24.83	7.9%	
12	6	9	Cialis	Brand	Cardiovascular Agents - Misc.	Q4-2018	\$97,240	237	83	\$410.30	\$11.10	15.9%	
7	23	10	Trulicity	Brand	Antidiabetics	NA	\$91,253	65	22	\$1,403.90	\$23.34	10.4%	
9	15	11	Januvia	Brand	Antidiabetics	NA	\$89,386	108	46	\$827.65	\$13.07	9.4%	
450	34	12	Evzio	Brand	Antidotes	NA	\$87,006	12	11	\$7,250.52	\$262.07	NA	
2	9	13	Enbrel	Specialty	Analgesics - Anti-Inflammatory	NA	\$76,571	9	4	\$8,507.91	\$160.86	8.4%	
472	7	14	Lenvima	Specialty	Antineoplastics	NA	\$73,385	5	1	\$14,676.96	\$489.23	NA	
148	15	15	Auvi-Q	Brand	Vasopressors	NA	\$72,757	9	9	\$8,084.10	\$320.51	NA	
22	12	16	Levemir Flextouch	Brand	Antidiabetics	NA	\$71,239	67	31	\$1,063.27	\$14.73	NA	
19	32	17	Eliquis	Brand	Anticoagulants	NA	\$66,398	98	36	\$677.53	\$12.78	7.9%	
11	18	18	Revlimid	Specialty	Assorted Classes	NA	\$66,254	6	2	\$11,042.34	\$450.71	NA	
10	26	19	Novolog	Brand	Antidiabetics	NA	\$63,138	36	14	\$1,753.83	\$27.38	8.4%	
3	20	20	Stelara	Specialty	Dermatologicals	NA	\$58,033	3	1	\$19,344.28	\$345.43	NA	
91	21	21	Zyliga	Specialty	Antineoplastics	NA	\$57,165	6	1	\$9,527.43	\$317.58	NA	
43	22	22	One Touch Ultra Test Stri	Brand	Diagnostic Products	NA	\$56,405	241	125	\$234.05	\$3.36	NA	
183	14	23	Androgel Pump	Brand	Androgens-Anabolic	NA	\$52,836	72	21	\$733.84	\$24.97	8.9%	
13	28	24	Vyvanse	Brand	Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiant	NA	\$52,787	185	47	\$285.34	\$9.84	9.0%	
206	21	25	Ofev	Specialty	Respiratory Agents - Misc.	NA	\$52,566	6	1	\$8,760.96	\$292.03	NA	
Subtotal of Top 25 Drugs								\$2,708,626	1,610	497	\$1,682.38	\$31.55	
All Others								\$3,968,223	34,426	3,812	\$115.27	\$2.49	
Total								\$6,676,849	36,036	3,826	\$185.28	\$3.97	

In 2017, we had 72 prescriptions of a drug that cost \$9,448 per month for a total of \$680,000, and close to 2 million dollars for 235 prescriptions out of the \$6.7 million we incur each year just for medications. You can see now why some senior citizens and families must choose between their medicine and other household expenses. So the combination of these developments should give us pause and remind us to be fiscally prudent as we prepare next year's County budget.

OK enough heavy stuff ...

As you know, I like to spend as much time on policies to strengthen our families and communities as I do on everything else. We continue to be resilient in our

battle against the opioid epidemic, and we were recognized by the National Association of Counties for our efforts. Recovery and redemption is possible. Every day Harford County is helping families overcome their struggles with drug addiction and substance use disorder with treatment and recovery resources. Families like Jacob and Tanisha participated in our Family Recovery Court program. In partnership with the court and the Harford County Department of Social Services, our Department of Community Services helped Jacob and Tanisha achieve sobriety and strengthen their family relationship with their daughter. Jacob and Tanisha participated in our Second Chance Job Fair at the Epicenter in Edgewood, resulting in Jacob getting a fulltime job, buying a car, and starting the expungement process. Their story shows that people and families can and do recover from drugs and lead fulfilling, law-abiding lives. Like many of the citizens we are helping that are seeking a second chance, Jacob is a dedicated employee.

... and then there's Joe Ryan. Joe Ryan has dedicated 45 years to helping people, 26 years as a sergeant with the State Police and 19 years as the administrator of our Office of Drug Control Policy. His efforts have helped Harford County achieve national acclaim, and to be recognized throughout the State for our innovative prevention strategies and progressive approaches to addiction and treatment. One of the greatest challenges of his career has been providing emergency guidance and support to families with a loved one struggling with addiction. Due to the opioid epidemic, the demand for his assistance has increased tenfold over the last two years. Through hundreds of presentations,

programs and one-on-one support, Joe Ryan has touched the lives of thousands of families in Harford County.

Just last month the Governor announced an additional \$750,000 to help build out our 24/7 Crisis center, which is the first of its kind in the State for addiction and behavioral health. The hotline and mobile crisis team are already experiencing the need. The depths of addiction, depression or thoughts of suicide can strike at any time, night or day. But that is also a window of opportunity when access to a caring professional and the right resources will save lives.

The hotline has handled 688 calls since October and the mobile crisis team responded to 138 calls for face-to-face visits, and most importantly to me, 56 of these were to adolescents 17 years old and under.

I am proud that we are the first county in the United States to contribute to a planned memorial in honor of Korean War Veterans. Thirty Harford County citizens gave their lives in that conflict and we have made a contribution for their names to be inscribed on a Wall of Remembrance to be built at the National Mall in Washington D.C. I have urged county executives across the state and the nation to follow Harford's lead. We are honored to have with us this evening some local veterans of the Korean War who are working on this effort, so that the sacrifice of their fellow soldiers will be remembered for generations to come.

We just completed another Project Homeless Connect with the United Way and a Second Chance Job Fair. Whether it's through these programs, or through our disability programs for employment and recreation, or our veterans resource fair,

**we are dedicated to those who need a hand up or just shown the way forward.
Our full progress report is available on the county website.**

Finally let me share one of the partnerships I'm so pleased with: our Choose Civility campaign with my friend Mary Hastler with the Harford County Public Library. In a time when our nation has become paralyzed by those who divide us by red, blue, race, color, creed or gender, we are hoping to reach for our better angels so we might be model for the state and nation in our discourse promoting respect, empathy and tolerance everywhere. As I tell our school children, "Be kind to every kind," and simply love one another. I know some of you think this is naïve or too soft, but I have been through the murder of our deputies, workplace violence, the opioid epidemic, along with the loss of life in floods and blizzards. But through all of this, Harford County's citizens have proven to me that love always wins. Thank you and God bless.